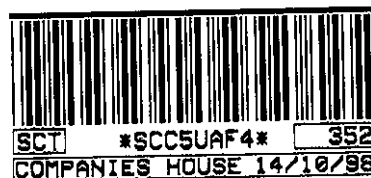


LOCHS & GLENS (TRANSPORT) LIMITED

Company No: SC 161833

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR TO 31 MARCH 1998

INVERSNAID, BY ABERFOYLE FK8 3TU



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**AUDITORS REPORT TO
LOCHS & GLENS (TRANSPORT) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT**

1.

We have examined the abbreviated accounts on pages 2 to 4 together with the full financial statements of Lochs & Glens (Transport) Limited for the year to 31 March 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

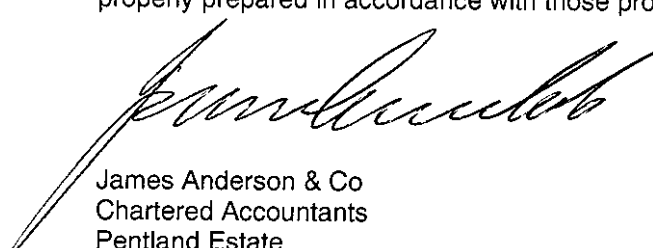
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



James Anderson & Co
Chartered Accountants
Pentland Estate
LOANHEAD
Midlothian
EH20 9QH

1 October 1998

Registered Auditors

Abbreviated Balance Sheet
As at 31 March 1998

	Notes	1998 £	1997 £
Fixed Assets			
Tangible assets	4	<u>529,208</u>	<u>661,510</u>
Current Assets			
Debtors		26,825	49,345
Bank & cash		<u>91,161</u>	<u>75,497</u>
		<u>117,986</u>	<u>124,842</u>
Creditors			
Amounts falling due within one year		<u>168,637</u>	<u>298,612</u>
Net Current Liabilities		<u>(50,651)</u>	<u>(173,770)</u>
Total Assets Less Current Liabilities		478,557	487,740
Creditors			
Amounts falling due outwith one year		<u>169,570</u>	<u>237,911</u>
		308,987	249,829
Provisions for Liabilities and Charges		<u>25,602</u>	<u>28,429</u>
		<u>283,385</u>	<u>221,400</u>
Capital and Reserves			
Called up share capital	2	10	10
Profit and loss account		<u>283,375</u>	<u>221,390</u>
Shareholders Funds		<u>283,385</u>	<u>221,400</u>

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 1 October 1998 and signed on its behalf.

N S Wells

Director

M F Wells

Director

The notes on pages 3 and 4 form part of these abbreviated financial statements.

**Notes to the Abbreviated Financial Statements
For the year to 31 March 1998**

1. Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared on the historical cost basis of accounting.

(b) Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives on the undernoted basis.

Coaches	20% reducing balance
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(c) Leasing and Hire Purchase Commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

(d) Deferred Tax

Deferred taxation is fully provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2. Called Up Share Capital

	1998 £	1997 £
Ordinary shares of £1 Issued and fully paid	10	10
Authorised	1,000	1,000
	<hr/>	<hr/>

3. Creditors

Creditors include the following

Secured creditors	72,427
	<hr/>

Notes to the Abbreviated Financial Statements (Continued)

4. Tangible Fixed Assets

	Coaches £
Cost	
At 31 March 1997 and 1998	<u>724,075</u>
Depreciation	
At 31 March 1997	62,565
Charge for the year	<u>132,302</u>
At 31 March 1998	<u>194,867</u>
Net Book Value	
At 31 March 1998	529,208
At 31 March 1997	<u>661,510</u>

The net book value of coaches held under hire purchase contracts at 31 March 1998 was £439,714 (1997 - £661,510).