

EXCELSIOR COACHES LIMITED

Company Number: 4329621

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30TH NOVEMBER 2003



NEWTON, MAGNUS & COMPANY
CHARTERED CERTIFIED ACCOUNTANTS



**Arrowsmith Court
Station Approach
Broadstone
Dorset BH18 8AT**

EXCELSIOR COACHES LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 30TH NOVEMBER 2003

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EXCELSIOR COACHES LIMITED

DIRECTORS REPORT

Directors: P K Robins
R F Robins

Secretary: P K Robins

Registered Office: 27 Queens Park South Drive, Bournemouth, Dorset BH8 9BH

The Directors present their annual report and financial statements for the year ended 30th November 2003.

ACTIVITIES

The Company's principal activity of coach operator remained unchanged throughout the year under review.

DIRECTORS

The Directors who served during the year under review, together with their interests in the capital of the Company, were as follows

	<u>£1 Ordinary Shares</u>	
	<u>30/11/2003</u>	<u>27/11/2002</u>
P K Robins	1,000,000	1,000,000
R F Robins	-	-

The shareholder has agreed to surrender 500,000 shares at nil consideration to the company to offset the company's costs in acquisition of the business from administrators and the costs of its subsequent re-structuring.

DIRECTORS RESPONSIBILITIES

- 1 In compliance with legal requirements, the directors have prepared financial statements for the year ended 30th November 2003 which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the loss for the year ended on that date.
- 2 The financial statements have been prepared in accordance with the applicable accounting standards.
- 3 The directors report that the business is a going concern.
- 4 The directors have adopted suitable accounting policies which have been consistently applied in the preparation of the financial statements for the year ended 30th November 2003 and these have been supported by reasonable and prudent judgements and estimates.
- 5 The directors are responsible for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

EXCELSIOR COACHES LIMITED

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Newton, Magnus and Company as auditors of the Company will be put to the Annual General Meeting.

SMALL COMPANIES

The directors report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'P K Robins', is written over a horizontal line.

P K Robins
Director

EXCELSIOR COACHES LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF EXCELSIOR COACHES LIMITED

We have audited the financial statements of Excelsior Coaches Limited for the year ended 30th November 2003 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable laws and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

EXCELSIOR COACHES LIMITED

AUDITORS REPORT TO THE MEMBERS OF

EXCELSIOR COACHES LIMITED continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th November 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Newton Magnus

.....
**NEWTON MAGNUS LIMITED
REGISTERED AUDITORS**

Arrowsmith Court
Station Approach
Broadstone
Dorset BH18 8AT

date *21ST JUNE 2004*

EXCELSIOR COACHES LIMITED
PROFIT & LOSS ACCOUNT
YEAR ENDED 30TH NOVEMBER 2003

	<u>Notes</u>	<u>2003</u> £	<u>2002</u> as restated £
<u>TURNOVER</u>		2,703,834	2,346,914
<u>LESS COST OF SALES</u>		2,290,620	1,939,842
<u>GROSS PROFIT</u>		413,214	407,072
Administration expenses		415,672	439,577
<u>OPERATING LOSS</u>	5	(2,458)	(32,505)
Restructing costs	14	(147,257)	-
Interest payable and similar charges		(195,636)	(147,012)
<u>LOSS ON ORDINARY ACTIVITIES</u>			
before taxation		(345,351)	(179,517)
Tax on ordinary activities	4	-	-
<u>LOSS ON ORDINARY ACTIVITIES</u>			
after taxation		(345,351)	(179,517)
Dividend	11	-	-
Retained loss	12	£(345,351)	£(179,517)

The notes on pages 8 to 12 form part of these accounts

EXCELSIOR COACHES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30TH NOVEMBER 2003

	<u>2003</u> £	<u>2004</u> £
<u>LOSS FOR THE FINANCIAL YEAR</u>	(345,351)	(179,517)
	_____	_____
<u>TOTAL RECOGNISED GAINS AND LOSSES</u> <u>RELATING TO THE YEAR</u>	(345,351)	(179,517)
	_____	_____
<u>PRIOR YEAR ADJUSTMENT (NOTE 15)</u>	(162,063)	

<u>TOTAL RECOGNISED GAINS AND LOSSES</u> <u>RECOGNISED SINCE LAST ANNUAL REPORT</u>	(507,414)	
	=====	

The notes on pages 8 to 12 form part of these accounts

EXCELSIOR COACHES LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 2003

	Notes	2003 £	2002 as restated £
<u>FIXED ASSETS</u>	1b & 2	2,699,198	2,490,253
<u>CURRENT ASSETS</u>	6	329,384	561,649
<u>CREDITORS - amounts falling due within one year</u>	7	800,686	767,743
<u>NET CURRENT LIABILITIES</u>		(471,302)	(206,094)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		2,227,896	2,284,159
<u>CREDITORS - amounts falling due after one year</u>			
Bank loan finance for coach acquisitions		438,938	445,541
Hire purchase creditors		1,166,569	1,018,135
		1,605,507	1,463,676
<u>TOTAL ASSETS LESS AMOUNTS FALLING due after one year</u>		622,389	820,483
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>			
Restructuring costs	14	147,257	-
<u>NET ASSETS</u>		£475,132	£820,483
<u>FINANCED BY:</u>			
<u>CAPITAL AND RESERVES</u>			
Called up share capital	3	1,000,000	1,000,000
Profit and loss account	12	(524,868)	(179,517)
<u>SHAREHOLDERS FUNDS</u>		£475,132	£820,483

The accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These accounts were approved by the board of directors on the and signed on its behalf:

.......... P K Robins

The notes on pages 8 to 12 form part of these accounts
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EXCELSIOR COACHES LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 30TH NOVEMBER 2003

1 STATEMENT OF ACCOUNTING POLICIES

- a) The accounts have been prepared in accordance with the accounting concepts set out in the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounting policies adopted by the Company are set out as part of these notes and unless otherwise specifically stated have been consistently applied for the current year and proceeding period.

- b) Depreciation has been provided for on the fixed assets of the company on the following bases:

Coaches	15% per annum on the reducing balance basis.
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Coaches used on National Express routes	18% per annum on the reducing balance basis.
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Feeder vehicles	24% per annum on the reducing balance basis.
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Office equipment	33.33% per annum on a straight line basis.
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Coach washer	NIL
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No depreciation is charged on the coach washer as the installation was incomplete as at 30th November 2003.

Cherished number plates	NIL
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No depreciation is charged on cherished number plates because their cost is less than their realisable value.

c) STOCKS

Stock has been valued at the lower of cost or net realisable value.

d) COACH FINANCING CHARGES

These are calculated on the sum of the digits basis over the repayment period.

EXCELSIOR COACHES LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 30TH NOVEMBER 2003 continued

2 TANGIBLE FIXED ASSETS

	<u>Coach Washer</u> £	<u>Coaches and Feeder Vehicles</u> £	<u>Office Equipment</u> £	<u>Cherished Number Plates</u> £	<u>Total</u> £
<u>COST</u>					
Opening balance (as restated)	2,395	2,804,680	60,000	2,350	2,869,425
Additions	-	804,321	-	-	804,321
Disposals	-	(140,500)	-	-	(140,500)
Closing balance	2,395	3,468,501	60,000	2,350	3,533,246
<u>DEPRECIATION</u>					
Opening balance (as restated)	-	359,172	20,000	-	379,172
Transfer on disposal	-	(34,798)	-	-	(34,798)
Charge for the period	-	469,674	20,000	-	489,674
Closing balance	-	794,048	40,000	-	834,048
<u>NET BOOK VALUE</u>					
30th November 2003	£2,395	£2,674,453	£20,000	£2,350	£2,699,198
30th November 2002	£2,395	£2,445,508	£40,000	£2,350	£2,490,253

TANGIBLE FIXED ASSETS INCLUDED ABOVE HELD UNDER HIRE PURCHASE AND FINANCE LEASES

	<u>2003</u> £	<u>2002</u> <u>as restated</u> £
Net book value of assets	£1,952,716	£1,802,875
Depreciation for the period	£352,111	£262,125

EXCELSIOR COACHES LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 30TH NOVEMBER 2003

continued

3	<u>SHARE CAPITAL</u>	<u>2003</u> £	<u>2002</u> £
	<u>Authorised</u>		
	Ordinary shares of £1 each	2,500,000	2,500,000
	<u>Allotted, issued and fully paid</u>		
	Ordinary shares of £1 each	1,000,000	1,000,000
4	<u>TAXATION</u>		
	There is no liability or deferred liability to UK corporation tax on the results shown by these accounts.		
5	<u>OPERATING LOSS</u>	<u>2003</u>	<u>2002</u> <u>as restated</u>
	This is stated after charging:	£	£
	Depreciation of tangible fixed assets	489,674	379,172
	Auditors remuneration	2,500	2,350
	Directors emoluments for services as directors	-	-
6	<u>CURRENT ASSETS</u>	<u>2003</u>	<u>2002</u>
		£	£
	Stocks	34,945	43,951
	Trade debtors	102,699	115,289
	Other debtors	189,856	68,169
	Cash at bank and in hand	1,884	334,240
		329,384	561,649
7	<u>CREDITORS - amounts falling due within one year</u>	<u>2003</u>	<u>2002</u> <u>as restated</u>
		£	£
	Bank overdraft	3,854	-
	Bank loan finances for coach acquisitions	152,854	144,500
	Hire purchase creditors	471,034	499,447
	Payments received on account	17,666	-
	Trade creditors	114,448	80,920
	Other creditors including taxation and social security	18,923	-
	Accruals	21,907	42,876
		800,686	767,743

EXCELSIOR COACHES LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 30TH NOVEMBER 2003 continued

8 CREDITORS SECURED BY CHARGE ON ASSETS

	<u>2003</u>	<u>2002</u> <u>as restated</u>
	£	£
Bank loan finance for coach acquisitions	591,792	590,041
Hire purchase creditors	1,637,603	1,517,582
	£2,229,395	£2,107,623

9 BANK LOAN FINANCE AND HIRE PURCHASE LIABILITIES FOR COACH FLEET ACQUISITION

	<u>2003</u>	<u>2002</u> <u>as restated</u>
	£	£
Repayable within one year	623,888	643,947
Repayable two to five years	1,605,507	1,463,676
Repayable after five years	-	-
	£2,229,395	£2,107,623

10 RELATED PARTY TRANSACTIONS AND TRANSACTIONS IN WHICH A DIRECTOR HAS A MATERIAL INTEREST

The company is controlled by Mr P K Robins.

Mr Robins also controls the companies Excel Tours Limited and Excelsior Leisure Limited.

The director Mr P K Robins has guaranteed the bank overdraft up to £150,000.

During the period under review the company received revenue of £1,058,434 from Excel Tours Limited for hire of coaches and incurred £55,000 administrative costs to Excelsior Leisure Limited.

As at 30th November 2003 the company owed £158,773 to Excel Tours Limited.

11 DIVIDENDS

	<u>2003</u>	<u>2002</u>
	£	£
Paid	-	-
Proposed	-	-

EXCELSIOR COACHES LIMITED

NOTES TO THE DETAILED OPERATING STATEMENT continued

YEAR ENDED 30TH NOVEMBER 2003

12	<u>RESERVES - Profit and loss account</u>	<u>2003</u>	<u>2002</u> <u>as restated</u>
		£	£
	Opening balance as previously stated	(17,454)	-
	Prior year adjustment (note 15)	(162,063)	-
		_____	_____
	Opening balance as restated	(179,517)	-
	Retained loss for the year	(345,351)	(179,517)
		_____	_____
	Balance per balance sheet	(524,868)	(179,517)
		_____	_____

13 CAPITAL COMMITMENTS

The company is committed to capital expenditure of £18,407 to complete the coach washer.

14 RESTRUCTURING COSTS

Following acquisition of the business from administrators and a detailed investigation of each of the various coaching activities both in terms of medium to long term prospects and position in the market-place the company committed in 2003 to a major restructuring of the coaching business. The total costs of the restructuring being £147,257. (Redundancy payments and related salaries - £56,919 Fleet restructuring £90,339). This restructuring was completed in May 2004.

15 PRIOR YEAR ADJUSTMENTS

Coach depreciation changed from 12.5% pa to 15% and 18% for National Express use	94,868
Interest charges on coach finance changed from the straight line method to the sum of the digits	47,195
Two Mercedes Feeder Coaches overvalued	20,000

	£162,063

16 POST BALANCE SHEET EVENTS

Reduction in Share Capital

The company is applying to the courts for the authority to reduce share capital by £500,000 with no monies being paid to shareholders.