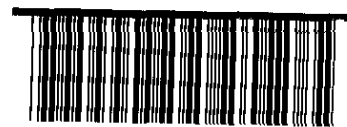


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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000
FOR
PARK'S OF HAMILTON (COACH HIRERS) LTD

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PARK'S OF HAMILTON (COACH HIRERS) LTD

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for the Year Ended 31 March 2000

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PARK'S OF HAMILTON (COACH HIRERS) LTD

COMPANY INFORMATION
for the Year Ended 31 March 2000

DIRECTORS:	D I Park I B MacKay G Donnachie H R A McAteer J Miller
SECRETARY:	Gerard Donnachie
REGISTERED OFFICE:	Park House 14 Bothwell Road Hamilton ML3 0AY
REGISTERED NUMBER:	47046 (Scotland)
AUDITORS:	Thomas Barrie & Co Registered Auditors Chartered Accountants Atlantic Chambers 1a Cadogan Street Glasgow G2 6QE
BANKERS:	Bank of Scotland Plc New Cross Hamilton
SOLICITORS:	Holmes Mackillop 109 Douglas Street Glasgow G2 4HB

PARK'S OF HAMILTON (COACH HIRERS) LTD

REPORT OF THE DIRECTORS **for the Year Ended 31 March 2000**

The directors present their report with the financial statements of the company for the year ended 31 March 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of coach operators.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors consider the trading results to be satisfactory.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2000.

FIXED ASSETS

Details of changes in Fixed Assets are set out in the Notes on Accounts.

FUTURE DEVELOPMENTS

The directors do not anticipate any changes to the manner in which the company operates in the foreseeable future.

DIRECTORS

The directors during the year under review were:

D I Park

I B MacKay

G Donnachie

H R A McAteer

J Miller

D R Heath

- resigned 26.7.99

R Wyper

- resigned 30.4.99

The directors holding office at 31 March 2000 did not hold any beneficial interest in the issued share capital of the company at 1 April 1999 or 31 March 2000.

THE YEAR 2000 ISSUE

The company is reliant upon computers for the day to day running and control of its business. The company has had an upgrade program in place for some time and had no major system problems over the millennium. The company does not anticipate any future software modification costs.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

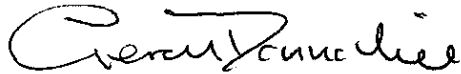
PARK'S OF HAMILTON (COACH HIRERS) LTD

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2000

AUDITORS

The auditors, Thomas Barrie & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Gerard Donnachie', written in a cursive style.

Gerard Donnachie - SECRETARY

Dated: 5 September 2000

PARK'S OF HAMILTON (COACH HIRERS) LTD

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
PARK'S OF HAMILTON (COACH HIRERS) LTD

We have audited the financial statements on pages five to fifteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Thomas Barrie & Co
Registered Auditors
Chartered Accountants
Atlantic Chambers
1a Cadogan Street
Glasgow
G2 6QE



Dated: 5 September 2000

PARK'S OF HAMILTON (COACH HIRERS) LTD

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2000

1999				2000	
£	£		Notes	£	£
6,705,349		TURNOVER			6,650,795
3,058,063		Raw materials and consumables			2,761,731
3,647,286					3,889,064
	2,148,745	Staff costs	2	2,121,327	
	571,890	Depreciation		610,224	
	338,393	Other operating charges		326,338	
3,059,028					3,057,889
588,258		OPERATING PROFIT	3		831,175
		Interest payable and similar charges	4		560,842
545,868					
42,390		PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			270,333
(3,418,451)		Tax on profit on ordinary activities	5		(180,590)
		PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			450,923
3,460,841					
1,200,000		Dividends	6		-
2,260,841					450,923
1,116,808		Retained profit brought forward			3,377,649
<u>£3,377,649</u>		RETAINED PROFIT CARRIED FORWARD			<u>£3,828,572</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements


PARK'S OF HAMILTON (COACH HIRERS) LTD

BALANCE SHEET

31 March 2000

1999			2000	
£	£		£	£
15,504,212		FIXED ASSETS:		
		Tangible assets		13,782,260
		CURRENT ASSETS:		
	95,243	Stocks	8	94,988
	759,990	Debtors	9	672,939
	658,112	Cash at bank and in hand		2,019,267
	1,513,345			2,787,194
		CREDITORS: Amounts falling		
	5,551,892	due within one year	10	5,525,444
(4,038,547)		NET CURRENT LIABILITIES:		(2,738,250)
11,465,665		TOTAL ASSETS LESS CURRENT		
		LIABILITIES:		11,044,010
(7,099,289)		CREDITORS: Amounts falling		
		due after more than one year	11	(6,407,301)
(488,727)		PROVISIONS FOR LIABILITIES		
		AND CHARGES:	14	(308,137)
<u>£3,877,649</u>				<u>£4,328,572</u>
		CAPITAL AND RESERVES:		
500,000		Called up share capital	15	500,000
3,377,649		Profit and loss account		3,828,572
<u>£3,877,649</u>		SHAREHOLDERS' FUNDS:	19	<u>£4,328,572</u>

ON BEHALF OF THE BOARD:



D J Park - DIRECTOR

Approved by the Board on 5 September 2000

The notes form part of these financial statements

PARK'S OF HAMILTON (COACH HIRERS) LTD

CASH FLOW STATEMENT
for the Year Ended 31 March 2000

1999			2000	
£	£	Notes	£	£
2,467,660		Net cash inflow from operating activities		1,550,956
(545,868)		Returns on investments and servicing of finance		(560,842)
3,789,756		Capital expenditure		3,885,728
(1,200,000)		Equity dividends paid		-
<u>4,511,548</u>				<u>4,875,842</u>
(3,352,565)		Financing		(3,514,687)
<u>£1,158,983</u>		Increase in cash in the period		<u>£1,361,155</u>
<hr/>				
		Reconciliation of net cash flow to movement in net debt		3
	1,158,983	Increase in cash in the period	1,361,155	
	3,352,565	Cash outflow from decrease in debt and lease financing	3,514,687	
		Change in net debt resulting from cash flows		4,875,842
4,511,548		New finance leases		(2,774,000)
(6,167,365)				
<u>(1,655,817)</u>		Movement in net debt in the period		<u>2,101,842</u>
<u>(8,057,332)</u>		Net debt at 1 April		<u>(9,713,149)</u>
<u>(9,713,149)</u>		Net debt at 31 March		<u>£(7,611,307)</u>

The notes form part of these financial statements

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	831,175	588,258
Depreciation charges	1,253,348	1,129,382
Loss on sale of fixed assets	16,707	-
Profit on sale of fixed assets	(659,831)	(557,492)
Decrease/(Increase) in stocks	255	(18,966)
Decrease/(Increase) in debtors	87,051	(220,289)
Increase in creditors	22,251	1,546,767
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>1,550,956</u>	<u>2,467,660</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest paid	-	(41)
Interest element of hire purchase payments	<u>(560,842)</u>	<u>(545,827)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(560,842)</u>	<u>(545,868)</u>
Capital expenditure		
Purchase of tangible fixed assets	(785,872)	(687,078)
Sale of tangible fixed assets	<u>4,671,600</u>	<u>4,476,834</u>
Net cash inflow for capital expenditure	<u>3,885,728</u>	<u>3,789,756</u>
Financing		
Capital Element of Finance	<u>(3,514,687)</u>	<u>(3,352,565)</u>
Net cash outflow from financing	<u>(3,514,687)</u>	<u>(3,352,565)</u>

The notes form part of these financial statements

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2000

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.99 £	Cash flow £	Other non-cash changes £	At 31.3.00 £
Net cash:				
Cash at bank and in hand	658,112	1,361,155		2,019,267
	<u>658,112</u>	<u>1,361,155</u>		<u>2,019,267</u>
Debt:				
Hire purchase	10,371,261	3,514,687	(2,774,000)	(9,630,574)
	<u>10,371,261</u>	<u>3,514,687</u>	<u>(2,774,000)</u>	<u>(9,630,574)</u>
Total	<u>(9,713,149)</u>	<u>4,875,842</u>	<u>(2,774,000)</u>	<u>(7,611,307)</u>
Analysed in Balance Sheet				
Cash at bank and in hand	658,112			2,019,267
Hire purchase				
within one year	(3,271,972)			(3,223,273)
after one year	<u>(7,099,289)</u>			<u>(6,407,301)</u>
	<u>(9,713,149)</u>			<u>(7,611,307)</u>

The notes form part of these financial statements

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost
Coaches	- at varying rates on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	1,966,259	1,974,314
Social security costs	155,068	174,431
	<u>2,121,327</u>	<u>2,148,745</u>

The average monthly number of employees during the year was as follows:

	2000	1999
Office and Management	10	11
Production	159	161
	<u>169</u>	<u>172</u>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2000

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2000	1999
	£	£
Depreciation - owned assets	96,697	120,856
Depreciation - assets on hire purchase contracts	1,156,651	1,008,526
Profit on disposal of fixed assets	(643,124)	(557,492)
Auditors' remuneration	3,750	3,750
	<u>32,480</u>	<u>31,019</u>
Directors' emoluments	<u>32,480</u>	<u>31,019</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank interest	-	41
Hire purchase	560,842	545,827
	<u>560,842</u>	<u>545,868</u>

5. TAXATION

The tax credit on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
Deferred taxation	<u>(180,590)</u>	<u>(3,418,451)</u>

6. DIVIDENDS

	2000	1999
	£	£
Equity shares:		
Interim Dividend	<u>-</u>	<u>1,200,000</u>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2000

7. TANGIBLE FIXED ASSETS

	Totals	Plant and machinery	Fixtures and fittings	Motor vehicles	Coaches
	£	£	£	£	£
COST:					
At 1 April 1999	17,777,499	332,940	18,558	335,006	17,090,995
Additions	3,559,872	17,909	-	105,489	3,436,474
Disposals	(5,159,347)	-	-	(184,930)	(4,974,417)
At 31 March 2000	16,178,024	350,849	18,558	255,565	15,553,052
DEPRECIATION:					
At 1 April 1999	2,273,287	181,403	18,558	48,178	2,025,148
Charge for year	1,253,348	29,558	-	67,139	1,156,651
Eliminated on disposals	(1,130,871)	-	-	(34,123)	(1,096,748)
At 31 March 2000	2,395,764	210,961	18,558	81,194	2,085,051
NET BOOK VALUE:					
At 31 March 2000	13,782,260	139,888	-	174,371	13,468,001
At 31 March 1999	15,504,212	151,537	-	286,828	15,065,847

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Coaches
	£
COST:	
At 1 April 1999	17,055,395
Additions	3,436,474
Disposals	(4,974,417)
Transferred to ownership	35,600
At 31 March 2000	15,553,052
DEPRECIATION:	
At 1 April 1999	1,989,548
Charge for year	1,156,651
Eliminated on disposals	(1,096,748)
Transferred to ownership	35,600
At 31 March 2000	2,085,051
NET BOOK VALUE:	
At 31 March 2000	13,468,001
At 31 March 1999	15,065,847

8. STOCKS

	2000	1999
	£	£
Stock	94,988	95,243

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2000

9. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000	1999
	£	£
V.A.T.	48,747	275,969
Trade Debtors	378,439	385,669
Amounts Due by Group Companies	28,844	10,855
Prepayments & Accrued Income	210,076	82,446
Other Debtors	6,833	5,051
	<u>672,939</u>	<u>759,990</u>

10. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000	1999
	£	£
Hire purchase contracts (see note 12)	3,223,273	3,271,972
Trade Creditors	251,021	212,582
Other Creditors	-	275,034
Amounts Due to Group Companies	1,860,034	1,627,130
Social Security & Other Taxes	36,865	37,912
Accrued Expenses	154,251	127,262
	<u>5,525,444</u>	<u>5,551,892</u>

11. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2000	1999
	£	£
Hire purchase contracts (see note 12)	<u>6,407,301</u>	<u>7,099,289</u>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2000

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2000 £	1999 £
Gross obligations repayable:		
Within one year	3,808,734	3,820,352
Between one and five years	7,566,124	8,314,541
	<u>11,374,858</u>	<u>12,134,893</u>
Finance charges repayable:		
Within one year	585,461	548,380
Between one and five years	1,158,823	1,215,252
	<u>1,744,284</u>	<u>1,763,632</u>
Net obligations repayable:		
Within one year	3,223,273	3,271,972
Between one and five years	6,407,301	7,099,289
	<u>9,630,574</u>	<u>10,371,261</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2000 £	1999 £
Hire purchase contracts	<u>9,630,574</u>	<u>10,371,261</u>

The company has granted bonds and floating charges in favour of the Bank of Scotland and in favour of companies in the Capital Bank Group.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Deferred taxation	<u>308,137</u>	<u>488,727</u>
	Deferred taxation	
	£	
Balance at 1 April 1999	488,727	
Decrease in Provision	(180,590)	
Balance at 31 March 2000	<u>308,137</u>	

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 March 2000

14. PROVISIONS FOR LIABILITIES AND CHARGES - continued

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided		Not provided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated Capital Allowances	<u>308,137</u>	<u>488,727</u>	<u>3,481,254</u>	<u>3,359,601</u>

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000	1999
			£	£
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

16. ULTIMATE PARENT COMPANY

The ultimate holding company is Park's of Hamilton (Holdings) Limited which is registered in Scotland.

17. CONTINGENT LIABILITIES

The company, together with the parent company and all subsidiaries within the group except one have entered into cross guarantees in respect of each company's indebtedness to the Bank of Scotland and, with the exception of four fellow subsidiaries, to companies in the Capital Bank Group.

18. RELATED PARTY DISCLOSURES

There were no material related party transactions. The company has taken advantage of the exemption from presenting information relating to transactions within the group.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	450,923	3,460,841
Dividends	-	(1,200,000)
Net addition to shareholders' funds	<u>450,923</u>	<u>2,260,841</u>
Opening shareholders' funds	<u>3,877,649</u>	<u>1,616,808</u>
Closing shareholders' funds	<u><u>4,328,572</u></u>	<u><u>3,877,649</u></u>
 Equity interests	 <u><u>4,328,572</u></u>	 <u><u>3,877,649</u></u>