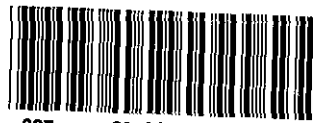


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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001
FOR
PARKS OF HAMILTON (COACH HIRERS) LIMITED

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PARKS OF HAMILTON (COACH HIRERS) LIMITED

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for the Year Ended 31 March 2001

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PARKS OF HAMILTON (COACH HIRERS) LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2001

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:

647046 (Scotland)

AUDITORS:

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

SOLICITORS:

Holmes Mackillop
109 Douglas Street
Glasgow
G2 4HB

PARKS OF HAMILTON (COACH HIRERS) LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2001

The directors present their report with the financial statements of the company for the year ended 31 March 2001.

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

An interim dividend of £1.20 per share was paid on 31 March 2001. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2001 will be £600,000.

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

The directors holding office at 31 March 2001 did not hold any beneficial interest in the issued share capital of the company at 1 April 2000 or 31 March 2001.

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.

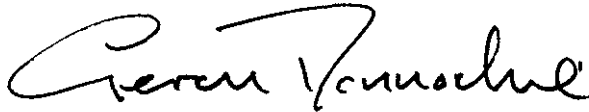
PARKS OF HAMILTON (COACH HIRERS) LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2001

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: 21 June 2001

PARKS OF HAMILTON (COACH HIRERS) LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
PARKS OF HAMILTON (COACH HIRERS) LIMITED

We have audited the financial statements of Parks of Hamilton (Coach Hirers) Limited for the year ended 31 March 2001 on pages five to fifteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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.

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 2001 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: 29 June 2001

PARKS OF HAMILTON (COACH HIRERS) LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2001

2000				2001	
£	£		Notes	£	£
6,650,795		TURNOVER			6,875,592
2,761,731		Raw materials and consumables			2,547,969
3,889,064					4,327,623
	2,121,327	Staff costs	2	2,157,001	
	610,224	Depreciation		750,385	
	326,338	Other operating charges		352,676	
3,057,889					3,260,062
831,175		OPERATING PROFIT	3		1,067,561
		Interest payable and similar charges	4		718,898
560,842					
270,333		PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			348,663
(180,590)		Tax on profit on ordinary activities	5		11,533
450,923		PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			337,130
-		Dividends	6		600,000
450,923					(262,870)
3,377,649		Retained profit brought forward			3,828,572
<u>£3,828,572</u>		RETAINED PROFIT CARRIED FORWARD			<u>£3,565,702</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

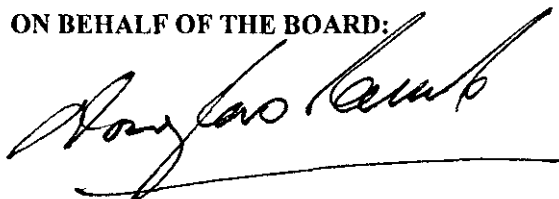
PARKS OF HAMILTON (COACH HIRERS) LIMITED

BALANCE SHEET

31 March 2001

2000			2001	
£	£	Notes	£	£
13,782,260				
		FIXED ASSETS:		
		Tangible assets		13,779,409
		CURRENT ASSETS:		
	94,988	Stocks	71,978	
	672,939	Debtors	856,668	
	2,019,267	Cash at bank and in hand	156,396	
	<u>2,787,194</u>		<u>1,085,042</u>	
	5,525,444	CREDITORS: Amounts falling due within one year	<u>4,038,652</u>	
(2,738,250)		NET CURRENT LIABILITIES:		<u>(2,953,610)</u>
11,044,010		TOTAL ASSETS LESS CURRENT LIABILITIES:		10,825,799
(6,407,301)		CREDITORS: Amounts falling due after more than one year	11	(6,451,960)
(308,137)		PROVISIONS FOR LIABILITIES AND CHARGES:	14	<u>(308,137)</u>
<u>£4,328,572</u>				<u>£4,065,702</u>
		CAPITAL AND RESERVES:		
500,000		Called up share capital	15	500,000
3,828,572		Profit and loss account		<u>3,565,702</u>
<u>£4,328,572</u>		SHAREHOLDERS' FUNDS:	19	<u>£4,065,702</u>

ON BEHALF OF THE BOARD:



D I Park - DIRECTOR

Approved by the Board on 21 June 2001

The notes form part of these financial statements

PARKS OF HAMILTON (COACH HIRERS) LIMITED

CASH FLOW STATEMENT
for the Year Ended 31 March 2001

2000			2001	
£	£	Notes	£	£
1,550,956		Net cash inflow from operating activities		155,995
(560,842)		Returns on investments and servicing of finance		(718,898)
3,885,728		Capital expenditure		3,482,446
-		Equity dividends paid		(600,000)
<u>4,875,842</u>				<u>2,319,543</u>
(3,514,687)		Financing		(4,182,414)
<u>£1,361,155</u>		(Decrease)/Increase in cash in the period		<u>£(1,862,871)</u>
<hr/>				
		Reconciliation of net cash flow to movement in net debt		3
	1,361,155	(Decrease)/Increase in cash in the period	(1,862,871)	
	3,514,687	Cash outflow from decrease in debt and lease financing	4,182,414	
		Change in net debt resulting from cash flows		2,319,543
4,875,842		New finance leases		(4,229,980)
<u>(2,774,000)</u>				<u>(1,910,437)</u>
2,101,842		Movement in net debt in the period		(7,611,307)
<u>(9,713,149)</u>		Net debt at 1 April		<u>(7,611,307)</u>
(7,611,307)		Net debt at 31 March		<u>£(9,521,744)</u>

The notes form part of these financial statements

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2001

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

	2001 £	2000 £
Operating profit	1,067,561	831,175
Depreciation charges	1,245,129	1,253,348
Loss on sale of fixed assets	-	16,707
Profit on sale of fixed assets	(494,744)	(659,831)
Decrease in stocks	23,010	255
(Increase)/Decrease in debtors	(183,729)	87,051
(Decrease)/Increase in creditors	(1,501,232)	22,251
Net cash inflow from operating activities	155,995	1,550,956

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

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest element of hire purchase payments	(718,898)	(560,842)
Net cash outflow for returns on investments and servicing of finance	(718,898)	(560,842)
Capital expenditure		
Purchase of tangible fixed assets	(122,298)	(785,872)
Sale of tangible fixed assets	3,604,744	4,671,600
Net cash inflow for capital expenditure	3,482,446	3,885,728
Financing		
Capital Element of Finance	(4,182,414)	(3,514,687)
Net cash outflow from financing	(4,182,414)	(3,514,687)

The notes form part of these financial statements

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2001

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.00 £	Cash flow £	Other non-cash changes £	At 31.3.01 £
Net cash:				
Cash at bank and in hand	2,019,267	(1,862,871)		156,396
	<u>2,019,267</u>	<u>(1,862,871)</u>		<u>156,396</u>
Debt:				
Hire purchase	(9,630,574)	4,182,414	(4,229,980)	(9,678,140)
	<u>(9,630,574)</u>	<u>4,182,414</u>	<u>(4,229,980)</u>	<u>(9,678,140)</u>
Total	<u>(7,611,307)</u>	<u>2,319,543</u>	<u>(4,229,980)</u>	<u>(9,521,744)</u>
Analysed in Balance Sheet				
Cash at bank and in hand	2,019,267			156,396
Hire purchase				
within one year	(3,223,273)			(3,226,180)
after one year	(6,407,301)			(6,451,960)
	<u>(7,611,307)</u>			<u>(9,521,744)</u>

The notes form part of these financial statements

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2001

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

	2001	2000
	£	£
Wages and salaries	1,993,733	1,966,259
Social security costs	163,268	155,068
	<u>2,157,001</u>	<u>2,121,327</u>

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

	2001	2000
Office and Management	11	10
Production	136	159
	<u>147</u>	<u>169</u>

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2001

3. OPERATING PROFIT

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

	2001	2000
	£	£
Depreciation - owned assets	63,272	96,697
Depreciation - assets on hire purchase contracts	1,181,857	1,156,651
Profit on disposal of fixed assets	(494,744)	(643,124)
Auditors' remuneration	3,750	3,750
	<u> </u>	<u> </u>

Directors' emoluments	32,820	32,480
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
Hire purchase	718,898	560,842
	<u> </u>	<u> </u>

5. TAXATION

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2001	2000
	£	£
UK corporation tax	11,533	-
Deferred taxation	-	(180,590)
	<u> </u>	<u> </u>
	11,533	(180,590)
	<u> </u>	<u> </u>

UK corporation tax has been charged at 20%

6. DIVIDENDS

	2001	2000
	£	£
Equity shares:		
Interim Dividend	600,000	-
	<u> </u>	<u> </u>

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2001

7. TANGIBLE FIXED ASSETS

	Totals	Plant and machinery	Fixtures and fittings	Motor vehicles	Coaches
	£	£	£	£	£
COST:					
At 1 April 2000	16,178,024	350,849	18,558	255,565	15,553,052
Additions	4,352,278	6,345	2,377	135,398	4,208,158
Disposals	(4,037,714)	-	-	(335,762)	(3,701,952)
At 31 March 2001	16,492,588	357,194	20,935	55,201	16,059,258
DEPRECIATION:					
At 1 April 2000	2,395,764	210,961	18,558	81,194	2,085,051
Charge for year	1,245,129	28,955	-	34,317	1,181,857
Eliminated on disposals	(927,714)	-	-	(84,322)	(843,392)
At 31 March 2001	2,713,179	239,916	18,558	31,189	2,423,516
NET BOOK VALUE:					
At 31 March 2001	13,779,409	117,278	2,377	24,012	13,635,742
At 31 March 2000	13,782,260	139,888	-	174,371	13,468,001

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

	Coaches
	£
COST:	
At 1 April 2000	15,553,052
Additions	4,208,158
Disposals	(3,701,952)
At 31 March 2001	16,059,258
DEPRECIATION:	
At 1 April 2000	2,085,051
Charge for year	1,181,857
Eliminated on disposals	(843,392)
At 31 March 2001	2,423,516
NET BOOK VALUE:	
At 31 March 2001	13,635,742
At 31 March 2000	13,468,001

8. STOCKS

	2001	2000
	£	£
Stock	71,978	94,988

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 March 2001

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

	2001 £	2000 £
V.A.T.	-	48,747
Trade Debtors	465,060	378,439
Amounts Due by Group Companies	212,967	28,844
Prepayments & Accrued Income	169,550	210,076
Other Debtors	9,091	6,833
	<u>856,668</u>	<u>672,939</u>

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

	2001 £	2000 £
Hire purchase contracts (see note 12)	3,226,180	3,223,273
Trade Creditors	248,807	251,021
Amounts Due to Group Companies	324,441	1,860,034
V.A.T.	2,741	-
Social Security & Other Taxes	39,455	36,865
Taxation	11,533	-
Accrued Expenses	185,495	154,251
	<u>4,038,652</u>	<u>5,525,444</u>

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

	2001 £	2000 £
Hire purchase contracts (see note 12)	<u>6,451,960</u>	<u>6,407,301</u>

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2001

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2001 £	2000 £
Gross obligations repayable:		
Within one year	3,768,492	3,808,734
Between one and five years	7,532,618	7,566,124
	<u>11,301,110</u>	<u>11,374,858</u>
Finance charges repayable:		
Within one year	542,312	585,461
Between one and five years	1,080,658	1,158,823
	<u>1,622,970</u>	<u>1,744,284</u>
Net obligations repayable:		
Within one year	3,226,180	3,223,273
Between one and five years	6,451,960	6,407,301
	<u>9,678,140</u>	<u>9,630,574</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2001 £	2000 £
Hire purchase contracts	<u>9,678,140</u>	<u>9,630,574</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

	2001 £	2000 £
Deferred taxation	<u>308,137</u>	<u>308,137</u>
	Deferred taxation £	
Balance at 1 April 2000	308,137	
Decrease in Provision		
Balance at 31 March 2001	<u>308,137</u>	

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 March 2001

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	
	2001	2000	2001	2000
	£	£	£	£
Accelerated Capital Allowances	<u>308,137</u>	<u>308,137</u>	<u>3,310,743</u>	<u>3,481,254</u>

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001	2000
			£	£
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. The party with ultimate control of the company is Mr D.I. Park.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the financial year	337,130	450,923
Dividends	<u>(600,000)</u>	<u>-</u>
Net (reduction)/addition to shareholders' funds	<u>(262,870)</u>	<u>450,923</u>
Opening shareholders' funds	<u>4,328,572</u>	<u>3,877,649</u>
Closing shareholders' funds	<u>4,065,702</u>	<u>4,328,572</u>
 Equity interests	 <u>4,065,702</u>	 <u>4,328,572</u>