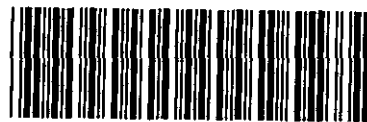


SC 67046

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2006
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 2006

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PARK'S OF HAMILTON (COACH HIRERS) LTD

COMPANY INFORMATION
for the Year Ended 31 March 2006

DIRECTORS:

D I Park
I B MacKay
G Donnachie
H R A McAteer
S Brown
W Cumming

SECRETARY

G Donnachie

REGISTERED OFFICE:

Park House
14 Bothwell Road
Hamilton
ML3 0AY

REGISTERED NUMBER:

67046 (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

PARK'S OF HAMILTON (COACH HIRERS) LTD

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2006

The directors present their report with the financial statements of the company for the year ended 31 March 2006

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

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non complex nature of our business and is written in the context of the risks and uncertainties we face

The company continues to operate as an express coach operator along with providing private hire for the general public

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and operating profit

	2006	2005
	£	£
Turnover	9,302,864	9,098,310

Turnover has increased by over 2% and this has left the company in a good financial position at the end of the year

Overall operating profit has decreased from £728,128 to £636,073 as higher fuel prices in the year have taken effect. Profit before tax has increased from £68,744 to £75,769, mainly as a result of reduced interest charges. After taxation £26,491 has been retained to be added to reserves

As for many businesses of our size, the business environment in which we operate continues to be challenging. We are subject to consumer spending patterns and consumers' overall level of disposable income within our economy

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2006

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

The directors holding office at 31 March 2006 did not hold any beneficial interest in the issued share capital of the company at 1 April 2005 or 31 March 2006

PARK'S OF HAMILTON (COACH HIRERS) LTD

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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:



G Donnachie Secretary

28 September 2006

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

We have audited the financial statements of Park's of Hamilton (Coach Hirers) Ltd for the year ended 31 March 2006 on pages five to sixteen. These financial statements have been prepared under 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 auditors' 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 directors and auditors

As described on page three, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

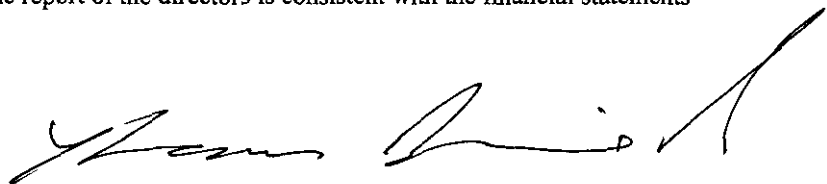
Opinion

In our opinion the financial statements

give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.

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



29 September 2006

PARK'S OF HAMILTON (COACH HIRERS) LTD

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2006

2005			Notes	2006	
£	£			£	£
9,098,310		TURNOVER		9,302,864	
33,562		Other operating income		23,585	
<u>9,131,872</u>				<u>9,326,449</u>	
3,124,945		Raw materials and consumables		3,534,848	
<u>6,006,927</u>				<u>5,791,601</u>	
	3,190,496	Staff costs	2	3,148,943	
	1,672,818	Depreciation		1,607,326	
	415,485	Other operating charges		399,259	
<u>5,278,799</u>	<u>5,278,799</u>			<u>5,155,528</u>	
728,128		OPERATING PROFIT	3	636,073	
659,384		Interest payable and similar charges	4	560,304	
<u>68,744</u>		PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>75,769</u>	
32,499		Tax on profit on ordinary activities	5	49,278	
<u>36,245</u>		PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>26,491</u>	

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

PARK'S OF HAMILTON (COACH HIRERS) LTD

BALANCE SHEET

31 March 2006

2005				2006
£	£	Notes	£	£
	FIXED ASSETS			
16,995,467	Tangible assets	6		17,566,838
	CURRENT ASSETS			
	91,814 Stocks	7	102,656	
	2,546,673 Debtors	8	1,796,899	
	8,447 Cash at bank and in hand		6,458	
	<hr/>		<hr/>	
	2,646,934		1,906,013	
	CREDITORS			
	9,351,052 Amounts falling due within one year	9	8,368,483	
	<hr/>		<hr/>	
(6,704,118)	NET CURRENT LIABILITIES			(6,462,470)
	<hr/>			<hr/>
10,291,349	TOTAL ASSETS LESS CURRENT LIABILITIES			11,104,368
	CREDITORS			
(5,597,716)	Amounts falling due after more than one year	10		(6,351,308)
	<hr/>			<hr/>
(3,691,714)	PROVISIONS FOR LIABILITIES	14		(3,724,650)
	<hr/>			<hr/>
1,001,919	NET ASSETS			1,028,410
	<hr/>			<hr/>
	CAPITAL AND RESERVES			
500,000	Called up share capital	15	500,000	
501,919	Profit and loss account	16	528,410	
	<hr/>		<hr/>	
1,001,919	SHAREHOLDERS' FUNDS	20		1,028,410
	<hr/>			<hr/>

The financial statements were approved by the Board of Directors on 28 September 2006 and were signed on its behalf by



G Donnachie Director

The notes form part of these financial statements

PARK'S OF HAMILTON (COACH HIRERS) LTD

CASH FLOW STATEMENT
for the Year Ended 31 March 2006

2005				2006
£	£		Notes	£
				£
2,914,235		Net cash inflow from operating activities	1	2,954,931
(659,384)		Returns on investments and servicing of finance	2	(560,304)
(131,408)		Taxation		(67,113)
2,157,559		Capital expenditure	2	2,846,903
4,281,002				5,174,417
(4,390,140)		Financing	2	(4,659,221)
<u>(109,138)</u>		Increase/(Decrease) in cash in the period		<u>515,196</u>
<hr/>				
		Reconciliation of net cash flow to movement in net debt	3	
	(109,138)	Increase/(Decrease) in cash in the period		515,196
	<u>4,390,140</u>	Cash outflow from decrease in debt and lease financing		<u>4,659,221</u>
4,281,002		Change in net debt resulting from cash flows		5,174,417
(3,872,000)		New finance leases		(5,025,600)
409,002		Movement in net debt in the period		148,817
<u>(14,183,093)</u>		Net debt at 1 April		<u>(13,774,091)</u>
<u>(13,774,091)</u>		Net debt at 31 March		<u>(13,625,274)</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 2006

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

	2006	2005
	£	£
Operating profit	636,073	728,128
Depreciation charges	1,860,193	1,854,459
Profit on disposal of fixed assets	(252,867)	(181,641)
(Increase)/Decrease in stocks	(10,842)	1,512
Decrease in debtors	749,774	239,357
(Decrease)/Increase in creditors	(27,400)	272,420
Net cash inflow from operating activities	2,954,931	2,914,235

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

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest paid		(28)
Interest element of hire purchase payments	(560,304)	(659,356)
Net cash outflow for returns on investments and servicing of finance	(560,304)	(659,384)
Capital expenditure		
Purchase of tangible fixed assets	(728,597)	(679,631)
Sale of tangible fixed assets	3,575,500	2,837,190
Net cash inflow for capital expenditure	2,846,903	2,157,559
Financing		
Capital repayments in year	(4,659,221)	(4,390,140)
Net cash outflow from financing	(4,659,221)	(4,390,140)

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2006

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 4 05 £	Cash flow £	Other non cash changes £	At 31 3 06 £
Net cash				
Cash at bank and in hand	8,447	(1,989)		6,458
Bank overdraft	(3,938,138)	517,185		(3,420,953)
	<u>(3,929,691)</u>	<u>515,196</u>		<u>(3,414,495)</u>
Debt				
Hire purchase	(9,844,400)	4,659,221	(5,025,600)	(10,210,779)
	<u>(9,844,400)</u>	<u>4,659,221</u>	<u>(5,025,600)</u>	<u>(10,210,779)</u>
Total	<u>(13,774,091)</u>	<u>5,174,417</u>	<u>(5,025,600)</u>	<u>(13,625,274)</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 2006

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

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

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.

Deferred Taxation

Provision is made for deferred taxation using the full provision method in accordance with Financial Reporting Standard 19 'Deferred Taxation'.

2 STAFF COSTS

	2006 £	2005 £
Wages and salaries	2,883,881	2,919,956
Social security costs	265,062	270,540
	<hr/>	<hr/>
	3,148,943	3,190,496
	<hr/>	<hr/>

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

	2006	2005
Office and Management	14	13
Production	157	157
	<hr/>	<hr/>
	171	170
	<hr/>	<hr/>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 March 2006

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2006 £	2005 £
Depreciation owned assets	106,951	137,223
Depreciation assets on hire purchase contracts	1,753,241	1,717,236
Profit on disposal of fixed assets	(252,867)	(181,641)
Auditors' remuneration	4,500	5,400
	<u>37,665</u>	<u>36,450</u>
Directors' emoluments	<u>37,665</u>	<u>36,450</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank interest		28
Hire purchase	560,304	659,356
	<u>560,304</u>	<u>659,384</u>

5 TAXATION

Analysis of the tax charge

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

	2006 £	2005 £
Current tax		
UK corporation tax	2,244	53,015
Underprovided in previous year	14,098	12,354
Total current tax	16,342	65,369
Deferred tax		
Current year deferred tax movement	32,936	(32,870)
Tax on profit on ordinary activities	<u>49,278</u>	<u>32,499</u>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 March 2006

5 TAXATION continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2006 £	2005 £
Profit on ordinary activities before tax	<u>75,769</u>	<u>68,744</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	22,731	20,623
Effects of		
Expenses not deductible for tax purposes	13,749	1,368
Capital allowances in excess of depreciation and other timing differences	(32,936)	32,870
Adjustment to tax charge in respect of previous periods	14,098	12,354
Adjustment to tax charge in respect of lower tax rates	<u>(1,300)</u>	<u>(1,846)</u>
Current tax charge	<u>16,342</u>	<u>65,369</u>

6 TANGIBLE FIXED ASSETS

	Totals £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Coaches £
COST					
At 1 April 2005	21,726,028	407,225	40,860	700,006	20,577,937
Additions	5,754,197	3,759			5,750,438
Disposals	<u>(4,496,805)</u>				<u>(4,496,805)</u>
At 31 March 2006	<u>22,983,420</u>	<u>410,984</u>	<u>40,860</u>	<u>700,006</u>	<u>21,831,570</u>
DEPRECIATION					
At 1 April 2005	4,730,562	354,453	25,350	266,888	4,083,871
Charge for year	1,860,192	13,624	2,986	82,392	1,761,190
Eliminated on disposal	<u>(1,174,172)</u>				<u>(1,174,172)</u>
At 31 March 2006	<u>5,416,582</u>	<u>368,077</u>	<u>28,336</u>	<u>349,280</u>	<u>4,670,889</u>
NET BOOK VALUE					
At 31 March 2006	<u>17,566,838</u>	<u>42,907</u>	<u>12,524</u>	<u>350,726</u>	<u>17,160,681</u>
At 31 March 2005	<u>16,995,466</u>	<u>52,772</u>	<u>15,510</u>	<u>433,118</u>	<u>16,494,066</u>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 March 2006

6 TANGIBLE FIXED ASSETS continued

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

	Coaches £
COST	
At 1 April 2005	20,284,036
Additions	5,628,981
Disposals	(4,270,305)
	<hr/>
At 31 March 2006	21,642,712
	<hr/>
DEPRECIATION	
At 1 April 2005	4,046,940
Charge for year	1,753,241
Eliminated on disposal	(1,174,172)
	<hr/>
At 31 March 2006	4,626,009
	<hr/>
NET BOOK VALUE	
At 31 March 2006	17,016,703
	<hr/>
At 31 March 2005	16,237,096
	<hr/>

7 STOCKS

	2006 £	2005 £
Stocks	102,656	91,814
	<hr/>	<hr/>

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade debtors	942,089	1,157,300
Amounts due by group companies	578,048	1,213,428
Other debtors	11,622	21,191
VAT	114,335	
Prepayments and accrued income	150,805	154,754
	<hr/>	<hr/>
	1,796,899	2,546,673
	<hr/>	<hr/>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts (see note 11)	3,420,953	3,938,138
Hire purchase contracts (see note 12)	3,859,471	4,246,684
Trade creditors	321,501	294,429
Corporation Tax	2,244	53,015
Social security and other taxes	78,196	74,504
VAT		49,793
Other creditors	100,950	37,304
Amounts due to group companies	70,949	116,508
Accrued expenses	514,219	540,677
	<hr/>	<hr/>
	8,368,483	9,351,052
	<hr/>	<hr/>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 March 2006

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Hire purchase contracts (see note 12)	<u>6,351,308</u>	<u>5,597,716</u>

11 LOANS

An analysis of the maturity of loans is given below

	2006 £	2005 £
Amounts falling due within one year or on demand		
Bank overdrafts	<u>3,420,953</u>	<u>3,938,138</u>

12 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2006 £	2005 £
Gross obligations repayable		
Within one year	4,337,513	4,784,834
Between one and five years	<u>6,780,667</u>	<u>5,990,459</u>
	<u>11,118,180</u>	<u>10,775,293</u>

Finance charges repayable		
Within one year	478,042	538,150
Between one and five years	<u>429,359</u>	<u>392,743</u>
	<u>907,401</u>	<u>930,893</u>

Net obligations repayable		
Within one year	3,859,471	4,246,684
Between one and five years	<u>6,351,308</u>	<u>5,597,716</u>
	<u>10,210,779</u>	<u>9,844,400</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	2006 £	2005 £
Bank overdrafts	3,420,953	3,938,138
Hire purchase contracts	<u>10,210,779</u>	<u>9,844,400</u>
	<u>13,631,732</u>	<u>13,782,538</u>

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

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 March 2006

14 PROVISIONS FOR LIABILITIES

	2006 £	2005 £
Deferred tax		
Accelerated capital allowances	<u>3,724,650</u>	<u>3,691,714</u>
		Deferred tax £
Balance at 1 April 2005		3,691,714
Increase in provision		<u>32,936</u>
Balance at 31 March 2006		<u>3,724,650</u>

15 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid				
Number	Class	Nominal value £1	2006 £	2005 £
500,000	Ordinary		<u>500,000</u>	<u>500,000</u>

16 RESERVES

	Profit and loss account £
At 1 April 2005	501,919
Profit for the year	<u>26,491</u>
At 31 March 2006	<u>528,410</u>

17 ULTIMATE PARENT COMPANY

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

18 CONTINGENT LIABILITIES

The company, together with the parent company and all but two non trading subsidiaries within the group have entered into cross guarantees in respect of each company's indebtedness to the Bank of Scotland plc and, with the exception of one fellow subsidiary, to companies in the Capital Bank group

19 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 company is ultimately controlled by Mr D I Park

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 March 2006

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial year	26,491	36,245
Net addition to shareholders' funds	26,491	36,245
Opening shareholders' funds	1,001,919	965,674
Closing shareholders' funds	1,028,410	1,001,919
Equity interests	1,028,410	1,001,919