

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
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 2008

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PARK'S OF HAMILTON (COACH HIRERS) LTD

COMPANY INFORMATION
for the Year Ended 31 MARCH 2008

DIRECTORS:

D I Park
I B MacKay
G Donnachie
H R A McAteer
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 House
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 2008

The directors present their report with the financial statements of the company for the year ended 31 March 2008

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

	2008	2007
	£	£
Turnover	10,772,772	10,130,749

Turnover has increased by almost 6.4%

Operating profit has decreased from £1,683,239 to £1,395,559. Profit before tax has decreased from £1,122,056 to £631,095. After taxation £463,107 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 2008

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 shown below have held office during the whole of the period from 1 April 2007 to the date of this report

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

Other changes in directors holding office are as follows

S Brown resigned 5 November 2007

PARK'S OF HAMILTON (COACH HIRERS) LTD

REPORT OF THE DIRECTORS
for the Year Ended 31 MARCH 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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 Barne & 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

29 August 2008

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 2008 on pages five to fourteen. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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.

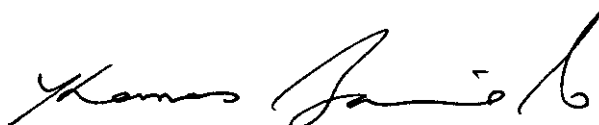
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2008 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the Report of the Directors is consistent with the financial statements.



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

2 September 2008

PARK'S OF HAMILTON (COACH HIRERS) LTD

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 MARCH 2008

2007			Notes	2008	
£	£			£	£
10,130,749		TURNOVER		10,772,772	
25,411		Other operating income		25,240	
<hr/>				<hr/>	
10,156,160				10,798,012	
3,550,643		Raw materials and consumables		3,608,226	
<hr/>				<hr/>	
6,605,517				7,189,786	
	3,306,652	Staff costs	2	3,415,782	
	1,199,875	Depreciation		1,826,346	
	415,751	Other operating charges		552,099	
4,922,278	<hr/>			<hr/>	5,794,227
<hr/>				<hr/>	
1,683,239		OPERATING PROFIT	3	1,395,559	
561,183		Interest payable and similar charges	4	764,464	
<hr/>				<hr/>	
1,122,056		PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		631,095	
93,740		Tax on profit on ordinary activities	5	167,988	
<hr/>				<hr/>	
1,028,316		PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		463,107	
<hr/>				<hr/>	

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

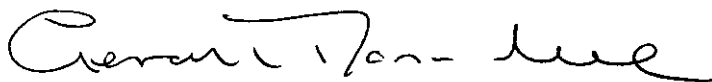
The notes form part of these financial statements

PARK'S OF HAMILTON (COACH HIRERS) LTD

BALANCE SHEET
31 MARCH 2008

2007			Notes	2008
£	£			£
21,738,823		FIXED ASSETS		
		Tangible assets	6	20,761,700
		CURRENT ASSETS		
	65,174	Stocks	7	100,393
	7,426,033	Debtors	8	2,275,815
	3,282	Cash in hand		3,325
	<u>7,494,489</u>			<u>2,379,533</u>
		CREDITORS		
	13,110,443	Amounts falling due within one year	9	7,689,048
	<u>(5,615,954)</u>	NET CURRENT LIABILITIES		<u>(5,309,515)</u>
		TOTAL ASSETS LESS CURRENT LIABILITIES		
	16,122,869			15,452,185
		CREDITORS		
	(10,473,538)	Amounts falling due after more than one year	10	(9,174,462)
	(3,592,605)	PROVISIONS FOR LIABILITIES	14	(3,757,890)
	<u>2,056,726</u>	NET ASSETS		<u>2,519,833</u>
		CAPITAL AND RESERVES		
	500,000	Called up share capital	15	500,000
	1,556,726	Profit and loss account	16	2,019,833
	<u>2,056,726</u>	SHAREHOLDERS' FUNDS	20	<u>2,519,833</u>

The financial statements were approved by the Board of Directors on 29 August 2008 and were signed on its behalf by



G Donnachie Director

PARK'S OF HAMILTON (COACH HIRERS) LTD

CASH FLOW STATEMENT
for the Year Ended 31 MARCH 2008

2007			Notes	2008
£	£			£
(1,524,701)		Net cash inflow/(outflow) from operating activities	1	6,918,995
(561,183)		Returns on investments and servicing of finance	2	(764,464)
(3,543)		Taxation		(223,401)
(5,371,860)		Capital expenditure	2	(849,223)
(7,461,287)				5,081,907
5,108,860		Financing	2	(1,421,990)
(2,352,427)		Increase/(Decrease) in cash in the period		3,659,917
<hr/>				
		Reconciliation of net cash flow to movement in net debt	3	
(2,352,427)		Increase/(Decrease) in cash in the period		3,659,917
(5,108,860)		Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		1,421,990
(7,461,287)		Change in net debt resulting from cash flows		5,081,907
(7,461,287)		Movement in net debt in the period		5,081,907
(13,625,274)		Net debt at 1 April		(21,086,561)
(21,086,561)		Net debt at 31 March		(16,004,654)

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 2008

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	1,395,559	1,683,239
Depreciation charges	2,171,481	2,012,455
Profit on disposal of fixed assets	(345,135)	(812,580)
(Increase)/Decrease in stocks	(35,219)	37,482
Decrease/(Increase) in debtors	5,150,218	(5,629,134)
(Decrease)/Increase in creditors	(1,417,909)	1,183,837
Net cash inflow/(outflow) from operating activities	<u><u>6,918,995</u></u>	<u><u>(1,524,701)</u></u>

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

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest element of hire purchase payments	(764,464)	(561,183)
Net cash outflow for returns on investments and servicing of finance	<u><u>(764,464)</u></u>	<u><u>(561,183)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(5,964,174)	(11,395,391)
Sale of tangible fixed assets	5,114,951	6,023,531
Net cash outflow for capital expenditure	<u><u>(849,223)</u></u>	<u><u>(5,371,860)</u></u>
Financing		
Capital repayments in year	(1,421,990)	5,108,860
Net cash (outflow)/inflow from financing	<u><u>(1,421,990)</u></u>	<u><u>5,108,860</u></u>

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 4 07 £	Cash flow £	At 31 3 08 £
Net cash			
Cash at bank and in hand	3,282	43	3,325
Bank overdraft	(5,770,204)	3,659,874	(2,110,330)
	<u>(5,766,922)</u>	<u>3,659,917</u>	<u>(2,107,005)</u>
Debt			
Hire purchase	(15,319,639)	1,421,990	(13,897,649)
	<u>(15,319,639)</u>	<u>1,421,990</u>	<u>(13,897,649)</u>
Total	<u><u>(21,086,561)</u></u>	<u><u>5,081,907</u></u>	<u><u>(16,004,654)</u></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 2008

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.

Pension costs and other post retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

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

	2008 £	2007 £
Wages and salaries	3,120,973	3,055,113
Social security costs	281,861	251,539
Other pension costs	12,948	
	<u>3,415,782</u>	<u>3,306,652</u>

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

	2008	2007
Office and Management	11	12
Production	146	147
	<u>157</u>	<u>159</u>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 MARCH 2008

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2008	2007
	£	£
Depreciation owned assets	227,598	144,797
Depreciation assets on hire purchase contracts	1,943,883	1,867,658
Profit on disposal of fixed assets	(345,135)	(812,580)
Auditors' remuneration	4,800	4,500
	<u>41,129</u>	<u>38,982</u>
Directors' emoluments	<u>41,129</u>	<u>38,982</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Hire purchase	<u>764,464</u>	<u>561,183</u>

5 TAXATION

Analysis of the tax charge

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

	2008	2007
	£	£
Current tax		
UK corporation tax	3,788	224,486
Underprovided in previous year		1,299
Overprovided in previous year	(1,085)	
Total current tax	<u>2,703</u>	<u>225,785</u>
Deferred tax	<u>165,285</u>	<u>(132,045)</u>
Tax on profit on ordinary activities	<u>167,988</u>	<u>93,740</u>

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

	2008	2007
	£	£
Profit on ordinary activities before tax	<u>631,095</u>	<u>1,122,056</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 30%)	189,329	336,617
Effects of		
Expenses not deductible for tax purposes	2,074	12,438
Capital allowances in excess of depreciation and other timing differences	(187,615)	(124,569)
Adjustment to tax charge in respect of previous periods	(1,085)	1,299
Current tax charge	<u>2,703</u>	<u>225,785</u>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 MARCH 2008

6 TANGIBLE FIXED ASSETS

	Totals £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Coaches £
COST					
At 1 April 2007	25,760,208	416,054	40,860	90,976	25,212,318
Additions	5,964,174	109,689	5,410		5,849,075
Disposals	(6,521,496)				(6,521,496)
At 31 March 2008	25,202,886	525,743	46,270	90,976	24,539,897
DEPRECIATION					
At 1 April 2007	4,021,385	374,212	31,322	62,672	3,553,179
Charge for year	2,171,481	14,293	4,339	8,592	2,144,257
Eliminated on disposal	(1,751,680)				(1,751,680)
At 31 March 2008	4,441,186	388,505	35,661	71,264	3,945,756
NET BOOK VALUE					
At 31 March 2008	20,761,700	137,238	10,609	19,712	20,594,141
At 31 March 2007	21,738,823	41,842	9,538	28,304	21,659,139

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

	Coaches £
COST	
At 1 April 2007	23,215,811
Additions	5,568,992
Disposals	(5,795,503)
At 31 March 2008	22,989,300
DEPRECIATION	
At 1 April 2007	2,398,691
Charge for year	1,943,883
Eliminated on disposal	(1,448,447)
At 31 March 2008	2,894,127
NET BOOK VALUE	
At 31 March 2008	20,095,173
At 31 March 2007	20,817,120

7 STOCKS

	2008 £	2007 £
Stocks	100,393	65,174

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 MARCH 2008

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors	702,661	985,010
Amounts due by group companies	1,003,878	5,922,489
Other debtors	87,565	10,012
VAT	14,394	400,922
Prepayments and accrued income	467,317	107,600
	<u>2,275,815</u>	<u>7,426,033</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Bank loans and overdrafts (see note 11)	2,110,330	5,770,204
Hire purchase contracts (see note 12)	4,723,187	4,846,101
Trade creditors	252,463	345,850
Corporation Tax	3,788	224,486
Social security and other taxes	103,571	
Other creditors	48,729	1,094,477
Amounts due to group companies	148,282	7,496
Accrued expenses	298,698	821,829
	<u>7,689,048</u>	<u>13,110,443</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Hire purchase contracts (see note 12)	<u>9,174,462</u>	<u>10,473,538</u>

11 LOANS

An analysis of the maturity of loans is given below

	2008	2007
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>2,110,330</u>	<u>5,770,204</u>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS *continued*
for the Year Ended 31 MARCH 2008

12 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2008 £	2007 £
Gross obligations repayable		
Within one year	5,405,885	5,595,728
Between one and five years	9,798,948	11,272,230
	<u>15,204,833</u>	<u>16,867,958</u>
Finance charges repayable		
Within one year	682,698	749,627
Between one and five years	624,486	798,692
	<u>1,307,184</u>	<u>1,548,319</u>
Net obligations repayable		
Within one year	4,723,187	4,846,101
Between one and five years	9,174,462	10,473,538
	<u>13,897,649</u>	<u>15,319,639</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	2008 £	2007 £
Bank overdrafts	2,110,330	5,770,204
Hire purchase contracts	13,897,649	15,319,639
	<u>16,007,979</u>	<u>21,089,843</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

14 PROVISIONS FOR LIABILITIES

	2008 £	2007 £
Deferred tax	<u>3,757,890</u>	<u>3,592,605</u>
		Deferred tax £
Balance at 1 April 2007		3,592,605
Provision movement		165,285
Balance at 31 March 2008		<u>3,757,890</u>

PARK'S OF HAMILTON (COACH HIRERS) LTD

NOTES TO THE FINANCIAL STATEMENTS continued
for the Year Ended 31 MARCH 2008

15 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid		Nominal value £1	2008 £ <u>500,000</u>	2007 £ <u>500,000</u>
Number	Class			
500,000	Ordinary			

16 RESERVES

	Profit and loss account £
At 1 April 2007	1,556,726
Profit for the year	<u>463,107</u>
At 31 March 2008	<u>2,019,833</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

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	<u>463,107</u>	<u>1,028,316</u>
Net addition to shareholders' funds	463,107	1,028,316
Opening shareholders' funds	<u>2,056,726</u>	<u>1,028,410</u>
Closing shareholders' funds	<u>2,519,833</u>	<u>2,056,726</u>