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SC 47046

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002
FOR
PARKS OF HAMILTON (COACH HIRERS) LIMITED



PARKS OF HAMILTON (COACH HIRERS) LIMITED

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for the Year Ended 31 March 2002

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PARKS OF HAMILTON (COACH HIRERS) LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2002

DIRECTORS:

D I Park
I B MacKay
G Donnachie
H R A McAteer
J Miller
I E Cole

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

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 2002

The directors present their report with the financial statements of the company for the year ended 31 March 2002.

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 2002.

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

I E Cole

- appointed 1.11.01

The directors holding office at 31 March 2002 did not hold any beneficial interest in the issued share capital of the company at 1 April 2001 (or date of appointment if later) or 31 March 2002.

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.

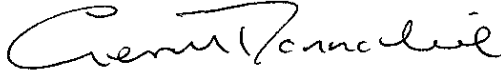
PARKS OF HAMILTON (COACH HIRERS) LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2002

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:



.....
Gerard Donnachie - SECRETARY

Dated: 6 August 2002

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 2002 on pages five to eighteen. 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 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.

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 2002 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: 6 August 2002

PARKS OF HAMILTON (COACH HIRERS) LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2002

2001				2002	
£	£		Notes	£	£
6,875,592		TURNOVER			7,438,243
2,547,969		Raw materials and consumables			2,573,542
4,327,623					4,864,701
	2,157,001	Staff costs	2	2,582,216	
	750,385	Depreciation		858,449	
	352,676	Other operating charges		396,495	
3,260,062					3,837,160
1,067,561		OPERATING PROFIT	3		1,027,541
718,898		Interest payable and similar charges	4		577,970
348,663		PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			449,571
11,533		Tax on profit on ordinary activities	5		227,187
337,130		PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			222,384
600,000		Dividends	6		-
£(262,870)		RETAINED PROFIT/(DEFICIT) FOR THE YEAR			£222,384

CONTINUING OPERATIONS

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

The notes form part of these financial statements

PARKS OF HAMILTON (COACH HIRERS) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the Year Ended 31 March 2002

<u>2001</u>		<u>2002</u>
		£
337,130	PROFIT FOR THE FINANCIAL YEAR	222,384
		<hr/>
<u>£337,130</u>	TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	222,384
		<hr/>
		£
	Prior year adjustment	
	Note 7	
		(3,310,743)
		<hr/>
	TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	<u>£(3,088,359)</u>

The notes form part of these financial statements

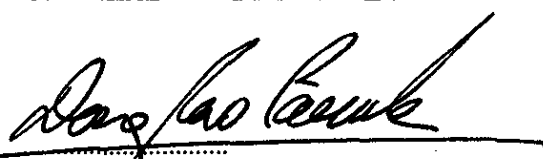
PARKS OF HAMILTON (COACH HIRERS) LIMITED

BALANCE SHEET

31 March 2002

<u>2001</u>			<u>2002</u>	
£	£	Notes	£	£
13,779,409		FIXED ASSETS:		
		Tangible assets		17,844,907
		CURRENT ASSETS:		
	71,978	Stocks	72,494	
	856,668	Debtors	1,666,573	
	<u>156,396</u>	Cash at bank and in hand	<u>4,109</u>	
	1,085,042		1,743,176	
		CREDITORS:		
	<u>4,038,652</u>	Amounts falling due within one year	<u>6,151,913</u>	
<u>(2,953,610)</u>		NET CURRENT LIABILITIES:		<u>(4,408,737)</u>
10,825,799		TOTAL ASSETS LESS CURRENT LIABILITIES:		13,436,170
		CREDITORS:		
(6,451,960)		Amounts falling due after more than one year		(8,606,151)
		PROVISIONS FOR LIABILITIES AND CHARGES:		
<u>(3,618,880)</u>				<u>(3,852,676)</u>
<u>£754,959</u>				<u>£977,343</u>
		CAPITAL AND RESERVES:		
500,000		Called up share capital		500,000
<u>254,959</u>		Profit and loss account		<u>477,343</u>
<u>£754,959</u>		SHAREHOLDERS' FUNDS:		<u>£977,343</u>

ON BEHALF OF THE BOARD:


D I Park DIRECTOR

Approved by the Board on 6 August 2002

The notes form part of these financial statements

CASH FLOW STATEMENT
for the Year Ended 31 March 2002

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 2002

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

	2002 £	2001 £
Operating profit	1,027,541	1,067,561
Depreciation charges	1,250,053	1,245,129
Profit on disposal of fixed assets	(391,604)	(494,744)
Increase/(Decrease) in stocks	(516)	23,010
Increase in debtors	(799,905)	(183,729)
Increase/(Decrease) in creditors	426,800	(1,501,232)
Net cash inflow from operating activities	1,512,369	155,995

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest paid	(219)	-
Interest element of hire purchase payments	(577,751)	(718,898)
Net cash outflow for returns on investments and servicing of finance	(577,970)	(718,898)
Capital expenditure		
Purchase of tangible fixed assets	(1,056,027)	(122,298)
Sale of tangible fixed assets	3,118,990	3,604,744
Net cash inflow for capital expenditure	2,062,963	3,482,446
Financing		
Capital repayments in year	(3,559,009)	(4,182,414)
Amount withdrawn by directors	(10,000)	-
Net cash outflow from financing	(3,569,009)	(4,182,414)

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 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.01 £	Cash flow £	Other non-cash changes £	At 31.3.02 £
Net cash:				
Cash at bank and in hand	156,396	(152,287)		4,109
Bank overdraft	-	(424,284)		(424,284)
	<u>156,396</u>	<u>(576,571)</u>		<u>(420,175)</u>
Debt:				
Hire purchase	(9,678,140)	3,559,009	(6,986,910)	(13,106,041)
	<u>(9,678,140)</u>	<u>3,559,009</u>	<u>(6,986,910)</u>	<u>(13,106,041)</u>
Total	<u>(9,521,744)</u>	<u>2,982,438</u>	<u>(6,986,910)</u>	<u>(13,526,216)</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 2002

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'. This has resulted in deferred tax, which was previously disclosed but not provided for, now being disclosed on the Balance Sheet.

2. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	2,389,033	1,993,733
Social security costs	193,183	163,268
	<u>2,582,216</u>	<u>2,157,001</u>

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

	2002	2001
Office and Management	11	11
Production	158	136
	<u>169</u>	<u>147</u>

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

3. OPERATING PROFIT

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

	2002	2001
	£	£
Depreciation - owned assets	30,946	63,272
Depreciation - assets on hire purchase contracts	1,219,107	1,181,857
Profit on disposal of fixed assets	(391,604)	(494,744)
Auditors remuneration	<u>3,750</u>	<u>3,750</u>
Directors' emoluments	<u>31,506</u>	<u>32,820</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	219	-
Hire purchase	<u>577,751</u>	<u>718,898</u>
	<u>577,970</u>	<u>718,898</u>

5. TAXATION

Analysis of the tax charge

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

	2002	2001
	£	£
Current tax:		
UK corporation tax	-	11,533
Overprovided in previous year	<u>(6,609)</u>	<u>-</u>
Total current tax	(6,609)	11,533
Deferred tax:		
Current year deferred tax movement	<u>233,796</u>	<u>-</u>
Tax on profit on ordinary activities	<u>227,187</u>	<u>11,533</u>

UK corporation tax was charged at 20% in 2001.

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

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:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>449,571</u>	<u>348,663</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 - 30%)	134,871	104,599
Effects of:		
Expenses not deductible for tax purposes	15,241	10,918
Capital allowances in excess of depreciation and other timing differences	(233,386)	47,413
Group Relief	83,274	(155,544)
Adjustment to tax charge in respect of previous periods	(6,609)	-
Adjustment to tax charge in respect of lower rate tax charge	-	4,147
Current tax charge	<u>(6,609)</u>	<u>11,533</u>

6. **DIVIDENDS**

	2002 £	2001 £
Equity shares:		
Interim	-	600,000

7. **PRIOR YEAR ADJUSTMENT**

As a result of the implementation of Financial Reporting Standard 19 'Deferred Taxation' shareholders' funds at 31 March 2001 have been restated by a charge of £3,310,743.

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

8. TANGIBLE FIXED ASSETS

	Totals £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Coaches £
COST:					
At 1 April 2001	16,492,588	357,194	20,935	55,201	16,059,258
Additions	8,042,937	40,459	10,499	1,399	7,990,580
Disposals	(3,771,807)	-	-	(47,773)	(3,724,034)
At 31 March 2002	20,763,718	397,653	31,434	8,827	20,325,804
DEPRECIATION:					
At 1 April 2001	2,713,179	239,916	18,558	31,189	2,423,516
Charge for year	1,250,053	27,307	1,133	1,756	1,219,857
Eliminated on disposal	(1,044,421)	-	-	(29,556)	(1,014,865)
At 31 March 2002	2,918,811	267,223	19,691	3,389	2,628,508
NET BOOK VALUE:					
At 31 March 2002	17,844,907	130,430	11,743	5,438	17,697,296
At 31 March 2001	13,779,409	117,278	2,377	24,012	13,635,742

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

	Coaches £
COST:	
At 1 April 2001	16,059,258
Additions	7,956,800
Disposals	(3,724,034)
At 31 March 2002	20,292,024
DEPRECIATION:	
At 1 April 2001	2,423,516
Charge for year	1,219,107
Eliminated on disposal	(1,014,865)
At 31 March 2002	2,627,758
NET BOOK VALUE:	
At 31 March 2002	17,664,266
At 31 March 2001	13,635,742

9. STOCKS

	2002 £	2001 £
Stocks	72,494	71,978

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Trade debtors	1,061,059	465,060
Amounts due by group companies	32,561	212,967
Other debtors	27,468	9,091
Directors' loan accounts	10,000	-
VAT	58,764	-
Prepayments and accrued income	476,721	169,550
	<u>1,666,573</u>	<u>856,668</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank loans and overdrafts (see note 13)	424,284	-
Hire purchase contracts (see note 14)	4,499,890	3,226,180
Trade creditors	225,204	248,807
Taxation	-	11,533
Social security and other taxes	74,558	39,455
VAT	-	2,741
Other creditors	38,567	-
Amounts due to group companies	4,517	324,441
Accrued expenses	884,893	185,495
	<u>6,151,913</u>	<u>4,038,652</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Hire purchase contracts (see note 14)	<u>8,606,151</u>	<u>6,451,960</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2002	2001
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>424,284</u>	<u>-</u>

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2002 £	2001 £
Gross obligations repayable:		
Within one year	5,195,069	3,768,492
Between one and five years	9,886,900	7,532,618
	<u>15,081,969</u>	<u>11,301,110</u>
Finance charges repayable:		
Within one year	695,179	542,312
Between one and five years	1,280,749	1,080,658
	<u>1,975,928</u>	<u>1,622,970</u>
Net obligations repayable:		
Within one year	4,499,890	3,226,180
Between one and five years	8,606,151	6,451,960
	<u>13,106,041</u>	<u>9,678,140</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank overdraft	424,284	-
Hire purchase contracts	13,106,041	9,678,140
	<u>13,530,325</u>	<u>9,678,140</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.

16. PROVISION FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred tax	<u>3,852,676</u>	<u>3,618,880</u>
	Deferred tax	
	£	
Balance at 1 April 2001	3,618,880	
Increase in Provision	233,796	
Balance at 31 March 2002	<u>3,852,676</u>	

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

16. PROVISION FOR LIABILITIES AND CHARGES - continued

Deferred tax provision

	2002	2001
	£	£
Deferred taxation	3,852,676	3,618,880
	<u>3,852,676</u>	<u>3,618,880</u>

17. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002	2001
			£	£
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

18. RESERVES

	Profit and loss account
	£
At 1 April 2001	3,565,702
Prior year adjustment	<u>(3,310,743)</u>
	254,959
Retained profit for the year	<u>222,384</u>
At 31 March 2002	<u>477,343</u>

19. ULTIMATE PARENT COMPANY

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

20. CONTINGENT LIABILITIES

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

21. TRANSACTIONS WITH DIRECTORS

The following loan to a director subsisted during the year ended 31 March 2002:

	£
D I Park	
Balance outstanding at start of year	-
Balance outstanding at end of year	10,000
Maximum balance outstanding during year	<u>10,000</u>

22. RELATED PARTY DISCLOSURES

The 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.

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	222,384	337,130
Dividends	-	(600,000)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	222,384	(262,870)
Opening shareholders' funds (originally £4,065,702 before prior year adjustment of £(3,310,743))	754,959	1,017,829
	<hr/>	<hr/>
Closing shareholders' funds	977,343	754,959
	<hr/>	<hr/>
Equity interests	977,343	754,959
	<hr/>	<hr/>