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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003
FOR
PARKS OF HAMILTON (COACH HIRERS) LIMITED



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COMPANIES HOUSE 20/09/03

PARKS OF HAMILTON (COACH HIRERS) LIMITED

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for the Year Ended 31 March 2003

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PARKS OF HAMILTON (COACH HIRERS) LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2003

DIRECTORS:	D I Park I B MacKay G Donnachie H R A McAteer
SECRETARY:	G 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 2003

The directors present their report with the financial statements of the company for the year ended 31 March 2003.

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 2003.

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

- resigned 31.1.03

The directors holding office at 31 March 2003 did not hold any beneficial interest in the issued share capital of the company at 1 April 2002 or 31 March 2003.

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.

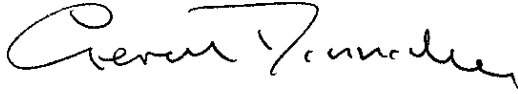
PARKS OF HAMILTON (COACH HIRERS) LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2003

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 cursive script, appearing to read 'G Donnachie', is written in black ink.

G Donnachie - Secretary

3 September 2003

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 2003 on pages five to seventeen. These financial statements have been prepared under the historical cost convention and 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 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

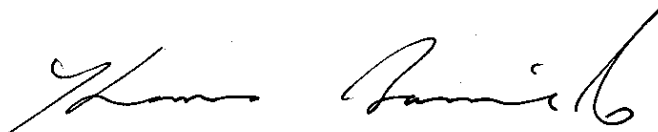
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 2003 and of its loss 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



5 September 2003

PARKS OF HAMILTON (COACH HIRERS) LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2003

2002				2003	
£	£		Notes	£	£
7,438,243		TURNOVER			9,185,286
2,573,542		Raw materials and consumables			3,277,025
4,864,701					5,908,261
	2,582,216	Staff costs	2	3,314,853	
	858,449	Depreciation		1,410,387	
	396,495	Other operating charges		457,034	
3,837,160					5,182,274
1,027,541		OPERATING PROFIT	3		725,987
577,970		Interest payable and similar charges	4		709,924
449,571		PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			16,063
227,187		Tax on profit on ordinary activities	5		116,813
222,384		(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(100,750)
£222,384		(DEFICIT)/RETAINED PROFIT FOR THE YEAR			£(100,750)

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 2003

<u>2002</u>		<u>2003</u>
		£
222,384	(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(100,750)
<u>222,384</u>	TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£(100,750)</u>
(3,310,743)	Prior year adjustment	
<u>£(3,088,359)</u>	TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	

The notes form part of these financial statements

PARKS OF HAMILTON (COACH HIRERS) LIMITED

BALANCE SHEET

31 March 2003

2002			2003	
£	£	Notes	£	£
17,844,907		FIXED ASSETS		
		Tangible assets		18,654,981
		CURRENT ASSETS		
	72,494	Stocks	62,797	
	1,666,573	Debtors	1,656,213	
	4,109	Cash in hand	1,950	
	1,743,176		1,720,960	
		CREDITORS		
	6,151,913	Amounts falling due within one year	8,024,526	
(4,408,737)		NET CURRENT LIABILITIES		(6,303,566)
13,436,170		TOTAL ASSETS LESS CURRENT LIABILITIES		12,351,415
(8,606,151)		CREDITORS		
		Amounts falling due after more than one year		(7,671,457)
(3,852,676)		PROVISIONS FOR LIABILITIES AND CHARGES		(3,803,365)
<u>£977,343</u>				<u>£876,593</u>
		CAPITAL AND RESERVES		
500,000		Called up share capital	500,000	
477,343		Profit and loss account	376,593	
<u>£977,343</u>		SHAREHOLDERS' FUNDS		<u>£876,593</u>

ON BEHALF OF THE BOARD:

Robert J. Chandler

G Donnachie - Director

Approved by the Board on 3 September 2003

The notes form part of these financial statements

CASH FLOW STATEMENT
for the Year Ended 31 March 2003

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PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2003

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

	2003 £	2002 £
Operating profit	725,987	1,027,541
Depreciation charges	1,759,444	1,250,053
Profit on disposal of fixed assets	(349,057)	(391,604)
Decrease/(Increase) in stocks	9,697	(516)
Decrease/(Increase) in debtors	360	(799,905)
(Decrease)/Increase in creditors	(418,877)	426,800
Net cash inflow from operating activities	<u>1,727,554</u>	<u>1,512,369</u>

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest paid	(7,558)	(219)
Interest element of hire purchase payments	(702,366)	(577,751)
Net cash outflow for returns on investments and servicing of finance	<u>(709,924)</u>	<u>(577,970)</u>
Capital expenditure		
Purchase of tangible fixed assets	(1,534,117)	(1,056,027)
Sale of tangible fixed assets	3,551,144	3,118,990
Net cash inflow for capital expenditure	<u>2,017,027</u>	<u>2,062,963</u>
Financing		
Capital repayments in year	(5,058,674)	(3,559,009)
Amount introduced by directors	10,000	-
Amount withdrawn by directors	-	(10,000)
Net cash outflow from financing	<u>(5,048,674)</u>	<u>(3,569,009)</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 2003

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.4.02 £	Cash flow £	Other non-cash changes £	At 31.3.03 £
Net cash:				
Cash at bank and in hand	4,109	(2,159)		1,950
Bank overdraft	(424,284)	(2,177,982)		(2,602,266)
	<u>(420,175)</u>	<u>(2,180,141)</u>		<u>(2,600,316)</u>
Debt:				
Hire purchase	(13,106,041)	5,058,674	(4,237,488)	(12,284,855)
	<u>(13,106,041)</u>	<u>5,058,674</u>	<u>(4,237,488)</u>	<u>(12,284,855)</u>
Total	<u>(13,526,216)</u>	<u>2,878,533</u>	<u>(4,237,488)</u>	<u>(14,885,171)</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 2003

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

	2003 £	2002 £
Wages and salaries	3,060,060	2,389,033
Social security costs	254,793	193,183
	<u>3,314,853</u>	<u>2,582,216</u>

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

	2003	2002
Office and Management	12	11
Production	195	158
	<u>207</u>	<u>169</u>

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2003

3. OPERATING PROFIT

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

	2003	2002
	£	£
Depreciation - owned assets	150,284	30,946
Depreciation - assets on hire purchase contracts	1,609,160	1,219,107
Profit on disposal of fixed assets	(349,057)	(391,604)
Auditors remuneration	4,000	3,750
	<u>31,857</u>	<u>31,506</u>
Directors' emoluments	<u>31,857</u>	<u>31,506</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	7,558	219
Hire purchase	702,366	577,751
	<u>709,924</u>	<u>577,970</u>

5. TAXATION

Analysis of the tax charge

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

	2003	2002
	£	£
Current tax:		
Underprovided in previous year	166,124	-
Overprovided in previous year	-	(6,609)
Total current tax	166,124	(6,609)
Deferred tax:		
Current year deferred tax movement	(49,311)	233,796
Tax on profit on ordinary activities	<u>116,813</u>	<u>227,187</u>

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2003

5. TAXATION - continued

Factors affecting the tax charge

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

	2003 £	2002 £
Profit on ordinary activities before tax	<u>16,063</u>	<u>449,571</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	4,819	134,871
Effects of:		
Expenses not deductible for tax purposes	17,896	15,241
Capital allowances in excess of depreciation and other timing differences	(174,594)	(233,386)
Group Relief	151,879	83,274
Adjustment to tax charge in respect of previous periods	<u>166,124</u>	<u>(6,609)</u>
Current tax charge	<u>166,124</u>	<u>(6,609)</u>

6. 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.

7. TANGIBLE FIXED ASSETS

	Totals £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Coaches £
COST:					
At 1 April 2002	20,763,718	397,653	31,434	8,827	20,325,804
Additions	5,771,605	6,298	1,100	715,197	5,049,010
Disposals	(4,395,781)	-	-	(7,526)	(4,388,255)
At 31 March 2003	<u>22,139,542</u>	<u>403,951</u>	<u>32,534</u>	<u>716,498</u>	<u>20,986,559</u>
DEPRECIATION:					
At 1 April 2002	2,918,811	267,223	19,691	3,389	2,628,508
Charge for year	1,759,444	29,818	1,351	104,611	1,623,664
Eliminated on disposal	(1,193,694)	-	-	(3,297)	(1,190,397)
At 31 March 2003	<u>3,484,561</u>	<u>297,041</u>	<u>21,042</u>	<u>104,703</u>	<u>3,061,775</u>
NET BOOK VALUE:					
At 31 March 2003	<u>18,654,981</u>	<u>106,910</u>	<u>11,492</u>	<u>611,795</u>	<u>17,924,784</u>
At 31 March 2002	<u>17,844,907</u>	<u>130,430</u>	<u>11,743</u>	<u>5,438</u>	<u>17,697,296</u>

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2003

7. 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 2002	20,292,024
Additions	4,708,320
Disposals	(4,218,865)
	<hr/>
At 31 March 2003	20,781,479
	<hr/>
DEPRECIATION:	
At 1 April 2002	2,627,758
Charge for year	1,609,160
Eliminated on disposal	(1,190,397)
	<hr/>
At 31 March 2003	3,046,521
	<hr/>
NET BOOK VALUE:	
At 31 March 2003	17,734,958
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At 31 March 2002	17,664,266
	<hr/>

8. STOCKS

	2003 £	2002 £
Stocks	62,797	72,494
	<hr/>	<hr/>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade debtors	629,875	1,061,059
Amounts due by group companies	812,206	32,561
Other debtors	33,941	27,468
Directors' loan accounts	-	10,000
VAT	33,738	58,764
Prepayments and accrued income	146,453	476,721
	<hr/>	<hr/>
	1,656,213	1,666,573
	<hr/>	<hr/>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts (see note 12)	2,602,266	424,284
Hire purchase contracts (see note 13)	4,613,398	4,499,890
Trade creditors	262,479	225,204
Social security and other taxes	67,966	74,558
Other creditors	39,612	38,567
Amounts due to group companies	126,493	4,517
Accrued expenses	312,312	884,893
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	8,024,526	6,151,913
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PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2003

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

	2003 £	2002 £
Hire purchase contracts (see note 13)	<u>7,671,457</u>	<u>8,606,151</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,602,266</u>	<u>424,284</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2003 £	2002 £
Gross obligations repayable:		
Within one year	5,336,694	5,195,069
Between one and five years	<u>8,545,895</u>	<u>9,886,900</u>
	<u>13,882,589</u>	<u>15,081,969</u>

Finance charges repayable:		
Within one year	723,296	695,179
Between one and five years	<u>874,438</u>	<u>1,280,749</u>
	<u>1,597,734</u>	<u>1,975,928</u>

Net obligations repayable:		
Within one year	4,613,398	4,499,890
Between one and five years	<u>7,671,457</u>	<u>8,606,151</u>
	<u>12,284,855</u>	<u>13,106,041</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2003 £	2002 £
Bank overdraft	2,602,266	424,284
Hire purchase contracts	<u>12,284,855</u>	<u>13,106,041</u>
	<u>14,887,121</u>	<u>13,530,325</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.

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2003

15. PROVISION FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred taxation		
Accelerated capital allowances	3,803,365	3,852,676
	<u>3,803,365</u>	<u>3,852,676</u>
	Deferred tax £	
Balance at 1 April 2002	3,852,676	
Decrease in provision	(49,311)	
	<u>3,803,365</u>	
Balance at 31 March 2003	<u>3,803,365</u>	

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
500,000	Ordinary	£1	
		2003 £	2002 £
		500,000	500,000
		<u>500,000</u>	<u>500,000</u>

17. RESERVES

	Profit and loss account £
At 1 April 2002	477,343
Deficit for the year	(100,750)
	<u>376,593</u>
At 31 March 2003	<u>376,593</u>

18. ULTIMATE PARENT COMPANY

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

19. 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 and, with the exception of one fellow subsidiary, to companies in the Capital Bank Group.

20. TRANSACTIONS WITH DIRECTORS

The following loan to a director subsisted during the year ended 31 March 2003:

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

PARKS OF HAMILTON (COACH HIRERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2003

21. 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.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
(Loss)/Profit for the financial year	(100,750)	222,384
Net (reduction)/addition to shareholders' funds	(100,750)	222,384
Opening shareholders' funds	977,343	754,959
Closing shareholders' funds	876,593	977,343
Equity interests	876,593	977,343