Plaxton Limited

Directors' report and financial statements

Registered number 05101150

31 December 2007

Contents

Directors' report

The directors have pleasure in submitting the annual report and the financial statements for the 8 month period ended 31 December 2007

Principal activity and business review

On 11 May 2007 the entire share capital of Plaxton Holdings Limited, was purchased by Alexander Dennis Limited (ADL) The company has subsequently changed its financial year end to 31 December in line with the rest of the Group to which it now belongs

The results for the 8 month period ending 31 December 2007 are set out in the profit and loss account on page 7, the corresponding comparative figures are for the 12 months ending 30 April 2007

In the 8 month period on turnover of £47 3m, gross profit of £6 4m was generated, and an operating profit before exceptional costs of £513k, in the corresponding 8 month period ending 31 December 2006, turnover was £32 4m, gross profit £6 8m and operating profit £300k (previous year figures to 30 April 2007 - turnover of £81 7m, £13 1m of gross profit and operating profit of £3 0m) The Plaxton business is a seasonal business, with the majority of profit being generated in the period February to April, hence the shortened accounting period reflects this seasonal effect of lower profitability during the earlier part of the year

Since the acquisition by Alexander Dennis the company has embarked upon a period of rapid expansion, due to the re-introduction of single deck midi bus to Scarborough from ADL to facilitate a group-wide capacity expansion Facilities changes, production line expenditure and rapid growth in employee numbers (both direct and indirect staff) have all added to the cost base in the period under review, with related increases in turnover and margin not being seen in Plaxton until the next financial year The company is forecast to see a significant growth in turnover and profitability for 2008

The principal risks and uncertainties affecting the business include the following

- Raw material availability and prices the group monitors raw material sources on a global basis and negotiates forward purchase contracts where appropriate with key suppliers
- Environmental risks the group places considerable emphasis upon environmental compliance in each of its businesses and not only seeks to ensure ongoing compliance with relevant legislation but also strives to ensure that environmental best practice is incorporated into its key processes
- Debtors the group maintains strong relationships with each of its key customers and has established credit control parameters Appropriate credit terms are agreed with all customers and these are closely managed In addition, the group maintains credit insurance whereby the majority of outstanding debts are credit insured
- Major disruption/disaster a formal Business Continuity Plan is currently being drawn up and implemented
- New product, project and technology risk the business has satisfactorily developed product updates to take account of legislation, the current financial period has seen the development of the product range to comply with the Euro4 emission legislation The business operates in a highly competitive market place, and has therefore taken the view that it should embrace new technology in line with a strategy of product differentiation
- All appropriate measures are taken to protect the company's intellectual property rights and to minimise the risk of infringement of third party rights
- The effect of legislation or other regulatory activities The bus and coach industry, like many others, is subject to strong regulatory forces The main legislative and regulatory changes which have affected the business in the last few years are around the introduction of the Disability and Discrimination Act to coach transport in 2005, and the introduction of Euro4 emission requirements in 2006/7 Plaxton's response was to embrace such changes and turn them into opportunities to supply innovative product solutions to the fleet and retail coach buyers, with three lift options on coach, and one in the Beaver/Cheetah products, along with the majority of the product range now Euro4 compliant

Directors' report *(continued)*

- Litigation the directors are not aware of any litigation at the present time

Key areas of strategic development and performance of the business include

- Sales and marketing new and replacement business is being won continually, new markets have been developed in line with the group's strategy, key customer relationships are monitored on a regular basis
- Manufacturing new products continue to be developed for both existing and development markets, production efficiencies have been gained and new initiatives for process and efficiency improvements are constantly being developed
- New product development During the period under review, the company has consolidated existing products into the market place, with the completion of the Primo and Centro bus development projects The current period focus has been on the introduction of existing ADL products into the Scarborough production process, with the first vehicles being delivered to customers in the final months of 2007 New products are currently being designed for introduction during 2008
- Health and Safety accident and absenteeism rates have fallen and the company continues to seek ways of ensuring that a safe and healthy working environment is progressively improved

Key financial performance indicators include the monitoring of the management of profitability and working capital A number of the ratios below are affected by the change in financial period end and the seasonality of the business

Key non-financial performance indicators include the monitoring of our employees' health and safety

	8 months to 31 December 2007	**12 months to 30 April 2007**	Measure
Financial			
Ebitda	**£1 2m**	**£4 1m**	Earnings before exceptional items, interest, tax, depreciation and amortisation
Current ratio	**1 35**	**1 35**	Current assets current liabilities
Stock turnover	**2 66**	**5 77**	Turnover/ stock
Days debtors	**36 51**	**12 26**	Trade debtors/ turnover
Days creditors	**82 08**	**51 37**	Trade creditors/ purchases
Non-financial			
Number of reportable accidents	**6**	**4**	Reportable accidents

Proposed dividend

The directors do not recommend the payment of a dividend

Directors and directors' interests

The directors who held office during the period were as follows

C Robertson	appointed 11 May 2007
J Globe	
K Wood	
B Davidson	resigned 21 December 2007
M Keaney	resigned 18 January 2008
F Daly	appointed 11 May 2007, resigned 23 November 2007

Directors' report *(continued)*

Employee involvement

A joint consultative group consisting of management and employee representatives operates as a forum for consultation with employees with meetings held on a regular basis

The company continued implementation of its training programme covering key areas of employee involvement such as communications, customer focus, continuous improvement, team working and empowerment

It is company policy that disabled people should have the same consideration as others for all job vacancies for which they apply as suitable candidates

Political and charitable contributions

The company made no political contributions during the period *(Year ended 30 April 2007 £nil)* Donations to UK charities amounted to £336 *(Year ended 30 April 2007 £850)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with S384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting

By order of the board

J Globe
Director

Plaxton Park
Cayton Low Road
Eastfield
Scarborough
North Yorkshire
YO11 3BY

24 April 2008

Statement of directors' responsibilities in respect of the Directors' report and the financial statements.

The directors are responsible for preparing the Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985 They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of Plaxton Limited

We have audited the financial statements of Plaxton Limited for the 8 month period ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 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 auditor's 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4

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 Directors' Report 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 other transactions is not disclosed

We read the Directors' Report 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 judgments 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

Independent auditors' report to the members of Plaxton Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

24 April 2008

Profit and loss account
for the 8 months ended 31 December 2007

	Notes	8 months ended 31 December 2007 £000	Year ended 30 April 2007 £000
Turnover	*1*	**47,343**	81,664
Cost of sales		**(40,909)**	(68,604)
Gross profit		**6,434**	13,060
Distribution costs		**(1,400)**	(2,370)
Administrative expenses		**(4,928)**	(7,679)
Operating profit before exceptional costs		**513**	3,011
Exceptional costs (see note 2)		**(407)**	-
Operating profit	*2*	**106**	3,011
Interest receivable	*5*	**-**	19
Interest payable and similar charges	*6*	**(696)**	(1,379)
(Loss)/profit before taxation		**(590)**	1,651
Tax on (loss)/profit on ordinary activities	*7*	**150**	(358)
(Loss)/ profit for the financial period	*16*	**(440)**	1,293

There are no recognised gains and losses in the period other than the profit for the period

The results for the period are wholly attributable to continuing activities

(Loss)/ profit on ordinary activities before taxation is the historical cost profit

Balance sheet
at 31 December 2007

	Note	31 December 2007		30 April 2007	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	*8*		2,270		3,058
Tangible assets	*9*		1,670		1,441
			3,940		4,499
Current assets					
Stocks	*10*	17,811		14,163	
Debtors	*11*	6,504		3,713	
Cash at bank and in hand		-		5,864	
		24,315		23,740	
Creditors: amounts falling due within one year	*12*	(17,983)		(17,541)	
Net current assets			6,332		6,199
Total assets less current liabilities			10,272		10,698
Creditors amounts falling due after more than one year	*13*		(6,238)		(6,242)
Provisions for liabilities and charges	*14*		(48)		(30)
			3,986		4,426
Capital and reserves					
Called up share capital	*15*		10		10
Share premium account	*16*		470		470
Profit and loss account	*16*		3,506		3,946
Shareholders' funds			3,986		4,426

These financial statements were approved by the board of directors on 24 April 2008 and were signed on its behalf by

J Globe
Director

Reconciliation of movements in shareholders' funds
for the 8 months ended 31 December 2007

	8 months ended 31 December 2007	Year ended 30 April 2007
	£'000	£'000
Retained (loss)/ profit for the financial period	**(440)**	1,293
Opening shareholders' funds	**4,426**	3,133
Closing shareholders' funds	**3,986**	4,426

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost accounting rules

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of seven years

Turnover

For vehicle turnover, a sale is recognised upon invoicing and when the vehicle is available in accordance with agreed customer requirements

After-market sales are recognised upon delivery of the relevant service

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Leasehold land and buildings	-	life of lease
Plant and machinery	-	between 3 and 8 years
Fixtures, fittings, tools and equipment	-	between 4 and 8 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Post-retirement benefits

The company operates a defined contribution pension scheme in the form of a group personal pension The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Notes *(continued)*

1 Accounting policies *(continued)*

Stocks

Stocks are stated at the lower of cost and net realisable value In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market

Research and development

It is the company's policy to capitalise development costs that comply with the requirements set out in SSAP 13 Accounting for Research and Development

Leases and hire purchase contracts

Where the company enters into a lease, which entails taking substantially all the risk and rewards of ownership of an asset, the lease is treated as a 'finance lease' The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter Future instalments under such leases, net of finance charges, are included within creditors Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease

Notes *(continued)*

2 Profit on ordinary activities before taxation

	8 months ended 31 December 2007 £000	Year ended 30 April 2007 £000
Profit on ordinary activities before taxation is stated after charging.		
Auditors' remuneration		
Audit	**28**	29
Other services - fees paid to the auditor and its associates	**20**	21
Depreciation and other amounts written off tangible and intangible fixed assets		
Owned	**298**	337
Leased	**14**	23
Amortisation of goodwill and development costs	**423**	730
Hire of plant and machinery - rentals payable under operating leases	**26**	31
Hire of other assets - operating leases	**791**	983
Research and development expenditure	**187**	148
Exceptional costs (note 8)	**407**	-

Exceptional costs arose in the period in respect of the write off of new product development costs Following the acquisition of the Company by Alexander Dennis Limited, the directors have reviewed development costs in accordance with SSAP 13 Accounting for Research and Development Costs, which result in certain costs being written off

3 Remuneration of directors

	8 months ended 31 December 2007 £000	Year ended 30 April 2007 £000
Directors' emoluments	**246**	448
Company contributions to money purchase pension schemes	**21**	39
Amounts paid to third parties in respect of directors' services	**2**	42
	269	529

The aggregate of emoluments of the highest paid director was £88,000 *(30 April 2007 £118,000)* and company pension contributions of £8,800 *(30 April 2007 £11,000)* were made to a money purchase scheme on his behalf

	Number of directors	
	8 months ended 31 December 2007	Year ended 30 April 2007
Average number of directors during the period	**5**	7

Notes *(continued)*

3 Remuneration of directors *(continued)*

	Number of directors	
	8 months ended 31 December 2007	Year ended 30 April 2007
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	**4**	4

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows

	Number of employees	
	8 months ended 31 December 2007	Year ended 30 April 2007
Manufacturing	**381**	342
Selling and Administration	**113**	107
Aftermarket	**60**	67
	554	516

The aggregate payroll costs of these persons were as follows

	8 months ended 31 December 2007 £000	Year ended 30 April 2007 £000
Wages and salaries	**9,506**	13,057
Social security costs	**953**	1,332
Other pension costs	**162**	232
	10,621	14,621

5 Interest receivable and similar income

	8 months ended 31 December 2007 £000	Year ended 30 April 2007 £000
Interest receivable on short-term bank deposits	**-**	19

Notes *(continued)*

6 Interest payable and similar charges

	8 months ended 31 December 2007 £000	Year ended 30 April 2007 £000
On bank loans and overdrafts	**567**	830
On loan notes	**-**	169
Other	**129**	380
	696	1,379

7 Taxation

Analysis of (credit)/ charge in period

	8 months ended 31 December 2007 £000	Year ended 30 April 2007 £000
UK corporation tax		
Current tax on income for the period	**(174)**	363
Adjustments in respect of prior period	**6**	(7)
Total current tax	**(168)**	356
Deferred tax		
Origination/reversal of timing differences	**18**	-
Adjustment in respect of prior period	**-**	2
Total deferred tax	**18**	2
Tax on (loss)/ profit on ordinary activities	**(150)**	358

Notes *(continued)*

7 Taxation *(continued)*

Factors affecting the tax (credit)/ charge for the current period

The current tax (credit)/ charge for the period is higher *(30 April 2007 lower)* than the standard rate of corporation tax in the UK 30% *(30 April 2007 30%)* The differences are explained below

	8 months ended 31 December 2007	Year ended 30 April 2007
	£000	£000
Current tax reconciliation		
(Loss)/ profit on ordinary activities before tax	**(590)**	1,651
Current tax at 30% *(30%)*	**(177)**	495
Effects of		
Expenses not deductible for tax purposes	**36**	20
Fixed asset timing differences	**(20)**	(10)
Short term timing differences	**2**	10
Adjustments to tax charge in respect of prior period	**6**	(7)
Group losses not paid for	**(15)**	(152)
	(168)	356

8 Intangible fixed assets

	Development costs	**Goodwill and deal fees**	**Total**
	£000	**£000**	**£000**
Cost			
At beginning of period	1,200	3,926	5,126
Additions	40	-	40
Write off of development costs (note 2)	(467)	-	(467)
At end of period	773	3,926	4,699
Amortisation			
At beginning of period	220	1,848	2,068
Charged in period	75	346	421
Amortisation relating to costs written off in the period	(60)	-	(60)
At end of period	235	2,194	2,429
Net book value			
At 31 December 2007	**538**	**1,732**	**2,270**
At 30 April 2007	980	2,078	3,058

Goodwill held is in relation to the trade and asset purchase from Transbus International Limited and is being amortised over 7 years, as the directors believe that to be the period over which the benefits of the current designs, existing product range and contracts will be realised

Development costs are capitalised under the provisions of SSAP 13 Accounting for Research and Development Costs are amortised over a period of seven years

Notes *(continued)*

9 Tangible fixed assets

	Leasehold land and buildings £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Total £000
Cost				
At beginning of period	119	1,654	418	2,191
Additions	-	517	24	541
At end of period	119	2,171	442	2,732
Depreciation				
At beginning of period	33	512	205	750
Charge for period	14	231	67	312
At end of period	47	743	272	1,062
Net book value				
At 31 December 2007	**72**	**1,428**	**170**	**1,670**
At 30 April 2007	86	1,142	213	1,441

The net book value of land and buildings comprises

	31 December 2007 £000	30 April 2007 £000
Short leasehold	**72**	86

Included in the total net book value of plant and machinery is £46,451 *(Year ended 30 April 2007 £60,451)* in respect of assets held under finance leases and similar hire purchase contracts Depreciation for the period on these assets was £14,000 *(Year ended 30 April 2007 £23,393)*

Notes *(continued)*

10 Stocks

	31 December 2007 £000	30 April 2007 £000
Raw materials and consumables	**4,013**	3,686
Work in progress	**5,177**	4,826
Finished goods and goods for resale	**8,621**	5 651
	17,811	14,163

11 Debtors

	31 December 2007 £000	30 April 2007 £000
Trade debtors	**5,565**	3,222
Other debtors	**172**	98
Prepayments and accrued income	**545**	393
Corporation tax	**222**	-
	6,504	3,713

12 Creditors: amounts falling due within one year

	31 December 2007 £000	30 April 2007 £000
Bank overdraft	**1,189**	-
Stocking loan	**2,221**	2,161
Payments received on account	**54**	59
Trade creditors	**10,683**	10,018
Taxation and social security	**1,549**	2,836
Corporation tax	**-**	59
Other creditors	**531**	78
Accruals and deferred income	**1,730**	2,300
Finance lease creditors	**26**	30
	17,983	17,541

Notes *(continued)*

13 Creditors: amounts falling due after more than one year

	31 December 2007 £000	30 April 2007 £000
Finance lease creditors	**-**	14
Amounts due to parent undertaking	**6,228**	6,228
Amounts due to ultimate parent company	**10**	-
	6,238	6,242

Analysis of debt

	31 December 2007 £000	30 April 2007 £000
Debt can be analysed as falling due		
Between two and five years	**-**	14
In five years or more	**6,238**	6,228
	6,238	6,242

The maturity of obligations under finance leases and hire purchase contacts is as follows

	31 December 2007 £000	30 April 2007 £000
Within one year	**26**	30
In the second to fifth years	**-**	14
	26	44

Notes *(continued)*

14 Provisions for liabilities and charges

Deferred taxation	31 December 2007 £000	30 April 2007 £000
At beginning of period	30	28
Charge to the profit and loss for the year	18	2
At end of period	48	30

The element of deferred taxation are as follows	31 December 2007 £000	30 April 2007 £000
Difference between accumulated depreciation and amortisation and capital allowances	68	48
Other timing differences	(20)	(18)
Provision	48	30
Deferred tax asset	(20)	(18)
Deferred tax liability	68	48
	48	30

15 Called up share capital

	31 December 2007 £	30 April 2007 £
Authorised, allotted, called up and fully paid		
Equity		
72,500 A Ordinary shares of 10p each	7,250	7,250
27,500 B Ordinary shares of 10p each	2,750	2,750
	10,000	10,000

On 15 May 2004, the authorised share capital of the company was increased from £1,000 to £10,000 by the creation of 72,500 A ordinary shares of 10p each and 17,500 B ordinary shares of 10p each In addition, 998 unissued ordinary shares of £1 each were converted into 9,980 B ordinary shares of 10p each, and 2 issued ordinary shares of £1 each were converted into 20 B ordinary shares of 10p each

The holders of each A ordinary share or each B ordinary share shall have the right to receive notice of, attend, speak and vote at a general meeting of the Company

Save for as detailed below, the shares shall rank pari passu in all respects

Notes *(continued)*

15 Called up share capital *(continued)*

The A ordinary shares issued during the period carry the right for the shareholders to receive, by way of a participating dividend, for the financial years commencing 1 May 2007 and ending 30 April 2011 Thereafter, the A ordinary shares and B ordinary shares shall rank equally share for share as regards dividends

On liquidation, reduction of capital, dissolution or winding up of the company, each A ordinary share confers upon the holder thereof, the right to receive a proportion of the assets of the company available for distribution among the members equal to the issue price of each fully paid ordinary share and all dividends accrued or in arrears, similarly then to pay the B ordinary shareholders, then the balance to be distributed in accordance with the Articles of Association

16 Profit and loss account and movements in shareholders funds

	Share Capital	Profit & Loss Account	Share Premium	Total Shareholders funds
	£000	£000	£000	£000
Balance 1 May 2007	10	3,946	470	4,426
Retained loss for the financial period	-	(440)	-	(440)
Balance at 31 December 2007	**10**	**3,506**	**470**	**3,986**

Notes *(continued)*

17 Commitments

(a) Capital commitments at the end of the financial period, for which no provision has been made, are as follows

	8 months ended 31 December 2007 **£000**	Year ended 30 April 2007 £000
Contracted	**109**	81
Authorised but not contracted	**55**	251
	164	332

(b) Annual commitments under non-cancellable operating leases are as follows

	8 months ended 31 December 2007		Year ended 30 April 2007	
	Land and buildings **£000**	**Other** **£000**	Land and buildings £000	Other £000
Operating leases which expire				
Within one year	**7**	**6**	22	34
In the second to fifth years inclusive	**14**	**78**	14	133
Over five years	**794**	**59**	717	-
	815	**143**	753	167

18 Pension scheme

The Company operates a defined contribution pension scheme The pension cost charge for the period represents contributions payable by the Company to the scheme and amount to £162,000 *(Year ended 30 April 2007 £232,000)*

There were outstanding contributions at the end of the financial period of £42,000 *(Year ended 30 April 2007 £32,158)* and these are included within other creditors

19 Ultimate parent undertaking

On 11 May 2007 the entire share capital of Plaxton Holdings Limited, the company's immediate parent company was purchased by Alexander Dennis Limited The company has subsequently changed its financial year end to 31 December in line with the rest of the Group to which it now belongs

20 Contingent liabilities

The Company is party to a Group banking arrangement which includes cross-guarantees between the various companies in the Group The Company has a contingent liability in respect of these borrowings which at the period end amounted to a maximum Group liability of £58 69m *(30 April 2007 £nil)*