Plaxton Limited

Directors' report and financial statements

Registered number 05101150

31 December 2008

Contents

Directors' report

The directors have pleasure in submitting the annual report and the financial statements for the year ended 31 December 2008.

Principal activity and business review

The results for the year ending 31 December 2008 are set out in the profit and loss account on page 7; the corresponding comparative figures are for the 8 months ending 31 December 2007.

In the year on turnover of £106.2m, gross profit of £6.1m was generated, and an operating profit before exceptional costs of £2.1m; in the corresponding 8 month period ending 31 December 2007, turnover was £47.3m, gross profit £3.4m and operating profit before exceptional costs was £513k.

Since the acquisition by Alexander Dennis Limited (ADL) in May 2007, 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 both periods under review, with related increases in turnover and margin being seen in Plaxton in the current financial year, largely accounting for the significant increase in turnover. Although there is a reasonable forward order book at the present time, we are facing difficult market conditions and have adopted manufacturing and stockholding strategies to suit these changing conditions.

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. The business is also anxious to protect and support its supplier base and, where appropriate, every effort is made to dual source critical parts and components.
- 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 company maintains credit insurance whereby 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 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, particularly with regard to the Disability and Discrimination Act and also emission control legislation. Plaxton has taken such changes and turned them into opportunities to supply innovative product solutions to its customer base.
- Litigation: the directors are not aware of any litigation at the present time.

Directors' report *(continued)*

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: The current year has seen the introduction of the newly designed Elite coach, a luxury touring coach model, being the first of a new generation of coach with up to the minute styling with modern production processes. In addition, the current period has seen the existing ADL single deck bus products established into the Scarborough production process, significantly enabling the group to meet increased customer demands.
- 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.

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

	Year ended 31 December 2008	8 months to 31 December 2007	Measure
Financial			
Ebitda	**£3.3m**	£1.2m	Earnings before exceptional items, interest, tax, depreciation and amortisation
Current ratio	**1.33**	1.39	Current assets: current liabilities
Stock turnover	**4.27**	2.66	Turnover/ stock
Days debtors	**12.14**	24.34	Trade debtors/ turnover
Days creditors	**50.57**	61.35	Trade creditors/ purchases
Non-financial			
Number of reportable accidents	4	6	Reportable accidents

The Company is financed by way of Group banking arrangements, along with a £10m long-term intercompany loan from the parent Company, and is ultimately reliant on ADL for on-going funding.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the period were as follows:

C Robertson
J Globe
K Wood
M Keaney resigned 18 January 2008
R Coombes appointed 22 August 2008, resigned 26 February 2009

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 *(31 December 2007: £nil).* Donations to UK charities amounted to £858 *(31 December 2007: £336).*

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

JGlobe

J Globe
Director

18 June 2009

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

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
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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 year ended 31 December 2008 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 2008 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

18 June 2009

Profit and loss account

for the year ended 31 December 2008

	Notes	Year ended 31 December 2008 £000	Restated 8 months ended 31 December 2007 £000
Turnover	*1*	**106,191**	47,343
Cost of sales		**(100,079)**	(43,923)
Gross profit		**6,112**	3,420
Distribution costs		**(2,110)**	(1,459)
Administrative expenses		**(3,878)**	(1,855)
Operating profit before exceptional costs		**2,104**	513
Exceptional costs (see note 2)		**(1,980)**	(407)
Operating profit	*2*	**124**	106
Interest receivable	*5*	**9**	-
Interest payable and similar charges	*6*	**(1,125)**	(696)
Loss before taxation		**(992)**	(590)
Tax on loss on ordinary activities	*7*	**155**	150
Loss for the financial year	*16*	**(837)**	(440)

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

The results for the period are wholly attributable to continuing activities.

Loss on ordinary activities before taxation is the historical cost profit.

Balance sheet
at 31 December 2008

	Note	31 December 2008 £000	31 December 2008 £000	Restated 31 December 2007 £000	Restated 31 December 2007 £000
Fixed assets					
Intangible assets	*8*		**1,766**		2,270
Tangible assets	*9*		**2,060**		1,670
			3,826		3,940
Current assets					
Stocks	*10*	**24,844**		17,811	
Debtors	*11*	**5,009**		6,504	
		29,853		24,315	
Creditors: amounts falling due within one year	*12*	**(22,397)**		(17,510)	
Net current assets			**7,456**		6,805
Total assets less current liabilities			**11,282**		10,745
Creditors: amounts falling due after more than one year	*13*		**(6,228)**		(6,238)
Provisions for liabilities and charges	*14*		**(1,905)**		(521)
			3,149		3,986
Capital and reserves					
Called up share capital	*15*		**10**		10
Share premium account	*16*		**470**		470
Profit and loss account	*16*		**2,669**		3,506
Shareholders' funds			**3,149**		3,986

These financial statements were approved by the board of directors on 15/6/09 and were signed on its behalf by:

JGlobe

J Globe
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2008

	Year ended 31 December 2008 £'000	8 months ended 31 December 2007 £'000
Retained loss for the financial year	**(837)**	(440)
Opening shareholders' funds	**3,986**	4,426
Closing shareholders' funds	**3,149**	3,986

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 in the United Kingdom and 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.

Prior year adjustment

The comparative figures for the 8 month period ended 31 December 2007 for cost of sales and gross profit have been adjusted by £3,014,000 to conform with cost classifications adopted by the ultimate parent Company, Alexander Dennis Limited. Corresponding adjustments of £59,000 (increase) and £3,073,000 (reduction) have been made to the comparative figures for distribution costs and administrative expenses, respectively.

The provision for warranty costs has also been reclassified to conform to the classifications adopted by the ultimate parent Company, Alexander Dennis Limited. The effect of this adjustment is to reduce accruals and deferred income by £473,000 and increase provisions for liabilities and charges by £473,000.

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 and cost of sales

Turnover comprises sales in the ordinary course of business to external customers for goods supplied and services provided, excluding sales related taxes.

Cost of sales comprises the cost of direct material and direct labour attributable to goods supplied or services provided.

Revenue recognition

The company generates revenue from the manufacture and sale of new buses and coaches, the sale of second-hand coaches and the provision of aftermarket services, including the sale of spare parts.

Revenue from these activities is recognised when and only when:

- a supply contract exists;
- sales consideration is capable of reliable measurement and collectability is reasonably assured;
- contractual commitments have been discharged and the risks and rewards of ownership have transferred to the customer.

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

Notes *(continued)*

1 Accounting policies *(continued)*

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.

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 loss 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 Loss on ordinary activities before taxation

	Year ended 31 December 2008 £000	8 months ended 31 December 2007 £000
Loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit	33	28
Other services relating to taxation	6	20
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned	589	298
Leased	21	14
Amortisation of goodwill and development costs	591	423
Operating lease rentals -		
Land and buildings	941	643
Plant and equipment	260	174
Research and development expenditure	208	187
Exceptional costs		
Write off of intangible development costs (note 8)	162	407
Write off of tangible development costs (note 9)	64	-
Additional warranty provision (note 14)	1,754	-
	1,980	407

2007 exceptional costs:-
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.

2008 exceptional costs:-
During the year significant warranty and rectification costs were incurred by Plaxton in relation to one of the Company's products; these costs were considerably in excess of previous warranty provisions held. Additional provision has now been made based on the Directors' best estimates of the total costs expected to be incurred in relation to the Plaxton obligations for these vehicles. Furthermore, the related product development costs in relation to this product have been written off in the current period.

3 Remuneration of directors

	Year ended 31 December 2008 £000	8 months ended 31 December 2007 £000
Directors' emoluments	379	246
Company contributions to money purchase pension schemes	42	21
Amounts paid to third parties in respect of directors' services	-	2
	421	269

The aggregate of emoluments of the highest paid director was £136,000 *(31 December 2007: £88,000)* and company pension contributions of £23,958 *(31 December 2007: £8,800)* were made to a money purchase scheme on his behalf.

Notes *(continued)*

3 Remuneration of directors *(continued)*

	Number of directors	
	Year ended 31 December 2008	8 months ended 31 December 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	
	Year ended 31 December 2008	8 months ended 31 December 2007
Manufacturing	**497**	381
Selling and Administration	**165**	173
	662	554

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2008 £000	8 months ended 31 December 2007 £000
Wages and salaries	**17,332**	9,506
Social security costs	**1,762**	953
Other pension costs	**287**	162
	19,381	10,621

5 Interest receivable and similar income

	Year ended 31 December 2008 £000	8 months ended 31 December 2007 £000
Other interest receivable	**9**	-

Notes *(continued)*

6 Interest payable and similar charges

	Year ended 31 December 2008 £000	8 months ended 31 December 2007 £000
On bank loans and overdrafts	**231**	567
Other	**894**	129
	1,125	696

7 Taxation

Analysis of credit in period

	Year ended 31 December 2008 £000	8 months ended 31 December 2007 £000
UK corporation tax		
Current tax on income for the period	**(274)**	(174)
Adjustments in respect of prior period	**(19)**	6
Total current tax	**(293)**	(168)
Deferred tax		
Origination/reversal of timing differences	**(12)**	18
Adjustment in respect of prior period	**150**	-
Total deferred tax	**138**	18
Tax on loss on ordinary activities	**(155)**	(150)

Notes *(continued)*

7 Taxation *(continued)*

Factors affecting the tax credit for the current period

The current tax credit for the period is lower *(31 December 2007: higher)* than the standard rate of corporation tax in the UK 28.5% *(31 December 2007: 30%)*. The differences are explained below.

	Year ended 31 December 2008 £000	8 months ended 31 December 2007 £000
Current tax reconciliation		
Loss on ordinary activities before tax	**(992)**	(590)
Current tax at 28.5% *(30%)*	**(283)**	(177)
Effects of:		
Expenses not deductible for tax purposes	**25**	36
Fixed asset timing differences	**16**	(20)
Short term timing differences	**(4)**	2
Adjustments to tax charge in respect of prior period	**(19)**	6
Group losses not paid for	**-**	(15)
Enhanced research and development tax relief relating to the current year	**(28)**	-
	(293)	(168)

8 Intangible fixed assets

	Development costs £000	**Goodwill and deal fees £000**	**Total £000**
Cost			
At beginning of year	773	3,926	4,699
Additions	249	-	249
Write off of development costs (note 2)	(167)	-	(167)
At end of year	855	3,926	4,781
Amortisation			
At beginning of year	235	2,194	2,429
Charged in period	72	519	591
Amortisation relating to costs written off in the period (note 2)	(5)	-	(5)
At end of year	302	2,713	3,015
Net book value			
At 31 December 2008	**553**	**1,213**	**1,766**
At 31 December 2007	538	1,732	2,270

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 Equipment £000	Total £000
Cost			
At beginning of year	119	2,613	2,732
Additions	14	1,050	1,064
Write off of tangible development costs (note 2)	-	(74)	(74)
At end of year	133	3,589	3,722
Depreciation			
At beginning of year	47	1,015	1,062
Charge for year	21	589	610
On disposals	-	(10)	(10)
At end of year	68	1,594	1,662
Net book value			
At 31 December 2008	**65**	**1,995**	**2,060**
At 31 December 2007	72	1,598	1,670

The net book value of land and buildings comprises:

	31 December 2008 £000	31 December 2007 £000
Short leasehold	**65**	72

Included in the total net book value of plant and machinery is £nil *(Period ended 31 December 2007: £46,451)* in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £nil *(Period ended 31 December 2007: £14,000).*

Notes *(continued)*

10 Stocks

	2008 £000	2007 £000
Raw materials and consumables	**6,009**	4,013
Work in progress	**6,660**	5,177
Finished goods and goods for resale	**12,175**	8,621
	24,844	17,811

11 Debtors

	2008 £000	2007 £000
Trade debtors	**4,143**	5,565
Other debtors	**104**	172
Prepayments and accrued income	**662**	545
Corporation tax	**100**	222
	5,009	6,504

12 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank overdraft	**1,984**	1,189
Stocking loan	**1,724**	2,221
Payments received on account	**31**	54
Trade creditors	**13,352**	10,683
Taxation and social security	**2,457**	1,549
Other creditors	**93**	531
Accruals and deferred income	**1,730**	1,257
Finance lease creditors	**-**	26
Amount due to ultimate parent company	**1,026**	-
	22,397	17,510

Notes *(continued)*

13 Creditors: amounts falling due after more than one year

	2008	2007
	£000	£000
Amounts due to parent undertaking	**6,228**	6,228
Amounts due to ultimate parent company	**-**	10
	6,228	6,238

Analysis of debt:
Debt can be analysed as falling due:

	2008	2007
In five years or more	**6,228**	6,238

14 Provisions for liabilities and charges

	Deferred taxation	**Warranty provisions**	**Total**
	£000	£000	£000
At beginning of year	48	473	521
Charge to the profit and loss for the year	138	835	973
Utilised during year	-	(1,343)	(1,343)
Exceptional provision made in period (note 2)	-	1,754	1,754
At end of year	**186**	**1,719**	**1,905**

The elements of deferred taxation are as follows:

	2008	2007
	£000	£000
Difference between accumulated depreciation and amortisation and capital allowances	**202**	68
Other timing differences	**(16)**	(20)
Provision	**186**	48
Deferred tax asset	**(16)**	(20)
Deferred tax liability	**202**	68
	186	48

15 Called up share capital

	31 December 2008	31 December 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

Notes *(continued)*

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 at 31 December 2007	10	3,506	470	3,986
Retained loss for the financial year	-	(837)	-	(837)
Balance at 31 December 2008	10	2,669	470	3,149

17 Commitments

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

	2008	2007
	£000	£000
Contracted	48	109
Authorised but not contracted	111	55
	159	164

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

	31 December 2008		31 December 2007	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	-	49	7	6
In the second to fifth years inclusive	-	109	14	78
Over five years	932	-	794	59
	932	158	815	143

Notes *(continued)*

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 £286,842 *(Year ended 31 December 2007: £162,000).*

There were outstanding contributions at the end of the financial period of £40,056 *(Year ended 31 December 2007: £42,000)* and these are included within other creditors.

19 Ultimate parent undertaking

The Company's immediate parent company, Plaxton Holdings Limited, is a wholly owned undertaking of Alexander Dennis Limited, the Group's ultimate parent undertaking.

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 £61.9m *(31 December 2007: £58.69m).*