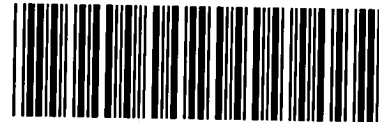


Company Registration No: 06025920

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED
GROUP REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

FRIDAY



A6KD551D

A31

01/12/2017

#1

COMPANIES HOUSE

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

COMPANY INFORMATION

DIRECTORS

J G Bateson
S J Staton
S J Roff
M W Gerard

COMPANY NUMBER

06025920

REGISTERED OFFICE

Venson House
1 A C Court
High Street
Thames Ditton
Surrey
KT7 0SR

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Davidson House
Forbury Square
Reading
RG1 3EU

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for Premier Fleet Management and Contract Hire Limited (Premier) - Company Registration No. 06025920 - for the year ended 31 December 2016.

Principal activity

The principal activity of the group during the year was that of the provision of fleet management services, total outsourcing solutions and contract hire within the automotive industry.

Review of the business

The Directors are satisfied with the results of the group, which are disclosed in the profit and loss account on page 7 of the financial statements.

The Directors are able to announce that the group hit its key financial target for 31 December 2016 with an EBITDA of £7,965,175 (2015: £9,405,875), against a turnover of £28,255,361 (2015: £28,353,118). The EBITDA is calculated taking into account the depreciation and interest highlighted in Notes 4 and 6. The group ended the year with £1,950,199 cash at bank (2015: £2,083,417).

Operationally the group's continued focus on "Customer First" resulted in a number of contract wins during 2016, with Venson Automotive Solutions Ltd (VAS) recording a customer retention of 96% (2015: 93%).

The public sector businesses in Hertfordshire and Nottinghamshire continue to contribute to the group's overall results with an EBITDA of £1,480,162 (2015: £1,746,887). The EBITDA from the public sector businesses and the capacity for expansion provide a platform to achieve strong and profitable growth in the future.

Principal risks and uncertainties

The nature of the group's business is to provide risk transfer fixed price rentals for vehicles to private and public sector customers. The principal risk associated with the business is in the repurchase valuations "residual values" set at the outset of each contract. Residual values are set using industry market tools and analysis of vehicle types within the market place. Constant review of the market, guide prices and current disposal performance allows the business to mitigate its risk.

Financial instruments

The Group's operations expose it to a variety of financial risks including the effects of changing interest rates on debt, credit risk and liquidity risk. The Group has no material exposure in the above areas.

The Group's principal financial instruments comprise sterling cash and bank deposits, bank loans and overdrafts, other loans and obligations under finance leases. In addition, there are debtor and creditor balances that arise directly from trading operations.

The main risks, arising from the Group's financial instruments, can be analysed as follows:-

Liquidity risk

To ensure continuity of funding the Group has always acquired an element of its fixed assets through finance leasing. Bank credit facilities, which give short-term flexibility, and medium-term loans fund acquisitions by the group.

Cash flow interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a fixed rate. The interest payable on bank loans and overdrafts is at a variable market rate. It is the Group's policy to ensure that significant movements in interest rates do not have a material impact on cash flow. The Directors monitor the overall level of borrowings and interest costs to ensure that there are no adverse effects on the financial performance of the Group.

Credit risk

The Group's principal financial assets are bank balances, cash and debtors, which represent the Group's maximum exposure to credit risk.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

STRATEGIC REPORT (Continued)

Future developments

The Group continues to concentrate on its core business providing services both to blue chip clients and the public sector. Whilst the market is competitive the directors believe that the group's strengths in its core business afford it an advantage in securing and retaining such business, and thus expect to increase turnover over the coming years.

Key performance indicators

Premier Fleet Management and Contract Hire Limited;
Gross margin 35.1% (2015: 33.1%)

Venson Automotive Solutions Limited;
The company achieved 111% of the market value on vehicles disposed in the year (2015: 105%). This reflects changes in the market but continues to perform in line with industry expectations.

Venson Nottingham Limited;
In the reporting year the company delivered a vehicle availability performance of 98.2% (2015: 99.0%).

In the year to 31 December 2016 the company achieved a profit on disposal of fixed assets of £59,960 (2015: £36,455).

Venson Herts Limited;
In the reporting period the company delivered a vehicle availability performance of 95.5% (2015: 96.7%).

Going concern

Included within creditors due after one year is an amount of £8,312,262 (2015: £8,204,075) due to Bottin (International) Investments BV ("Bottin BV"), a company under common control. The directors have received confirmation that this funding will not be withdrawn within one year of the date of approval of these financial statements. In addition, Dermot Desmond, the ultimate controlling party of Premier and Bottin BV, has agreed to provide financial support, should it be required, to enable the group to meet its external obligations for at least 12 months from the date of these financial statements.

As a result of the current trading result of the group, combined with the continued support of Bottin BV and Dermot Desmond, the directors are satisfied with the group's future trading position and consider it appropriate to prepare these accounts on a going concern basis.

Interest Payable

As per note 6 of the accounts, within the £1,482,018 (2015: £1,763,265) of interest payable, £711,777 (2015: £698,706) relates to group undertakings.

By order of the Board:


M W Gerard
Director

30 November 2017

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of the Group for the period ended 31 December 2016.

Results and dividends

An analysis of the group companies' performance and development is contained within the Strategic Report.

The group loss for the year after taxation was £291,185 (2015: Loss £222,831).

The directors are precluded from recommending the payment of a dividend on the shares for the year and the loss has been taken to reserves.

Directors

The directors who served the Company during the period were as follows:

J G Bateson
S J Staton
S J Roff
M W Gerard (appointed 27 April 2017)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

DIRECTORS' REPORT (continued)

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

By order of the Board:



M W Gerard
Director

30 November 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Perry Linton FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	28,255,361	28,353,118
Cost of sales		(18,340,043)	(18,975,943)
Gross profit		<u>9,915,318</u>	<u>9,377,175</u>
Other operating expenses	4	(6,615,885)	(6,032,529)
Depreciation and amortisation	4	(2,534,098)	(3,166,457)
Operating profit		<u>765,335</u>	<u>178,189</u>
Interest receivable and similar income	5	9,617	8,048
Interest payable and similar charges	6	(861,531)	(965,207)
Loss on ordinary activities before taxation	7	<u>(86,579)</u>	<u>(778,970)</u>
Taxation	9	(204,606)	556,139
Loss on ordinary activities after taxation		<u>(291,185)</u>	<u>(222,831)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(291,185)</u></u>	<u><u>(222,831)</u></u>

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED
(Company Registration Number: 06025920)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Goodwill	10		6,876,992		7,564,692
Software	11		<u>169,353</u>		<u>-</u>
Intangible assets			7,046,345		7,564,692
Tangible assets	12		<u>20,704,811</u>		<u>23,760,894</u>
			<u>27,751,156</u>		<u>31,325,586</u>
Current assets					
Stocks	14	288,507		307,715	
Debtors due within one year	15	13,073,872		13,557,179	
Debtors due after more than one yr.	15	8,785,298		12,035,751	
Cash at bank and in hand		1,950,199		2,083,417	
		<u>24,097,876</u>		<u>27,984,062</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(24,143,749)		(29,695,622)	
Net current liabilities			(45,873)		(1,711,560)
Total assets less current liabilities			<u>27,705,283</u>		<u>29,614,026</u>
Creditors: amounts falling due after more than one year	18		(26,187,752)		(27,805,310)
Net assets			<u>1,517,531</u>		<u>1,808,716</u>
Capital and reserves					
Called up share capital	22		10		10
Share premium account	22		3,999,992		3,999,992
Profit and loss account	22		(2,482,471)		(2,191,286)
Total equity			<u>1,517,531</u>		<u>1,808,716</u>

The financial statements on pages 7 to 32 were approved by the board of directors and authorised for issue on 30 November 2017 and are signed on its behalf by:



M W Gerard
Director

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED
(Company Registration Number: 06025920)

COMPANY STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	Notes	2016	2015
		£	£
Fixed assets			
Investments	13	4,800,002	4,800,002
Current assets			
Debtors due after one year	15	-	-
Debtors due after more than one year	15	7,842,963	7,817,750
		<u>7,842,963</u>	<u>7,817,750</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(9,000)	(9,000)
Net current assets		<u>7,833,963</u>	<u>7,808,750</u>
Total assets less current liabilities		<u>12,633,965</u>	<u>12,608,752</u>
Creditors: amounts falling due after more than one year	18	(8,312,262)	(8,204,075)
Net assets		<u>4,321,703</u>	<u>4,404,677</u>
Capital and reserves			
Called up share capital	22	10	10
Share premium account	22	3,999,992	3,999,992
Profit and loss account	22	321,701	404,675
Total equity		<u>4,321,703</u>	<u>4,404,677</u>

The company's loss for the period and total comprehensive income for the period was £82,974 (2015: £119,449).

The financial statements on pages 7 to 32 were approved by the board of directors and authorised for issue on 30 November 2017 and are signed on its behalf by:


M W Gerard
 Director

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Share premium account £	Profit and loss account £	Total equity £
Balance at 1 January 2015	10	3,999,992	(1,968,455)	2,031,547
Loss for the year	-	-	(222,831)	(222,831)
Balance at 31 December 2015	10	3,999,992	(2,191,286)	1,808,716
Loss for the year	-	-	(291,185)	(291,185)
Balance at 31 December 2016	10	3,999,992	(2,482,471)	1,517,531

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016

	Share capital £	Share premium account £	Profit and loss account £	Total equity £
Balance at 1 January 2015	10	3,999,992	524,124	4,524,126
Loss for the year	-	-	(119,449)	(119,449)
Balance at 31 December 2015	10	3,999,992	404,675	4,404,677
Loss for the year	-	-	(82,974)	(82,974)
Balance at 31 December 2016	10	3,999,992	321,701	4,321,703

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Operating activities			
Cash generated from operations	22	7,285,418	8,929,615
Other interest paid		(824,842)	(901,149)
Interest paid on hire purchase contracts		(657,176)	(862,116)
Taxation		(304,400)	-
Net cash from operating activities		<u>5,499,000</u>	<u>7,166,350</u>
Investing activities			
Purchase of tangible fixed assets		(8,899,725)	(10,328,607)
Purchase of intangible fixed assets		(191,495)	-
Proceeds on disposal of tangible fixed assets		6,182,945	5,020,946
Interest received		9,617	8,048
Net cash used in investing activities		<u>(2,898,658)</u>	<u>(5,299,613)</u>
Financing activities			
Proceeds from other borrowings		108,188	-
Repayment of other long term borrowings		-	(43,849)
Repayment of other short term borrowings		(1,071,669)	(657,000)
Capital element of hire purchase contracts		(1,770,079)	(1,115,515)
Net cash used in financing activities		<u>(2,733,561)</u>	<u>(1,816,364)</u>
Net (decrease)/increase in cash and cash equivalents		(133,218)	50,373
Cash and cash equivalents at beginning of year		2,083,417	2,033,044
Cash and cash equivalents at end of year		<u>1,950,199</u>	<u>2,083,417</u>
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		<u>1,950,199</u>	<u>2,083,417</u>

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

General information

Premier Fleet Management and Contract Hire Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the company's registered office principal place of business is Venson House, 1 A C Court, High Street, Thames Ditton, Surrey, KT7 0SR.

The Group consists of Premier Fleet Management and Contract Hire Limited and all of its subsidiaries.

The Group's principal activities during the year was that of the provision of fleet management services, total outsourcing solutions and contract hire within the automotive industry.

1.1 Basis of accounting

The Company and Group financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include certain financial instruments at fair value. Monetary amounts in these financial statements are rounded to the nearest £ except where otherwise indicated.

1.2 Reduced disclosure

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated within these Group financial statements, which are publically available from the Companies House, Crown Way, Cardiff, CF14 3UZ.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1.3 Company statement of comprehensive income

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss for the period and total comprehensive income for the period were £82,974 (2015: £119,449) and £82,974 (2015: £119,449) respectively.

1.4 Basis of consolidation

The consolidated financial statements incorporate those of Premier Fleet Management and Contract Hire Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

1.5 Going concern

Included within creditors due after one year is an amount of £8,312,262 (2015: £8,204,075) due to Bottin (International) Investments BV ("Bottin BV"), a company under common control. The directors have received confirmation that this funding will not be withdrawn within one year of the date of approval of these financial statements. In addition, Dermot Desmond, the ultimate controlling party of Premier and Bottin BV, has agreed to provide financial support, should it be required, to enable the group to meet its external obligations for at least 12 months from the date of these financial statements.

As a result of the current trading result of the group, combined with the continued support of Bottin BV and Dermot Desmond, the directors are satisfied with the group's future trading position and consider it appropriate to prepare these accounts on a going concern basis.

1.6 Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

1.7 Turnover

Turnover represents the value, net of Value Added Tax, of fit-out fees, commission in respect of operating leases, vehicle rentals, maintenance income, sale of vehicles where the company bears the risks and enjoys the related rewards associated with that sale, reimbursed costs, management fees and income from ancillary services to external clients. Turnover is recognised at the point of delivery of services, on the sale of vehicles or when the right to receive commission arises.

Reimbursed costs represent fleet management costs rechargeable to clients.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1.7 Turnover (continued)

Agency Funding Revenue

A substantial part of the group's fleet of vehicles are funded on agency terms under which the group acts as an agent for the funder in purchasing, delivering, collecting and selling the vehicle. Revenue in respect of agency contracts is recognised on straight-line basis over the term of the contract.

Residual values

At the expiry of an agency contract the group is obliged to pay the funder a balloon payment equivalent to the estimated residual value of the vehicle. Following sale of the vehicle the group accounts for the net sale proceeds to the funder up to the level of the estimated residual value. Any excess remains with the group; should there be a shortfall the group is exposed to the loss on the residual values. The amount of the exposure is on a pre-agreed basis with the funder. The group has decided to show all of the residual value due as gross receivables in debtors and the corresponding amount due to funders as gross payables in creditors.

The residual values of the vehicles are monitored in accordance with the industry practice and projected losses to the company on end-of-life disposals provided for accordingly.

Vehicle maintenance contracts

During the term of the vehicle contract, the maintenance income element is recognised over the life of the contract in accordance with the industry practice and maintenance expenditure is recognised when incurred.

1.8 Intangible fixed assets

Goodwill is capitalised and written off evenly over 20 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

Negative goodwill arises when the cost of a business combination is less than the fair value of the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit.

Acquired computer software is capitalised on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their expected useful lives.

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold buildings	25 years
Plant, machinery, fixtures, fittings and equipment	10% - 33.3% per annum
Motor vehicles under non-HP agreements	25% - 40% per annum
Motor vehicles under HP agreements	see below

Motor vehicles under HP agreements incepting from 1 January 2015 are depreciated on a straight line basis down to their residual values over the term of the contract.

Motor vehicles under HP agreements incepting before 1 January 2015 continue to be depreciated on an actuarial basis. This is computed using an Internal Rate of Return as previously permitted under the SORP for the asset finance and leasing industry. This matches the depreciation charge with the income and interest generated from the vehicle, and gives a result for each HP contract that is not materially different to the outcome produced under the group's treatment of HP contracts from 1 January 2015. Consequently, the directors continue to believe that this gives a true and fair view of the consumption of economic benefits for these contracts.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1.9 Tangible fixed assets (continued)

The treatment of depreciation on contracts incepting before 1 January 2015 as outlined above departs from FRS102 which does not allow for depreciation on an actuarial basis. This departure from FRS102 is required in order to give a true and fair view of the group's income and expenditure deriving from assets on hire purchase.

If the accounting policy followed FRS102 then a decrease in depreciation of £70,849 (2015 - £175,478) would have been charged to the profit and loss account for the year.

The group's accounting treatment of depreciation, as outlined above, when read in conjunction with its accounting treatment of interest accruing on vehicles funded via leasing arrangement and hire purchase (Note 1.15), seeks to allocate the costs associated with funding a fixed term contract directly against the income derived from that contract. This treatment allocates profit evenly over the term of each fixed term contract. The directors consider that this represents a true and fair view of the derivation of the profit from that contract.

Vehicles held for hire are depreciated to estimated resale value at the end of the lease, based on industry data. Used vehicles acquired at the expiry of the funding agreement and held for hire are depreciated at various rates depending on the associated funding mechanism.

1.10 Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

1.11 Fixed asset investments

In the separate financial statements of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.12 Stocks

Parts stock is valued at the lower of cost and net realisable value.

1.13 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1.13 Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.14 Leases

Assets held for use under operating leases are included within fixed assets. Rental income under contract hire is recognised on a straight line basis over the life of the initial contract. On extension of the contract, income is recognised as earned.

Income and costs in respect of daily hire contracts are recognised gross as the group bears the risks and rewards associated with these sales.

1.15 Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations under lease and hire purchase contracts within creditors. Depreciation on the relevant assets is charged to the profit and loss account in accordance with the above depreciation accounting policy.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the length of the lease and (i) in the case of leases incepting prior to 1 January 2015, represents a constant proportion of the remaining balance of capital repayments outstanding, or (ii) in the case of leases incepting from 1 January 2015, is charged to the profit and loss account on a straight line basis. The capital component of repayments reduces the amounts payable to the lessor.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1.15 Leased assets and obligations (continued)

The treatment of lease interest from 1 January 2015 as outlined above departs from FRS102 Section 11 which states that interest should be allocated so as to produce a constant periodic rate of charge on the outstanding obligation. This departure from FRS102 Section 11 is required in order to give a true and fair view of the group's income and expenditure deriving from assets on hire purchase.

If the accounting policy followed FRS102 Section 11 then a decrease in interest of £92,764 (2015 - £15,383) would have been charged to the profit and loss account for the year.

The company's accounting treatment of lease interest, as outlined above, when read in conjunction with its accounting treatment of depreciation (Note 1.9), seeks to allocate the costs associated with funding a fixed term contract directly against the income derived from that contract. This treatment allocates profit evenly over the term of each fixed term contract. The directors consider that this represents a true and fair view of the derivation of the profit from that contract.

All other leases are treated as "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

1.17 Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1.18 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1.18 Financial instruments (continued)

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.19 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2. Critical accounting estimates and areas of judgement (continued)

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Residual values

At the expiry of an agency contract the group is obliged to pay the funder a balloon payment equivalent to the estimated residual value of the vehicle. The Group uses external professional valuations as a basis for determining the directors' estimation of the fair value of the residual value of the vehicles. However, the valuation of the residual value is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

Deferred taxation

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

3. Turnover

An analysis of the Group's turnover by class of business is as follows:

	2016	2015
	£	£
Management fees and ancillary	3,998,236	4,170,420
Reimbursed costs	1,601,100	1,795,901
Fit out	1,354,250	886,452
Lease management and ancillary services	14,055,730	16,522,696
Vehicle sales	7,246,045	4,977,649
	28,255,361	28,353,118

The total turnover of the Group for the year has been derived from activities wholly undertaken in the United Kingdom.

4. Other operating expenses

	2016	2015
	£	£
Administrative expenses	6,615,885	6,032,529
Depreciation and amortisation	6,579,353	8,429,625
	13,195,238	14,462,154
Depreciation of motor vehicles under hire purchase agreements included in cost of sales	(4,045,255)	(5,263,168)
	9,149,983	9,198,986

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

5. Interest receivable and similar income

	2016	2015
	£	£
Interest on bank deposits	9,617	8,048

6. Interest payable and similar charges

	2016	2015
	£	£
Interest arising on:		
Bank loans and overdrafts	113,065	202,443
Interest payable to group undertakings	711,777	698,706
Hire purchase interest	657,176	862,116
	<u>1,482,018</u>	<u>1,763,265</u>
Included within cost of sales	(620,487)	(798,058)
	<u>861,531</u>	<u>965,207</u>

7. Loss on ordinary activities before taxation

	2016	2015
	£	£
The loss on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of goodwill	687,700	687,700
Depreciation of tangible assets		
Owned assets	1,790,733	2,468,040
Leased assets	4,078,778	5,273,953
Amortisation of intangible assets	22,142	-
Profit on disposal of fixed assets	(96,649)	(853,560)
Operating lease rentals	851,013	581,337
Stock – amounts expenses to cost of sales	1,872,010	1,732,628

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	2016	2015
	£	£
Auditor's remuneration:		
Statutory audit of parent company and consolidated accounts	122,190	57,250
All other non-audit services	9,000	7,000

8. Employees and directors

	2016	2015
	No.	No.
The average monthly number of persons (including directors) employed by the Group during the year was:		
Sales	6	4
Administration	74	74
Technical	35	34
	<u>115</u>	<u>112</u>

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

8. Employees and directors (continued)

	2016 £	2015 £
Staff costs for the above persons:		
Wages and salaries	3,730,537	3,738,181
Social security costs	423,751	390,020
Other pension costs	70,574	82,299
	<u>4,224,862</u>	<u>4,210,500</u>

Directors

	2016 £	2015 £
In respect of the directors of Premier Fleet Management and Contract Hire Limited		
Emoluments	363,127	306,507
Company contributions to money purchase pension schemes	4,214	4,061
	<u>367,341</u>	<u>310,568</u>

Directors emoluments disclosed above include the following payments paid to the highest paid director

	2016 £	2015 £
Remuneration	<u>199,406</u>	<u>166,927</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2015: 1).

9. Taxation

	2016 £	2015 £
Current tax		
UK corporation tax	284,206	256,200
Adjustments in respect of prior periods	28,127	127,800
Total current tax	<u>312,333</u>	<u>384,000</u>
Deferred tax:		
Current year	(71,829)	(243,721)
Adjustments for prior periods	(41,147)	(696,534)
Adjustments for change in deferred tax rate	5,249	116
Total deferred tax	<u>(107,727)</u>	<u>(940,139)</u>
Total tax on profit on ordinary activities	<u>(204,606)</u>	<u>(556,139)</u>

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

9. Taxation (continued)	2016 £	2015 £
Factors affecting the tax charge for the year.		
Group loss on ordinary activities before tax	(86,579)	(778,970)
Group loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20.25%).	(19,035)	(157,741)
Effects of:		
Expenses that are not deductible in determining taxable profit	316,010	131,001
Depreciation in excess of capital allowances	(148,096)	236,324
Other timing differences	-	(141,181)
Tax losses carried forward/utilised	-	(29,931)
Adjustments for prior periods	(14,997)	127,800
Other permanent differences	80,787	227,836
Group relief	(10,063)	(10,108)
Tax expense	204,606	384,000

The group has estimated tax losses of £377,980 (2015: £370,561) are available to carry forward against future trading profits.

No deferred tax asset has been recognised in respect of the tax losses carried forward due to the uncertainty of the Group's ability to utilise these losses.

10. Goodwill

Group	Negative Goodwill £	Positive Goodwill £	Total £
Cost:			
At 1 January 2016 and 31 December 2016	(144,566)	13,638,868	13,494,302
Amortisation:			
At 1 January 2016	(144,566)	6,074,176	5,929,610
Charge for the year	-	687,700	687,700
At 31 December 2016	(144,566)	6,761,876	6,617,310
Net book value:			
At 31 December 2016	-	6,876,992	6,876,992
At 31 December 2015	-	7,564,692	7,564,692

The amortisation charge for the year is recognised within administrative expenses.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

11. Intangibles - software

Group	Total £
Cost:	
At 1 January 2016	-
Additions	191,495
At 31 December 2016	191,495
Amortisation:	
At 1 January 2016	-
Charge for the year	22,143
At 31 December 2016	22,143
Net book value:	
At 31 December 2016	169,353
At 31 December 2015	-

12. Tangible fixed assets

Group	Freehold land and buildings £	Plant, machinery, fixtures, and equipment £	Motor vehicles £	Total £
Cost:				
At 1 January 2016	814,926	3,049,104	37,893,322	41,757,352
Additions	-	196,629	8,703,096	8,899,725
Disposals	-	-	(16,278,445)	(16,278,445)
At 31 December 2016	814,926	3,245,733	30,317,973	34,378,632
Depreciation:				
At 1 January 2016	291,874	1,967,477	15,737,107	17,996,458
Charge for the year	7,638	306,143	5,555,730	5,869,511
Disposals	-	-	(10,192,148)	(10,192,148)
At 31 December 2016	299,512	2,273,620	11,100,689	13,673,821
Net book value:				
At 31 December 2016	515,414	972,113	19,217,284	20,704,811
At 31 December 2015	523,052	1,081,627	22,156,215	23,760,894

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures and fittings £	Motor vehicles £	Total £
Net book values:			
31 December 2016	37,877	15,225,315	15,263,192
31 December 2015	56,218	17,197,542	17,523,760

Included in motor vehicles, above, are vehicles utilised by the company in operating lease contracts as follows:

	Cost £	Accumulated depreciation £	Net book value £
Net book values:			
31 December 2016	23,079,087	(6,765,137)	16,313,950
31 December 2015	37,689,000	(16,111,835)	21,577,165

13. Fixed asset investments

Company	Investment in subsidiary £
Cost and net book values:	
At 1 January 2016 and 31 December 2016	4,800,002

The company holds more than 20% of the ordinary share capital of the following companies:

Company	Country of registration or incorporation	% Ordinary shares held	Activities
Venson Automotive Solutions Ltd	United Kingdom	100%	Fleet management
Venson Nottingham Ltd	United Kingdom	100%	Fleet management
Venson Properties Ltd	United Kingdom	100%	Property management
Venson Herts Ltd	United Kingdom	100%	Fleet Management

All shareholdings listed are direct. The registered office for all of the companies listed above is Venson House, 1 A C Court, High Street, Thames Ditton, Surrey, KT7 0SR.

14. Stocks

Group	2016 £	2015 £
Parts stock	288,507	307,715

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

15. Debtors	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
<i>Amounts falling due within one year:</i>				
Trade debtors	6,316,814	6,571,175	-	-
Net investment in vehicles let under finance leases	70,003	117,275	-	-
Vehicles subject to repurchase agreements	5,496,891	5,093,840	-	-
Other debtors	68,401	736,462	-	-
Prepayments and accrued income	1,121,763	1,038,427	-	-
	<u>13,073,872</u>	<u>13,557,179</u>	<u>-</u>	<u>-</u>
<i>Amounts falling due after more than one year:</i>				
Net investment in vehicles let under finance leases	14,639	84,642	-	-
Vehicles subject to repurchase agreements	7,797,171	11,085,348	-	-
Amounts owed by group undertakings	-	-	7,842,963	7,817,751
Other Debtors	973,488	865,761	-	-
	<u>8,785,298</u>	<u>12,035,751</u>	<u>7,842,963</u>	<u>7,817,751</u>

Vehicles totalling £453,291 (2015: £933,058) at cost have been acquired during the year for the purpose of leasing under finance leases. Those amounts not settled in the year are included within net investment in vehicles let under finance leases and not within tangible fixed assets as the risk of ownership has passed to the lessee. Other debtors due after one year relate to the deferred tax asset as disclosed in note 21.

16. Finance lease receivables	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
<i>Gross amounts received under finance leases:</i>				
Within one year	73,493	127,828	-	-
In the second to fifth years inclusive	15,036	88,529	-	-
After five years	-	-	-	-
	<u>88,529</u>	<u>216,357</u>	<u>-</u>	<u>-</u>
Gross investment	88,529	216,357	-	-
Less unearned finance income	(3,886)	(14,440)	-	-
	<u>84,643</u>	<u>201,917</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments	84,643	201,917	-	-
<i>Receivable:</i>				
Within one year	70,004	117,275	-	-
In the second to fifth years inclusive	14,639	84,642	-	-
After five years	-	-	-	-
	<u>84,643</u>	<u>201,917</u>	<u>-</u>	<u>-</u>

The Group enters into finance leasing arrangements for motor vehicles. The average term of finance leases entered into is 4 years.

Unguaranteed residual values accruing to the Group are estimated at £98,633 (2015: £Nil).

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

16. Finance lease receivables (continued)

The Group did not recognise any contingent rentals during the year (2015: £Nil).

The Group has an accumulated allowance of £Nil (2015: £Nil) for uncollectable minimum lease payments receivable.

17. Creditors: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (note 19)	2,551,000	3,622,669	-	-
Vehicles subject to repurchase agreement (note 17)	5,496,892	5,093,840	-	-
Obligation under finance leases and hire purchase contracts (note 17)	4,601,655	7,934,167	-	-
Trade creditors	3,196,630	5,509,145	-	-
Corporation tax	284,206	384,000	-	-
Taxes and social security costs	988,666	263,019	-	-
Other creditors	3,449,398	3,453,735	-	-
Accruals and deferred income	3,575,302	3,435,047	9,000	9,000
	<u>24,143,749</u>	<u>29,695,622</u>	<u>9,000</u>	<u>9,000</u>

18. Creditors: Amounts falling due after more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Group loans	8,312,262	8,204,075	8,312,262	8,204,075
Vehicles subject to repurchase agreement	7,797,170	11,085,348	-	-
Obligation under finance leases and hire purchase contracts	10,078,320	8,515,887	-	-
	<u>26,187,752</u>	<u>27,805,310</u>	<u>8,312,262</u>	<u>8,204,075</u>

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
<i>Vehicles subject to repurchase agreement:</i>				
Repayable within one year	5,496,892	5,093,840	-	-
Repayable between one and two years	2,646,170	5,582,982	-	-
Repayable between two and five years	5,151,000	5,502,366	-	-
	<u>13,294,062</u>	<u>16,179,188</u>	<u>-</u>	<u>-</u>

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

18. Creditors: Amounts falling due after more than one year (continued)

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
<i>Obligations under finance lease and hire purchase agreements:</i>				
Repayable within one year	4,564,392	7,934,167	-	-
Repayable between one and two years	2,899,666	3,238,573	-	-
Repayable between two and five years	7,178,654	5,277,314	-	-
	<u>14,642,712</u>	<u>16,450,054</u>	<u>-</u>	<u>-</u>

Obligations under finance lease and hire purchase agreements are secured by related assets and bear finance charges at rates ranging from 0% to 7.3%.

19. Financial instruments

The carrying amount of the Group's financial instruments at 31 December was:

	Group	
	2016	2015
	£	£
<i>Debt instruments measured at amortised cost</i>		
Trade debtors	6,316,814	6,571,175
Net investment in vehicles let under finance leases	84,642	201,917
Vehicles subject to repurchase agreements	13,294,062	16,179,188
Amounts owed by group undertakings	-	-
Other debtors	1,041,889	1,602,223
Accrued income	1,121,763	1,038,427
	<u>21,859,170</u>	<u>25,592,930</u>

	Group	
	2016	2015
	£	£
<i>Financial liabilities measured at amortised cost</i>		
Bank loans and overdrafts	2,551,000	3,622,669
Group loans	8,312,262	8,204,075
Vehicles subject to repurchase agreement	13,294,062	16,179,188
Obligation under finance leases and hire purchase contracts	14,679,975	16,450,054
Trade creditors	3,196,630	5,509,145
Corporation tax	284,206	384,000
Taxes and social security costs	988,666	263,019
Other creditors	3,449,398	3,453,735
Accruals and deferred income	3,575,302	3,435,047
	<u>50,331,501</u>	<u>57,500,932</u>

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

20. Borrowings

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
<i>Creditors: amounts falling due within one year:</i>				
Bank loans	2,551,000	3,622,669	-	-
Finance lease liabilities	4,601,655	7,934,167	-	-
	<u>7,152,655</u>	<u>11,556,836</u>	<u>-</u>	<u>-</u>
<i>Creditors: amounts falling due after more than one year:</i>				
Finance lease liabilities	10,078,320	8,515,887	-	-
	<u>17,230,975</u>	<u>20,072,723</u>	<u>-</u>	<u>-</u>

Bank loans consists of a loan which is secured on the assets of the relevant subsidiaries which are in receipt of the funding.

The balance on loan one at 31 December 2016 was £Nil (2015: £18,669). The loan is repayable by instalments and bears interest at 1.75% above LIBOR.

The balance on loan two at 31 December 2016 was £2,551,000 (2015: £3,604,000). The bank loan is secured on Venson Nottingham Ltd's assets, runs for a period of three years, and is refreshed every three months based on the value of the secured assets and as such has been classified as due within one year. Interest is effectively charged at 6.5% per annum.

21. Provisions for liabilities

Group	Deferred tax asset
	£
At 1 January 2016	865,761
Profit and loss account	107,727
Balance at 31 December 2016	<u>973,488</u>

The deferred tax asset is made up as follows:

	Group	
	2016	2015
	£	£
Accelerated capital allowances	<u>973,488</u>	<u>865,761</u>

Deferred tax has not been provided on tax losses not deemed recoverable as follows:

	Group	
	2016	2015
	£	£
Tax losses available at 20% (2015: 21%)	<u>75,596</u>	<u>77,700</u>

During the previous year, Finance Act 2015 was enacted and included legislation to reduce the main rate of corporation tax to 19% with effect from 1 April 2017, and by a further 1%, reaching 18% with effect from 1 April 2020. Where deferred tax is expected to unwind after 1 April 2017 or 1 April 2020, deferred tax has been calculated at the expected enacted rate of 19% or 18% respectively. All other deferred tax has been recognised at 20%.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

22. Share capital and reserves

Company share capital

	2016	2015
	£	£
Allotted, issued and fully paid:		
10 Ordinary shares of £1 each	10	10

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Reserves

Reserves of the Group and Company represent the following:

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

23. Reconciliation of loss after tax to net cash generated from operating activities

	2016	2015
	£	£
Loss after tax	(291,185)	(222,831)
Adjustments for:		
Depreciation of tangible fixed assets	5,869,511	7,741,925
Amortisation of goodwill	687,700	687,700
Amortisation of intangible assets	22,143	-
Profit on sale of fixed assets	(96,649)	(853,560)
Interest receivable	(9,617)	(8,048)
Interest payable	861,531	965,207
Hire purchase interest included in cost of sales	620,487	798,058
Taxation	204,606	(556,139)
	<u>7,868,527</u>	<u>8,552,312</u>
Operating cash flows before movements in working capital		
Decrease/(increase) in stock	19,207	(130,418)
Decrease in debtors	848,634	10,551,751
Decrease in creditors	(1,450,950)	(10,044,030)
Cash generated from operations	<u>7,285,418</u>	<u>8,929,615</u>

Cash and cash equivalents

	2016	2015
	£	£
Cash and cash equivalents represent:		
Cash at bank and in hand	<u>1,950,199</u>	<u>2,083,417</u>

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

24. Contingent liabilities

The company is included in the group VAT registration and is therefore jointly and severally liable for all other participating group undertakings unpaid debts in this respect. The total liability for the VAT group is £882,725 at 31 December 2016 (2015: £Nil).

25. Financial commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2016	2015
	£	£
Amounts due:		
Within one year	760,168	759,168
Between one and five years	2,002,754	2,694,172
After five years	260,000	325,000
	<u>3,022,922</u>	<u>3,778,340</u>

26. Retirement benefits

The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions payable by the Group charged to profit or loss amounted to:

	2016	2015
	£	£
Contributions payable by the group for the year	<u>70,574</u>	<u>82,299</u>

There were £11,000 (2015: £18,720) unpaid pension contributions at the year end.

27. Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

At the period end Bottin (International) Investments BV ("Bottin BV") a company under common control, was owed £8,312,262 (2015: £8,204,075) by the company. Interest of £711,777 (2015: £698,705) has been accrued on this balance as at 31 December 2016, interest of £600,000 (2015: £Nil) was paid in the year.

The directors have received confirmation that the funding received from Bottin BV will not be withdrawn within one year from the date of approval of these financial statements. Dermot Desmond has agreed to provide financial support, should it be required, to enable the group to meet its external obligations as and when they fall due.

Sales made to S Roff, a director of the group and company, during the year amounted to £3,586 (2015: £5,444). Outstanding at the end of the year was £2,540 (2015: Nil).

The group is related to International Investment & Underwriting ("IIU") by virtue of a common director. During the year there were purchases of £2,256 (2015: £2,193) from IIU, and at 31 December there was an amount of £2,256 (2015: £2,175) outstanding in respect of these purchases.

PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

28. Remuneration of key management personnel

The directors are considered to be the only key management personnel. Directors' remuneration is disclosed in note 8. Employer's national insurance contributions paid on behalf of these employees during the year amounted to £41,459 (2015: £41,280).

29. Ultimate controlling party

The group's immediate parent undertaking is Line Nominees Limited, a company registered in Gibraltar. The group's ultimate parent undertaking is The Apple Limited Partnership.

Mr Dermot Desmond has the ability to exercise dominant influence over The Apple Limited Partnership.