

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
FOR
PARK'S OF HAMILTON (COACH HIRERS) LTD

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for the Year Ended 31 MARCH 2017

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PARK'S OF HAMILTON (COACH HIRERS) LTD

COMPANY INFORMATION
for the Year Ended 31 MARCH 2017

DIRECTORS:

D I Park
I B Mackay
W Cumming
R W Park
A S Bryce
M J Fisher
M N Andrews
G T Park

SECRETARY:

A Noble

REGISTERED OFFICE:

Park House
14 Bothwell Road
Hamilton
ML3 0AY

REGISTERED NUMBER:

SC067046 (Scotland)

AUDITORS:

Thomas Barrie & Co LLP
Statutory Auditor
Chartered Accountants
Atlantic House
1a Cadogan Street
Glasgow
G2 6QE

BANKERS:

Bank of Scotland plc
110 St Vincent Street
Glasgow
G2 5ER

SOLICITORS:

Brodies LLP
110 Queen Street
Glasgow
G1 3BX

STRATEGIC REPORT
for the Year Ended 31 MARCH 2017

The directors present their strategic report for the year ended 31 March 2017.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The company continues to operate as an express coach operator along with providing private hire for the general public.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and operating profit.

	2017	2016
	£	£
Turnover	27,400,390	27,776,094

Turnover has decreased by over 1.4%.

Operating profit has increased from £3,189,365 to £3,397,979. Profit before tax has increased from £2,953,776 to £3,194,283. After taxation and dividends £295,274 has been added to reserves.

As for many businesses of our size, the business environment in which we operate continues to be challenging. We are subject to consumer spending patterns and consumers' overall level of disposable income within our economy.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control.

PRINCIPAL RISKS AND UNCERTAINTIES

The group has exposure to one main area of risk - liquidity risk. To a lesser extent the group is exposed to interest rate risk.

Liquidity Risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available.

Interest Rate Risk

The group borrows from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

ON BEHALF OF THE BOARD:

R W Park - Director

9 November 2017

REPORT OF THE DIRECTORS
for the Year Ended 31 MARCH 2017

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

DIVIDENDS

An interim dividend of £4 per share was paid on 31 March 2017. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2017 will be £ 2,000,000 .

FUTURE DEVELOPMENTS

The Directors will continue to look for opportunities to expand the Company's core business.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

D I Park
I B Mackay
W Cumming
R W Park
A S Bryce
M J Fisher
M N Andrews
G T Park

Other changes in directors holding office are as follows:

G Donnachie ceased to be a director after 31 March 2017 but prior to the date of this report.

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors.

EMPLOYEES

Every effort is made to keep staff informed of and involved in the operations and progress of the company.

The company is committed to providing a safe and pleasant environment for its employees and training and career development opportunities are available. No discrimination is made on the grounds of age, colour, disability, marital status, race, religion or sex. Employees are given the opportunity to develop and progress according to their ability. Disabled people are given fair consideration for all job vacancies for which they offer themselves as suitable applicants, having regard to their particular aptitudes and abilities.

REPORT OF THE DIRECTORS
for the Year Ended 31 MARCH 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Thomas Barrie & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R W Park - Director

9 November 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PARK'S OF HAMILTON (COACH HIRERS) LTD

We have audited the financial statements of Park's of Hamilton (Coach Hirers) Ltd for the year ended 31 March 2017 on pages seven to twenty two. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PARK'S OF HAMILTON (COACH HIRERS) LTD

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Gordon Cruickshank CA (Senior Statutory Auditor)
for and on behalf of Thomas Barrie & Co LLP
Statutory Auditor
Chartered Accountants
Atlantic House
1a Cadogan Street
Glasgow
G2 6QE

14 November 2017

PARK'S OF HAMILTON (COACH HIRERS) LTD (REGISTERED NUMBER: SC067046)

INCOME STATEMENT
for the Year Ended 31 MARCH 2017

2016			Notes	2017	
£	£			£	£
27,776,094		TURNOVER	3		27,400,390
32,598		Other operating income			24,630
<u>27,808,692</u>					<u>27,425,020</u>
9,687,572		Raw materials and consumables			9,362,234
<u>18,121,120</u>					<u>18,062,786</u>
	9,218,486	Staff costs	4	9,092,714	
	3,576,188	Depreciation		3,296,747	
	<u>2,137,081</u>	Other operating expenses		<u>2,275,346</u>	
<u>14,931,755</u>					<u>14,664,807</u>
<u>3,189,365</u>		OPERATING PROFIT	5		<u>3,397,979</u>
235,589		Interest payable and similar expenses	6		203,696
<u>2,953,776</u>		PROFIT BEFORE TAXATION			<u>3,194,283</u>
164,590		Tax on profit	7		899,009
<u>2,789,186</u>		PROFIT FOR THE FINANCIAL YEAR			<u>2,295,274</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
for the Year Ended 31 MARCH 2017

2016 £	Notes	2017 £
2,789,186	PROFIT FOR THE YEAR	2,295,274
-	OTHER COMPREHENSIVE INCOME	-
<u>2,789,186</u>	TOTAL COMPREHENSIVE INCOME	<u>-</u>
	FOR THE YEAR	<u>2,295,274</u>

The notes form part of these financial statements

PARK'S OF HAMILTON (COACH HIRERS) LTD (REGISTERED NUMBER: SC067046)

STATEMENT OF FINANCIAL POSITION

31 MARCH 2017

2016			Notes	2017	
£	£			£	£
18,500,586		FIXED ASSETS			
		Tangible assets	9		17,281,148
		CURRENT ASSETS			
	211,003	Stocks	10	248,195	
	2,232,203	Debtors	11	2,439,627	
	<u>4,129,121</u>	Cash at bank and in hand		<u>4,868,455</u>	
	6,572,327			7,556,277	
		CREDITORS			
	<u>11,686,505</u>	Amounts falling due within one year	12	<u>11,416,450</u>	
<u>(5,114,178)</u>		NET CURRENT LIABILITIES			<u>(3,860,173)</u>
13,386,408		TOTAL ASSETS LESS CURRENT LIABILITIES			13,420,975
		CREDITORS			
(4,921,873)		Amounts falling due after more than one year	13		(4,682,402)
<u>(1,408,443)</u>		PROVISIONS FOR LIABILITIES	17		<u>(1,387,207)</u>
<u>7,056,092</u>		NET ASSETS			<u>7,351,366</u>
		CAPITAL AND RESERVES			
500,000		Called up share capital	18	500,000	
<u>6,556,092</u>		Retained earnings	19	<u>6,851,366</u>	
<u>7,056,092</u>		SHAREHOLDERS' FUNDS		<u>7,351,366</u>	

The financial statements were approved by the Board of Directors on 9 November 2017 and were signed on its behalf by:

R W Park - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 MARCH 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2015	500,000	6,766,906	7,266,906
Changes in equity			
Dividends	-	(3,000,000)	(3,000,000)
Total comprehensive income	-	2,789,186	2,789,186
Balance at 31 March 2016	500,000	6,556,092	7,056,092
Changes in equity			
Dividends	-	(2,000,000)	(2,000,000)
Total comprehensive income	-	2,295,274	2,295,274
Balance at 31 March 2017	500,000	6,851,366	7,351,366

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
for the Year Ended 31 MARCH 2017

2016 £		Notes	2017 £
	Cash flows from operating activities		
8,954,007	Cash generated from operations	1	6,147,029
(8,829)	Interest paid		(9,477)
(226,760)	Interest element of hire purchase payments paid		(194,219)
(783,497)	Tax paid		(783,186)
<u>7,934,921</u>	Net cash from operating activities		<u>5,160,147</u>
	Cash flows from investing activities		
(1,090,967)	Purchase of tangible fixed assets		(1,657,234)
<u>1,662,442</u>	Sale of tangible fixed assets		<u>4,111,576</u>
<u>571,475</u>	Net cash from investing activities		<u>2,454,342</u>
	Cash flows from financing activities		
(4,277,183)	Capital repayments in year		(4,875,155)
<u>(3,000,000)</u>	Equity dividends paid		<u>(2,000,000)</u>
<u>(7,277,183)</u>	Net cash from financing activities		<u>(6,875,155)</u>
<u>1,229,213</u>	Increase in cash and cash equivalents		<u>739,334</u>
2,899,908	Cash and cash equivalents at beginning of year	2	4,129,121
<u>4,129,121</u>	Cash and cash equivalents at end of year	2	<u>4,868,455</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 31 MARCH 2017

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2017	2016
	£	£
Profit before taxation	3,194,283	2,953,776
Depreciation charges	3,755,601	3,724,686
Profit on disposal of fixed assets	(458,854)	(148,498)
Finance costs	203,696	235,589
	<u>6,694,726</u>	<u>6,765,553</u>
Increase in stocks	(37,193)	(5,657)
(Increase)/decrease in trade and other debtors	(207,424)	330,559
(Decrease)/increase in trade and other creditors	<u>(303,080)</u>	<u>1,863,552</u>
Cash generated from operations	<u>6,147,029</u>	<u>8,954,007</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	<u>4,868,455</u>	<u>4,129,121</u>

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	<u>4,129,121</u>	<u>2,899,908</u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 MARCH 2017

1. STATUTORY INFORMATION

Park's of Hamilton (Coach Hirers) Ltd is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The Company's Registered Office is Park House, 14 Bothwell Road, Hamilton ML3 0AY.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern

The group meets its day to day working capital requirements through loans from finance houses and a group overdraft facility which is due for renewal with the next financial year.

The group's forecasts and projections, taking into account of possible changes in trading performance, show that the company will be able to operate within the level of its current facilities. The group will open renewal negotiations with the bank in due course, who have indicated that it is their intention to renew all group facilities. The group has held discussions with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that finance may not be forthcoming on acceptable terms.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

In preparing these consolidated financial statements, the directors are required to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following areas provide estimation uncertainty:

Fixed Assets

The estimates and assumptions made to determine asset lives require judgements to be made as regards useful lives and residual values. The useful lives and residual values of the company's financial assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on management experience with similar assets. The depreciation rates being applied are outlined on the following page.

Bad Debts

Bad debts are provided for where objective evidence of the need for a provision exists.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2017

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is generated from operating express & local coach services across the UK and the private hire of luxury coaches to the general public. These services are recognised when performed, such that risks and rewards have been transferred.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Computer equipment	- 25% on cost
Plant and machinery	- 10% to 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Coaches	- from 10% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in nonconvertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances. Bank overdrafts that are payable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Interest is charged on a reducing balance basis.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. TURNOVER

Turnover is generated from operating express & local coach services across the UK and the private hire of luxury coaches to the general public.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2017

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	8,261,084	8,367,658
Social security costs	748,879	767,882
Other pension costs	82,751	82,946
	<u>9,092,714</u>	<u>9,218,486</u>

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

	2017	2016
Office and Management	30	28
Production	<u>291</u>	<u>299</u>
	<u>321</u>	<u>327</u>

	2017	2016
	£	£
Directors' remuneration	168,619	157,161
Directors' pension contributions to money purchase schemes	<u>30,067</u>	<u>28,400</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2017	2016
Money purchase schemes	<u>2</u>	<u>2</u>

5. OPERATING PROFIT

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

	2017	2016
	£	£
Depreciation - owned assets	963,578	882,147
Depreciation - assets on hire purchase contracts	2,792,022	2,842,540
Profit on disposal of fixed assets	(458,854)	(148,498)
Auditors' remuneration	<u>10,000</u>	<u>12,000</u>

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditors for 'Other services' as this information is included in the consolidated financial statements of Park's of Hamilton (Holdings) Limited.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	9,477	8,829
Hire purchase	<u>194,219</u>	<u>226,760</u>
	<u>203,696</u>	<u>235,589</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2017

7. TAXATION

Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	860,397	723,338
Underprovided in previous year	59,848	-
Total current tax	<u>920,245</u>	<u>723,338</u>
Deferred tax	(21,236)	(558,748)
Tax on profit	<u>899,009</u>	<u>164,590</u>

UK corporation tax has been charged at 20% .

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	<u>3,194,283</u>	<u>2,953,776</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	638,857	590,755
Effects of:		
Expenses not deductible for tax purposes	340	-
Depreciation in excess of capital allowances	221,200	132,583
Adjustments to tax charge in respect of previous periods	59,848	-
Movement in deferred taxation	(21,236)	(558,748)
Total tax charge	<u>899,009</u>	<u>164,590</u>

Further reductions to the UK Corporation tax rates were substantially enacted as part of the Finance Bill 2016 on 6 September 2016. These reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. The deferred tax assets and liabilities reflect the reduction to 19%.

8. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>2,000,000</u>	<u>3,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2017

9. TANGIBLE FIXED ASSETS

	Totals £	Computer equipment £	Plant and machinery £
COST			
At 1 April 2016	29,699,556	122,639	423,060
Additions	6,188,884	3,898	2,600
Disposals	(8,222,926)	-	-
At 31 March 2017	27,665,514	126,537	425,660
DEPRECIATION			
At 1 April 2016	11,198,970	99,012	391,893
Charge for year	3,755,600	15,529	19,717
Eliminated on disposal	(4,570,204)	-	-
At 31 March 2017	10,384,366	114,541	411,610
NET BOOK VALUE			
At 31 March 2017	17,281,148	11,996	14,050
At 31 March 2016	18,500,586	23,627	31,167

	Fixtures and fittings £	Motor vehicles £	Coaches £
COST			
At 1 April 2016	88,783	298,810	28,766,264
Additions	3,494	82,869	6,096,023
Disposals	-	(90,488)	(8,132,438)
At 31 March 2017	92,277	291,191	26,729,849
DEPRECIATION			
At 1 April 2016	87,255	172,392	10,448,418
Charge for year	1,440	63,416	3,655,498
Eliminated on disposal	-	(90,488)	(4,479,716)
At 31 March 2017	88,695	145,320	9,624,200
NET BOOK VALUE			
At 31 March 2017	3,582	145,871	17,105,649
At 31 March 2016	1,528	126,418	18,317,846

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2017

9. **TANGIBLE FIXED ASSETS - continued**

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

	Coaches £
COST	
At 1 April 2016	18,021,128
Additions	6,042,200
Disposals	(4,773,914)
At 31 March 2017	<u>19,289,414</u>
DEPRECIATION	
At 1 April 2016	1,182,606
Charge for year	2,792,022
Eliminated on disposal	(1,734,049)
At 31 March 2017	<u>2,240,579</u>
NET BOOK VALUE	
At 31 March 2017	<u>17,048,835</u>
At 31 March 2016	<u>16,838,522</u>

10. **STOCKS**

	2017 £	2016 £
Stocks	<u>248,195</u>	<u>211,003</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade debtors	1,763,069	1,735,863
Amounts due by group companies	1,190	-
Other debtors	3,739	7,640
VAT	272,741	91,447
Prepayments and accrued income	398,888	397,253
	<u>2,439,627</u>	<u>2,232,203</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2017

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Hire purchase contracts (see note 14)	3,783,423	3,887,457
Trade creditors	539,923	685,906
Corporation Tax	860,397	723,338
Social security and other taxes	176,620	191,275
Other creditors	2,335	130,441
Amounts due to group companies	4,017,887	3,870,689
Accrued expenses	2,035,865	2,197,399
	<u>11,416,450</u>	<u>11,686,505</u>

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

	2017	2016
	£	£
Hire purchase contracts (see note 14)	<u>4,682,402</u>	<u>4,921,873</u>

14. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2017	2016
	£	£
Gross obligations repayable:		
Within one year	3,907,746	4,045,194
Between one and five years	<u>4,768,172</u>	<u>5,021,003</u>
	<u>8,675,918</u>	<u>9,066,197</u>
Finance charges repayable:		
Within one year	124,323	157,737
Between one and five years	<u>85,770</u>	<u>99,130</u>
	<u>210,093</u>	<u>256,867</u>
Net obligations repayable:		
Within one year	3,783,423	3,887,457
Between one and five years	<u>4,682,402</u>	<u>4,921,873</u>
	<u>8,465,825</u>	<u>8,809,330</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2017

15. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Hire purchase contracts	<u>8,465,825</u>	<u>8,809,330</u>

The company has granted bonds and floating charges in favour of the Bank of Scotland plc.

16. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows

	2017	2016
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>7,556,277</u>	<u>6,572,327</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>6,098,852</u>	<u>6,608,378</u>

17. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax	<u>1,387,207</u>	<u>1,408,443</u>
		Deferred tax
		£
Balance at 1 April 2016		1,408,443
Provision reduction		<u>(21,236)</u>
Balance at 31 March 2017		<u>1,387,207</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2017

19. RESERVES

	Retained earnings £
At 1 April 2016	6,556,092
Profit for the year	2,295,274
Dividends	<u>(2,000,000)</u>
At 31 March 2017	<u>6,851,366</u>

Includes all current and prior year retained profits and losses less dividends.

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for certain employees, which is managed by the company's parent company Park's of Hamilton (Holdings) Ltd. The assets of the scheme are held separately from those of the company in independently administered funds.

The pension cost charge represents contributions payable by the company to the funds and amounted to £52,684 (2016 - £54,546)

21. ULTIMATE PARENT COMPANY

Park's of Hamilton (Holdings) Limited (incorporated in Scotland) is regarded by the directors as being the company's ultimate parent company.

22. CONTINGENT LIABILITIES

The company together with the parent company, Park's of Hamilton (Townhead Garage) Limited, Douglas Park Limited, Park's (Ayr) Limited and Macrae and Dick Limited have entered into cross guarantees in respect of each company's indebtedness to the Bank of Scotland plc.

23. RELATED PARTY DISCLOSURES

There were no material related party transactions. The company has taken advantage of the exemption from presenting information relating to transactions within the group.

All remuneration for Key Management Personnel is paid from the holding Company.

24. ULTIMATE CONTROLLING PARTY

The controlling party is Park's of Hamilton (Holdings) Ltd.

The ultimate controlling party is D I Park.

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