

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**  
**FOR**  
**PARK'S OF HAMILTON (COACH HIRERS) LTD**

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**for the Year Ended 31 MARCH 2019**

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**PARK'S OF HAMILTON (COACH HIRERS) LTD**

**COMPANY INFORMATION**  
**for the Year Ended 31 MARCH 2019**

**DIRECTORS:**

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

**SECRETARY:**

A G 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 2019**

The directors present their strategic report for the year ended 31 March 2019.

**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.

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.

	2019	2018
	£	£
Turnover	27,900,951	26,945,355

Turnover has increased by over 3.5%.

Operating profit has increased from £3,388,805 to £3,430,601. Profit before tax has decreased from £3,227,505 to £3,224,704. After taxation and dividends £111,405 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 main risks associated with the company's financial assets and liabilities are set out below.

**Liquidity Risk**

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company 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 company has credit facilities available.

**Interest Rate Risk**

The company 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.

**Credit Risk**

The company has external debtors, however, the company undertakes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default.

**ON BEHALF OF THE BOARD:**

A G Noble - Director

22 October 2019

**REPORT OF THE DIRECTORS**  
**for the Year Ended 31 MARCH 2019**

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of coach operators.

**DIVIDENDS**

An interim dividend of £5 per share was paid on 31 March 2019. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2019 will be £ 2,500,000 .

**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 2018 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  
A G Noble

Other changes in directors holding office are as follows:

R B Hare was appointed as a director after 31 March 2019 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 2019**

**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:**

A G Noble - Director

22 October 2019

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

**Opinion**

We have audited the financial statements of Park's of Hamilton (Coach Hirers) Ltd (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**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**

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

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.

**Responsibilities of directors**

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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.

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

23 October 2019

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

**INCOME STATEMENT**  
**for the Year Ended 31 MARCH 2019**

2018			Notes	2019	
£	£			£	£
26,945,355		<b>TURNOVER</b>	3		27,900,951
<u>24,974</u>		Other operating income		<u>27,821</u>	
26,970,329				27,928,772	
<u>8,954,144</u>		Raw materials and consumables		<u>9,218,358</u>	
18,016,185				18,710,414	
	9,547,417	Staff costs	4	10,562,302	
	2,979,342	Depreciation		3,316,553	
	<u>2,100,621</u>	Other operating expenses		<u>1,400,958</u>	
<u>14,627,380</u>				<u>15,279,813</u>	
3,388,805		<b>OPERATING PROFIT</b>	5		<u>3,430,601</u>
<u>161,300</u>		Interest payable and similar expenses	6	<u>205,897</u>	
3,227,505		<b>PROFIT BEFORE TAXATION</b>		3,224,704	
<u>550,960</u>		Tax on profit	7	<u>613,299</u>	
<u>2,676,545</u>		<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>2,611,405</u>	

The notes form part of these financial statements

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

**OTHER COMPREHENSIVE INCOME**  
**for the Year Ended 31 MARCH 2019**

2018		Notes	2019
£			£
2,676,545	<b>PROFIT FOR THE YEAR</b>		2,611,405
-	<b>OTHER COMPREHENSIVE INCOME</b>		-
<u>2,676,545</u>	<b>TOTAL COMPREHENSIVE INCOME</b>		<u>-</u>
	<b>FOR THE YEAR</b>		<u>2,611,405</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 2019**

2018			Notes	2019	
£	£			£	£
21,093,158		<b>FIXED ASSETS</b>			
		Tangible assets	9		19,770,719
		<b>CURRENT ASSETS</b>			
	252,833	Stocks	10	389,573	
	3,139,321	Debtors	11	2,298,860	
	<u>1,546,714</u>	Cash at bank and in hand		<u>3,131,157</u>	
	4,938,868			5,819,590	
		<b>CREDITORS</b>			
	<u>9,557,778</u>	Amounts falling due within one year	12	<u>9,622,998</u>	
<u>(4,618,910)</u>		<b>NET CURRENT LIABILITIES</b>			<u>(3,803,408)</u>
16,474,248		<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			15,967,311
		<b>CREDITORS</b>			
		Amounts falling due after more than one year	13		(6,584,053)
(7,092,004)					
<u>(1,354,333)</u>		<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(1,243,942)</u>	
<u>8,027,911</u>		<b>NET ASSETS</b>		<u>8,139,316</u>	
		<b>CAPITAL AND RESERVES</b>			
	500,000	Called up share capital	18		500,000
	<u>7,527,911</u>	Retained earnings	19		<u>7,639,316</u>
<u>8,027,911</u>		<b>SHAREHOLDERS' FUNDS</b>			<u>8,139,316</u>

The financial statements were approved by the Board of Directors on 22 October 2019 and were signed on its behalf by:

A G Noble - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY**  
**for the Year Ended 31 MARCH 2019**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2017</b>	500,000	6,851,366	7,351,366
<b>Changes in equity</b>			
Dividends	-	(2,000,000)	(2,000,000)
Total comprehensive income	-	2,676,545	2,676,545
<b>Balance at 31 March 2018</b>	<u>500,000</u>	<u>7,527,911</u>	<u>8,027,911</u>
<b>Changes in equity</b>			
Dividends	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	2,611,405	2,611,405
<b>Balance at 31 March 2019</b>	<u>500,000</u>	<u>7,639,316</u>	<u>8,139,316</u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS**  
**for the Year Ended 31 MARCH 2019**

2018 £		Notes	2019 £
	<b>Cash flows from operating activities</b>		
3,912,542	Cash generated from operations	1	7,472,888
(161,300)	Interest element of hire purchase payments paid		(205,897)
(848,587)	Tax paid		(595,644)
<u>2,902,655</u>	Net cash from operating activities		<u>6,671,347</u>
	<b>Cash flows from investing activities</b>		
(2,613,479)	Purchase of tangible fixed assets		(1,714,478)
<u>3,044,371</u>	Sale of tangible fixed assets		<u>3,630,584</u>
<u>430,892</u>	Net cash from investing activities		<u>1,916,106</u>
	<b>Cash flows from financing activities</b>		
(4,655,288)	Capital repayments in year		(4,503,010)
<u>(2,000,000)</u>	Equity dividends paid		<u>(2,500,000)</u>
<u>(6,655,288)</u>	Net cash from financing activities		<u>(7,003,010)</u>
(3,321,741)	<b>Increase/(decrease) in cash and cash equivalents</b>		<u>1,584,443</u>
4,868,455	<b>Cash and cash equivalents at beginning of year</b>	2	1,546,714
<u>1,546,714</u>	<b>Cash and cash equivalents at end of year</b>	2	<u>3,131,157</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**for the Year Ended 31 MARCH 2019**

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

	2019	2018
	£	£
Profit before taxation	3,224,704	3,227,505
Depreciation charges	3,694,545	3,255,519
Profit on disposal of fixed assets	(377,992)	(276,177)
Finance costs	205,897	161,300
	<u>6,747,154</u>	<u>6,368,147</u>
Increase in stocks	(136,740)	(4,638)
Decrease/(increase) in trade and other debtors	840,461	(699,694)
Increase/(decrease) in trade and other creditors	22,013	(1,751,273)
<b>Cash generated from operations</b>	<u><u>7,472,888</u></u>	<u><u>3,912,542</u></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 2019**

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	<u>3,131,157</u>	<u>1,546,714</u>

**Year ended 31 March 2018**

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	<u><u>1,546,714</u></u>	<u><u>4,868,455</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Year Ended 31 MARCH 2019**

**1. STATUTORY INFORMATION**

Park's of Hamilton (Coach Hirers) Ltd is a private company, limited by shares, registered in Scotland, registration number SC067046. The registered office is Park House, 14 Bothwell Road, Hamilton, ML3 0AY.

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

**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 within 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.

At the balance sheet date the company is in a net current liabilities position. This includes liabilities of £3,617,452 due to fellow group undertakings. The company enjoys the continued financial support of its parent company. The accounts have been prepared on the going concern basis as the Directors believe adequate ongoing financial support will continue to be made available by Park's of Hamilton Group to the company for the foreseeable future.

**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 2019**

**2. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover is measured at the fair value of consideration received or receivable, taking into account the amount of any discounts and rebates allowed by the entity, but excluding 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

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be reasonable.

**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 2019**

**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 2019**

**4. EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	9,498,613	8,666,285
Social security costs	906,387	790,766
Other pension costs	157,302	90,366
	<u>10,562,302</u>	<u>9,547,417</u>

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

	2019	2018
Office and Management	28	29
Production	<u>312</u>	<u>295</u>
	<u>340</u>	<u>324</u>

	2019	2018
	£	£
Directors' remuneration	180,769	174,555
Directors' pension contributions to money purchase schemes	<u>32,400</u>	<u>32,400</u>

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

	2019	2018
Money purchase schemes	<u>2</u>	<u>2</u>

**5. OPERATING PROFIT**

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

	2019	2018
	£	£
Depreciation - owned assets	926,567	228,024
Depreciation - assets on hire purchase contracts	2,767,978	3,027,495
Profit on disposal of fixed assets	(377,992)	(276,177)
Auditors' remuneration	<u>10,000</u>	<u>10,004</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**

	2019	2018
	£	£
Hire purchase	<u>205,897</u>	<u>161,300</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 MARCH 2019**

**7. TAXATION**

**Analysis of the tax charge**

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

	2019 £	2018 £
Current tax:		
UK corporation tax	723,690	595,644
Overprovided in previous year	-	(11,810)
Total current tax	<u>723,690</u>	<u>583,834</u>
Deferred tax	(110,391)	(32,874)
Tax on profit	<u>613,299</u>	<u>550,960</u>

UK corporation tax has been charged at 19% (2018 - 19%).

**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:

	2019 £	2018 £
Profit before tax	<u>3,224,704</u>	<u>3,227,505</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	612,694	613,226
Effects of:		
Expenses not deductible for tax purposes	570	687
Capital allowances in excess of depreciation	-	(18,269)
Depreciation in excess of capital allowances	110,426	-
Adjustments to tax charge in respect of previous periods	-	(11,810)
Movement in deferred taxation	(110,391)	(32,874)
Total tax charge	<u>613,299</u>	<u>550,960</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**

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	<u>2,500,000</u>	<u>2,000,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 MARCH 2019**

**9. TANGIBLE FIXED ASSETS**

	Totals £	Computer equipment £	Plant and machinery £
<b>COST</b>			
At 1 April 2018	31,555,570	101,082	410,867
Additions	5,624,698	4,846	75,271
Disposals	(7,691,594)	(3,303)	(41,726)
At 31 March 2019	29,488,674	102,625	444,412
<b>DEPRECIATION</b>			
At 1 April 2018	10,462,412	93,084	399,694
Charge for year	3,694,545	4,787	17,308
Eliminated on disposal	(4,439,002)	(3,303)	(41,726)
At 31 March 2019	9,717,955	94,568	375,276
<b>NET BOOK VALUE</b>			
At 31 March 2019	19,770,719	8,057	69,136
At 31 March 2018	21,093,158	7,998	11,173

  

	Fixtures and fittings £	Motor vehicles £	Coaches £
<b>COST</b>			
At 1 April 2018	83,786	283,954	30,675,881
Additions	4,569	262,124	5,277,888
Disposals	-	(114,705)	(7,531,860)
At 31 March 2019	88,355	431,373	28,421,909
<b>DEPRECIATION</b>			
At 1 April 2018	80,822	86,712	9,802,100
Charge for year	2,036	108,347	3,562,067
Eliminated on disposal	-	(69,852)	(4,324,121)
At 31 March 2019	82,858	125,207	9,040,046
<b>NET BOOK VALUE</b>			
At 31 March 2019	5,497	306,166	19,381,863
At 31 March 2018	2,964	197,242	20,873,781

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 MARCH 2019**

9. **TANGIBLE FIXED ASSETS - continued**

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

	Coaches £
<b>COST</b>	
At 1 April 2018	22,319,391
Additions	5,213,626
Disposals	(3,517,620)
Transfer to ownership	(2,275,740)
At 31 March 2019	<u>21,739,657</u>
<b>DEPRECIATION</b>	
At 1 April 2018	4,027,139
Charge for year	2,767,978
Eliminated on disposal	(1,212,234)
Transfer to ownership	(1,324,039)
At 31 March 2019	<u>4,258,844</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u>17,480,813</u>
At 31 March 2018	<u>18,292,252</u>

10. **STOCKS**

	2019 £	2018 £
Stocks	<u>389,573</u>	<u>252,833</u>

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

	2019 £	2018 £
Trade debtors	1,650,968	1,633,965
Amounts owed by group undertakings	1,016	247
Other debtors	24,746	4,345
VAT	123,436	1,012,638
Prepayments and accrued income	<u>498,694</u>	<u>488,126</u>
	<u>2,298,860</u>	<u>3,139,321</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Hire purchase contracts (see note 14)	3,855,938	3,940,777
Trade creditors	657,070	558,033
Amounts owed to group undertakings	3,617,452	2,522,519
Corporation Tax	723,690	595,644
Social security and other taxes	260,403	191,682
Other creditors	145,222	1,112,728
Accrued expenses	<u>363,223</u>	<u>636,395</u>
	<u>9,622,998</u>	<u>9,557,778</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 MARCH 2019**

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

	2019	2018
	£	£
Hire purchase contracts (see note 14)	<u>6,584,053</u>	<u>7,092,004</u>

14. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2019	2018
	£	£
Gross obligations repayable:		
Within one year	4,030,388	4,112,501
Between one and five years	<u>6,760,417</u>	<u>7,269,919</u>
	<u>10,790,805</u>	<u>11,382,420</u>
Finance charges repayable:		
Within one year	174,450	171,724
Between one and five years	<u>176,364</u>	<u>177,915</u>
	<u>350,814</u>	<u>349,639</u>
Net obligations repayable:		
Within one year	3,855,938	3,940,777
Between one and five years	<u>6,584,053</u>	<u>7,092,004</u>
	<u>10,439,991</u>	<u>11,032,781</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	2019	2018
	£	£
Hire purchase contracts	<u>10,439,991</u>	<u>11,032,781</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

	2019	2018
	£	£
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>5,819,590</u>	<u>4,938,868</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>16,207,051</u>	<u>16,649,782</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 MARCH 2019**

**17. PROVISIONS FOR LIABILITIES**

	2019 £	2018 £
Deferred tax	<u>1,243,942</u>	<u>1,354,333</u>
		Deferred tax £
Balance at 1 April 2018		1,354,333
Provision reduction		<u>(110,391)</u>
Balance at 31 March 2019		<u>1,243,942</u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2019 £	2018 £
Number:	Class:			
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

**19. RESERVES**

	Retained earnings £
At 1 April 2018	7,527,911
Profit for the year	2,611,405
Dividends	<u>(2,500,000)</u>
At 31 March 2019	<u>7,639,316</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 £124,902 (2018 - £57,966)

**21. ULTIMATE PARENT COMPANY**

Park's of Hamilton (Holdings) Limited 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, Macrae and Dick Limited, Menzies Motors Limited and Trathens Travel Services Limited have entered into cross guarantees in respect of each company's indebtedness to the Bank of Scotland plc.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 MARCH 2019**

**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 D I Park.

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