

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
PARK'S OF HAMILTON (COACH HIRERS) LTD

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for the year ended 31 MARCH 2021

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PARK'S OF HAMILTON (COACH HIRERS) LTD

COMPANY INFORMATION
for the year ended 31 MARCH 2021

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:

HSBC
1 Centenary Square
Birmingham
B1 1HQ

SOLICITORS:

Brodies LLP
110 Queen Street
Glasgow
G1 3BX

STRATEGIC REPORT
for the year ended 31 MARCH 2021

The directors present their strategic report for the year ended 31 March 2021.

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.

	2021	2020
	£	£
Turnover	14,142,363	28,004,638

The Coach Hiring division turnover fell by 49.5%, driven mainly by the severe restriction of the private hire market due to the Covid-19 pandemic. Government support for the Scottish public transport network facilitated the return to running of the division's own service vehicles and those operating Citylink services. However, similar support was not available to National Express, whose services we returned to operating in a limited capacity after the year end. During these periods the division utilised the Coronavirus Job Retention Scheme (CJRS) to maintain payroll payments and secure employment while little or no work was available for employees.

Gross profit decreased from £18,797,528 to £15,065,901, and operating profit decreased from £3,490,377 to £2,835,613. The Division was able to significantly reduce the variable costs associated with the fuelling, insuring and maintenance of vehicles while managing and reducing other overheads wherever possible.

The impact of Covid-19 restrictions has reduced as the 2021-22 trading year continues. The Coach Hiring division continues to show recovery and is well placed to take advantages of trading opportunities that will emerge as the impact of the pandemic on daily life reduces. However, the reduced passenger numbers and changes to the National Express network during the year necessitated the closure of the Division's depot in Rochdale and the redundancy of employees.

PRINCIPAL RISKS AND UNCERTAINTIES

The strategic direction of the Company is aligned to manage the principal risks identified by the Directors as follows:

Operational risk

The coach hiring division relies on the ability of the Company to maintain an operational fleet of vehicles to reliably meet the requirements of customers. Risks are managed by the development of a rigorous maintenance and repair program which includes the support of key suppliers.

Market and strategic risks

The Company's profitability and cash flow are affected by changes in market conditions and the ability of the Directors to accurately predict these in advance.

The emergence of Covid-19 restrictions has highlighted the importance of being able to react quickly changing customer demands and behaviours. The Directors are focused on being able to react to changing demand quickly and maintaining a ready fleet with appropriate measures in place to accommodate customers' requirements.

Competitive risk

The marketplace continues to be competitive but the Company benefits from a wide geographical presence, well diversified operations, and a focus on maintaining a strong reputation for service and quality.

STRATEGIC REPORT
for the year ended 31 MARCH 2021

Regulatory and legislative risk

The Directors are committed to ensuring the Company complies with all legislation and directives applicable to the Company's activity.

The impact of Brexit and Covid-19 have emerged as significant risks to business continuity. Preparations for the end of the transition period following the United Kingdom leaving the EU have progressed well in conjunction with major suppliers and no significant issues are foreseen. The ongoing impact of Covid-19 restrictions continues and the Directors have ensured decisions and actions can be taken swiftly to minimise cost and disruption while maximising trading opportunities.

Financial Risk Management

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

SECTION 172(1) STATEMENT

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard amongst other matters) to:

The interests of the Company's employees;
The need to foster the Company's relationships with suppliers, customers and others;
The impact of the Company's operations on the community and the environment; and
The desirability of the Company maintaining a reputation for high standards of business conduct.

Employees

The Company's employees are key to delivering the overall strategy. Ensuring that the business has the right values and culture is of paramount importance to the continued success of the Company's business.

The business engages on a regular basis with all of its employees, including regular team meetings, appraisals, apprenticeship programmes and various training and development courses.

Customers

The Company is committed to delivering a professional, industry leading customer experience across all activities. Customer feedback is collected from a number of sources.

STRATEGIC REPORT
for the year ended 31 MARCH 2021

Suppliers

The Company works closely with a wide variety of suppliers in maintaining a ready fleet of operational vehicles. Successful operation is dependent on the continued maintenance of strong relationships with those suppliers through regular engagement.

The Company is committed to developing strong relationships with suppliers across all activities to drive value, ensure continuity of service and improve customer outcomes.

Community and Environment

The Company values the importance of making a positive impact and maintaining its physical presence in each of its operating locations by engaging in the local community in which it operates.

The Directors are committed to delivering a corporate social responsibility strategy that sets the aim to be environmentally responsible, a good neighbour and an excellent workplace.

ON BEHALF OF THE BOARD:

A G Noble - Director

17 November 2021

REPORT OF THE DIRECTORS
for the year ended 31 MARCH 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2021.

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 2020 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
R B Hare

Qualifying third party indemnity provisions

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

GOING CONCERN

The directors are of the opinion that the financial statements should be prepared on a going concern basis. In forming this opinion, the directors have considered forecasts prepared taking into account the information currently available on Covid-19 and the likely impact of vaccines, as well as several severe downside scenarios. The group's balance sheet has strong reserves and trading since the year end has been good, despite repeated lockdowns, and there is no reason to believe that the group's current funding and liquidity position is not sufficient.

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 2021

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

17 November 2021

**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 2021 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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 six, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company and management.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation, pensions legislation, financial conduct authority regulation and data protection regulations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISA's (UK), we are also required to perform specific procedures to respond to the risk of management override.

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

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures to underlying supporting documentation,
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud,
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance of laws and regulations, and
- reviewing minutes of those charges with governance.

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. 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

18 November 2021

INCOME STATEMENT
for the year ended 31 MARCH 2021

	Notes	2021 £	2020 £
TURNOVER	3	14,142,363	28,004,638
Other operating income	4	<u>3,916,676</u>	<u>149,959</u>
		18,059,039	28,154,597
Raw materials and consumables		<u>(2,993,137)</u>	<u>(9,357,069)</u>
		15,065,902	18,797,528
Staff costs	5	(8,073,784)	(10,970,765)
Depreciation		(3,215,333)	(3,147,172)
Other operating expenses		<u>(941,172)</u>	<u>(1,189,214)</u>
OPERATING PROFIT	6	2,835,613	3,490,377
Interest payable and similar expenses	7	<u>(204,590)</u>	<u>(205,016)</u>
PROFIT BEFORE TAXATION		2,631,023	3,285,361
Tax on profit	8	<u>(505,109)</u>	<u>(624,406)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,125,914</u>	<u>2,660,955</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
for the year ended 31 MARCH 2021

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		2,125,914	2,660,955
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>2,125,914</u>	<u>2,660,955</u>

STATEMENT OF FINANCIAL POSITION
31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	10	18,887,869	18,562,219
CURRENT ASSETS			
Stocks	11	289,984	377,498
Debtors	12	892,679	1,816,743
Cash at bank and in hand		<u>3,806,363</u>	<u>4,282,692</u>
		4,989,026	6,476,933
CREDITORS			
Amounts falling due within one year	13	<u>(5,425,507)</u>	<u>(8,530,692)</u>
NET CURRENT LIABILITIES		<u>(436,481)</u>	<u>(2,053,759)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,451,388	16,508,460
CREDITORS			
Amounts falling due after more than one year	14	(6,375,464)	(6,530,891)
PROVISIONS FOR LIABILITIES	19	<u>(1,149,739)</u>	<u>(1,177,298)</u>
NET ASSETS		<u>10,926,185</u>	<u>8,800,271</u>
CAPITAL AND RESERVES			
Called up share capital	20	500,000	500,000
Retained earnings	21	<u>10,426,185</u>	<u>8,300,271</u>
SHAREHOLDERS' FUNDS		<u>10,926,185</u>	<u>8,800,271</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17 November 2021 and were signed on its behalf by:

A G Noble - Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 MARCH 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	500,000	7,639,316	8,139,316
Changes in equity			
Dividends	-	(2,000,000)	(2,000,000)
Total comprehensive income	-	2,660,955	2,660,955
Balance at 31 March 2020	500,000	8,300,271	8,800,271
Changes in equity			
Total comprehensive income	-	2,125,914	2,125,914
Balance at 31 March 2021	500,000	10,426,185	10,926,185

STATEMENT OF CASH FLOWS
for the year ended 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	4,054,940	6,420,499
Interest paid		-	(16)
Interest element of hire purchase payments paid		(204,590)	(205,000)
Tax paid		(689,727)	(724,433)
Net cash from operating activities		<u>3,160,623</u>	<u>5,491,050</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,126,894)	(761,413)
Sale of tangible fixed assets		<u>1,441,116</u>	<u>3,634,990</u>
Net cash from investing activities		<u>314,222</u>	<u>2,873,577</u>
Cash flows from financing activities			
Capital repayments in year		(3,951,764)	(5,213,092)
Equity dividends paid		-	(2,000,000)
Net cash from financing activities		<u>(3,951,764)</u>	<u>(7,213,092)</u>
(Decrease)/increase in cash and cash equivalents		<u>(476,919)</u>	<u>1,151,535</u>
Cash and cash equivalents at beginning of year	2	4,282,692	3,131,157
Cash and cash equivalents at end of year	2	<u><u>3,805,773</u></u>	<u><u>4,282,692</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 MARCH 2021

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

	2021	2020
	£	£
Profit before taxation	2,631,023	3,285,361
Depreciation charges	3,496,325	3,328,309
Profit on disposal of fixed assets	(280,992)	(181,137)
Finance costs	204,590	205,016
	<u>6,050,946</u>	<u>6,637,549</u>
Decrease in stocks	87,514	12,075
Decrease in trade and other debtors	924,065	482,120
Decrease in trade and other creditors	<u>(3,007,585)</u>	<u>(711,245)</u>
Cash generated from operations	<u>4,054,940</u>	<u>6,420,499</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 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	3,806,363	4,282,692
Bank overdrafts	(590)	-
	<u>3,805,773</u>	<u>4,282,692</u>

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	<u>4,282,692</u>	<u>3,131,157</u>

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.4.20	Cash flow	Other non-cash changes	At 31.3.21
	£	£	£	£
Net cash				
Cash at bank and in hand	4,282,692	(476,329)		3,806,363
Bank overdrafts	-	(590)		(590)
	<u>4,282,692</u>	<u>(476,919)</u>		<u>3,805,773</u>
Debt				
Finance leases	(10,039,151)	3,951,764	(3,855,206)	(9,942,593)
	<u>(10,039,151)</u>	<u>3,951,764</u>	<u>(3,855,206)</u>	<u>(9,942,593)</u>
Total	<u>(5,756,459)</u>	<u>3,474,845</u>	<u>(3,855,206)</u>	<u>(6,136,820)</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 MARCH 2021

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 withing 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 £1,033,364 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 2021

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.

Government grants

Grants are accounted under the accruals model as permitted by FRS102. Grants of a revenue basis are recognised in the Statement of Comprehensive Income on a systematic basis over the periods in which the group recognises the related costs for which the grant is intended to compensate.

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 2021

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 2021

4. OTHER OPERATING INCOME

	2021	2020
	£	£
Sundry income	3,034	149,959
Government grants	<u>3,913,642</u>	<u>-</u>
	<u>3,916,676</u>	<u>149,959</u>

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	7,261,047	9,830,070
Social security costs	643,016	933,883
Other pension costs	<u>169,721</u>	<u>206,812</u>
	<u>8,073,784</u>	<u>10,970,765</u>

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

	2021	2020
Office and Management	27	30
Production	<u>260</u>	<u>349</u>
	<u>287</u>	<u>379</u>

	2021	2020
	£	£
Directors' remuneration	189,672	187,276
Directors' pension contributions to money purchase schemes	<u>64,800</u>	<u>64,800</u>

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

	2021	2020
Money purchase schemes	<u>2</u>	<u>2</u>

6. OPERATING PROFIT

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

	2021	2020
	£	£
Depreciation - owned assets	392,422	559,330
Depreciation - assets on hire purchase contracts	3,103,904	2,768,982
Profit on disposal of fixed assets	(280,992)	(181,137)
Auditors' remuneration	<u>10,000</u>	<u>10,000</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.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2021

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	-	16
Hire purchase	204,590	205,000
	<u>204,590</u>	<u>205,016</u>

8. TAXATION

Analysis of the tax charge

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	533,248	690,307
Underprovided in previous year	-	743
Overprovided in previous year	(580)	-
Total current tax	<u>532,668</u>	<u>691,050</u>
Deferred tax	<u>(27,559)</u>	<u>(66,644)</u>
Tax on profit	<u>505,109</u>	<u>624,406</u>

UK corporation tax was charged at 19%) in 2020.

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:

	2021	2020
	£	£
Profit before tax	<u>2,631,023</u>	<u>3,285,361</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	499,894	624,219
Effects of:		
Expenses not deductible for tax purposes	-	760
Depreciation in excess of capital allowances	33,354	65,328
Adjustments to tax charge in respect of previous periods	(580)	743
Movement in deferred taxation	<u>(27,559)</u>	<u>(66,644)</u>
Total tax charge	<u>505,109</u>	<u>624,406</u>

9. DIVIDENDS

	2021	2020
	£	£
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>2,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2021

10. TANGIBLE FIXED ASSETS

	Computer equipment £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2020	109,040	451,140	90,855
Additions	8,107	2,562	-
Disposals	(9,199)	(6,429)	-
At 31 March 2021	107,948	447,273	90,855
DEPRECIATION			
At 1 April 2020	95,945	385,058	85,332
Charge for year	6,485	22,966	2,347
Eliminated on disposal	(9,199)	(6,429)	-
At 31 March 2021	93,231	401,595	87,679
NET BOOK VALUE			
At 31 March 2021	14,717	45,678	3,176
At 31 March 2020	13,095	66,082	5,523

	Motor vehicles £	Coaches £	Totals £
COST			
At 1 April 2020	424,420	24,981,529	26,056,984
Additions	-	4,971,431	4,982,100
Disposals	(48,966)	(3,645,500)	(3,710,094)
At 31 March 2021	375,454	26,307,460	27,328,990
DEPRECIATION			
At 1 April 2020	85,858	6,842,572	7,494,765
Charge for year	85,627	3,378,901	3,496,326
Eliminated on disposal	(6,985)	(2,527,357)	(2,549,970)
At 31 March 2021	164,500	7,694,116	8,441,121
NET BOOK VALUE			
At 31 March 2021	210,954	18,613,344	18,887,869
At 31 March 2020	338,562	18,138,957	18,562,219

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2021

10. 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 2020	21,766,955
Additions	4,844,008
Disposals	(2,070,500)
Transfer to ownership	(1,185,000)
At 31 March 2021	<u>23,355,463</u>
DEPRECIATION	
At 1 April 2020	4,754,588
Charge for year	3,103,904
Eliminated on disposal	(1,247,689)
Transfer to ownership	(476,642)
At 31 March 2021	<u>6,134,161</u>
NET BOOK VALUE	
At 31 March 2021	<u>17,221,302</u>
At 31 March 2020	<u>17,012,367</u>

11. STOCKS

	2021 £	2020 £
Stocks	<u>289,984</u>	<u>377,498</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	444,016	1,303,701
Amounts owed by group undertakings	354	-
Other debtors	13,911	138,804
Prepayments and accrued income	<u>434,398</u>	<u>374,238</u>
	<u>892,679</u>	<u>1,816,743</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 15)	590	-
Hire purchase contracts (see note 16)	3,567,129	3,508,260
Trade creditors	242,054	285,167
Amounts owed to group undertakings	651,664	3,033,364
Corporation Tax	533,248	690,307
Social security and other taxes	-	237,553
VAT	150,587	240,189
Other creditors	56,035	107,015
Accrued expenses	<u>224,200</u>	<u>428,837</u>
	<u>5,425,507</u>	<u>8,530,692</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2021

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

	2021 £	2020 £
Hire purchase contracts (see note 16)	<u>6,375,464</u>	<u>6,530,891</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>590</u>	<u>-</u>

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Gross obligations repayable:		
Within one year	3,722,396	3,680,878
Between one and five years	<u>6,552,985</u>	<u>6,742,411</u>
	<u>10,275,381</u>	<u>10,423,289</u>
Finance charges repayable:		
Within one year	155,267	172,618
Between one and five years	<u>177,521</u>	<u>211,520</u>
	<u>332,788</u>	<u>384,138</u>
Net obligations repayable:		
Within one year	3,567,129	3,508,260
Between one and five years	<u>6,375,464</u>	<u>6,530,891</u>
	<u>9,942,593</u>	<u>10,039,151</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank overdraft	590	-
Hire purchase contracts	<u>9,942,593</u>	<u>10,039,151</u>
	<u>9,943,183</u>	<u>10,039,151</u>

The company has granted bonds and floating charges in favour of HSBC plc.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2021

18. **FINANCIAL INSTRUMENTS**

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

	2020 £	2019 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>6,476,933</u>	<u>5,819,590</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>15,061,583</u>	<u>16,207,051</u>

19. **PROVISIONS FOR LIABILITIES**

	2021 £	2020 £
Deferred tax		
Accelerated capital allowances	<u>1,149,739</u>	<u>1,177,298</u>
		Deferred tax £
Balance at 1 April 2020		1,177,298
Provision reduction		<u>(27,559)</u>
Balance at 31 March 2021		<u>1,149,739</u>

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021 £	2020 £
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

21. **RESERVES**

	Retained earnings £
At 1 April 2020	8,300,271
Profit for the year	<u>2,125,914</u>
At 31 March 2021	<u>10,426,185</u>

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

22. **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 £104,921 (2020 - £142,012)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2021

23. ULTIMATE PARENT COMPANY

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

24. CONTINGENT LIABILITIES

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

25. 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.

26. ULTIMATE CONTROLLING PARTY

The controlling party is D I Park.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.