

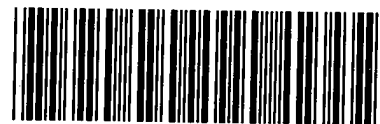
Contract Vehicles Limited

Registered number: 00759126

Directors' report and financial statements

For the year ended 30 September 2015

TUESDAY



A50V95Q1

A08

16/02/2016

#8

COMPANIES HOUSE

CONTRACT VEHICLES LIMITED

COMPANY INFORMATION

Directors	J A Ross A C Brown N J Barrett D Smith (Chief executive)
Company secretary	N J Barrett
Registered number	00759126
Registered office	Unit 6 Airport West Lancaster Way Yeadon Leeds West Yorkshire LS19 7ZA
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Lexicon Mount Street Manchester M2 5NT
Bankers	Barclays Bank PLC 3 Hardman Street Spinningfields Manchester M3 3HF

CONTRACT VEHICLES LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 - 18

CONTRACT VEHICLES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

Introduction

The directors present their strategic report for Contract Vehicles Limited for the year ended 30 September 2015.

Business review

The Company continued its principal activity of contract hire and fleet management of commercial vehicles throughout the year.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non financial key performance indicators as set out below.

	30th September 2015	30th September 2014
Turnover	£58,092,850	£52,490,571
Gross Profit	£9,904,794	£8,350,456
Gross Profit Margin	17.1%	15.9%
Operating Profit	£2,209,768	£4,109,843
Operating Profit Margin	3.8%	7.8%
Normalised Operating Profit	£5,676,768	£4,109,843
Normalised Operating Profit Margin	9.8%	7.8%
Net Assets	£7,030,761	£7,663,546
Normalised Net Assets	£10,497,761	£7,663,546
Vehicle Numbers	18,902	12,856
Number of vehicles managed per employee	178	153
Total Number of confirmed repair and maintenance orders	230,510	185,331

Development and financial performance during the year

As reported in the Company's Profit and Loss Account, Turnover has increased by £5,602,279 (10.7%). This is due to additional business from both new and existing customers.

Gross Profit has increased from £8,350,456 to £9,904,794, with the margin increasing from 15.9% to 17.1%. This has been achieved by stringent cost controls and an improved mix of contracts on the new business, both with existing and new customers.

Excluding the Exceptional Employment Taxes incurred in the year, the Normalised Operating Profit has increased from £4,109,843 to £5,676,768 with the normalised margin increasing from 7.8% to 9.8%. There have been no substantial changes in administration costs during the year, therefore additional gross margin has flowed through to net profit on the normalised continuing business.

Vehicle numbers have grown by 6,046 (47.0%) in the year. This increase has come from both new and existing customers for both full contract hire and fleet management vehicles. Flexible solutions offered by the Company continue to lead the way in our market sector, offering comprehensive and specific solutions to customer's commercial vehicle fleet requirements.

CONTRACT VEHICLES LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2015

The company uses the number of vehicles managed per employee as a way of measuring improved efficiencies throughout the business. The number of vehicles managed per employee has risen by 25 in the year, to 178. It is anticipated that with further efficiencies, particularly IT development, this will continue to increase over time

The number of confirmed repair and maintenance orders is used to measure general activity levels within the business, and shows an increase of 24% from the prior year. This reflects not only the growth of the company but also the increased reliance on our services from our existing customer base.

During the year the Company won one notable contract for fleet management which accounts for approximately 50% of the unit growth.

Financial position at the reporting date

The balance sheet shows that the company's Net Assets have decreased from £7,663,546 to £7,030,761. Excluding the Exceptional Employment Taxes incurred during the year, the Normalised Net Assets have increased from £7,663,546 to £10,497,761. This is due to the strong normalised profit as reported in the financial performance. The directors continue to have a major commitment in growing the business in the future, which is reflected in the excellent balance sheet position shown in the accounts.

Principal risks and uncertainties

The Company acknowledges the importance of maintaining close relationships with its key customers in order to identify the early stages of any potential financial difficulties. The Company believes its customer base represents low risk, as it is mainly large blue chip organisations. The Company model is to operate a low risk strategy whilst providing an unrivalled service.

The market in which the Company operates is highly competitive and therefore competitor pressure could result in losing sales to key competitors. Whilst all customers are under a long term contract agreement, there is a risk that any contract is not renewed at normal expiry date. We mitigate this risk by ensuring we provide unrivalled service levels, and cost controls to provide competitive pricing – which results in excellent value for money for our customers.

Financial Risk Management

Financial risks are managed through strict internal management controls, accurate and timely management information and KPI reporting. Comprehensive credit checks and strict debtor control systems are in place. In addition to monitoring sales values, gross margins and expenses, management monitors the following to maximise its financial performance;

- Ratio of staff numbers/administration costs to fleet size;
- Level of costs on own risk contracts;
- Close monitoring of work in progress and resulting financial KPI's; and
- Level and ageing of debtors.

This report was approved by the board on

8/2/16

and signed on its behalf.


N J Barrett
Director

CONTRACT VEHICLES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

The Directors present their report and the audited financial statements for the year ended 30 September 2015.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Principal activities

The principal activity of the Company is that of commercial vehicle Contract Hire and Fleet Management.

Dividends

The company paid a dividend of £2,250,000 (2014: £2,350,000) during the year.

Directors

The Directors who served during the year were:

J A Ross
A C Brown
N J Barrett
D Smith (Chief executive)

Future developments

The Company intends to continue its successful low risk strategy model, targeting large national blue chip operators. It will continue the substantial investment in the development of core IT systems and has introduced a number of market leading IT platforms. The Company will continue to provide market leading service and competitive pricing through efficiencies. During the last year, the Company established an in-house training academy and intends to continue to invest heavily in staff training and development. The Company has a very healthy sales prospect base and we are confident of another year of strong growth.

CONTRACT VEHICLES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

Qualifying third party indemnity provisions

The Company had Directors' and Officers' insurance in place throughout the period.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

8/2/16

and signed on its behalf.



N J Barrett
Director

CONTRACT VEHICLES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONTRACT VEHICLES LIMITED

We have audited the financial statements of Contract Vehicles Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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. This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2015 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.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CONTRACT VEHICLES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONTRACT VEHICLES LIMITED

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.

Ian Wrightson,

Ian Wrightson (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date: 11/2/16

CONTRACT VEHICLES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 £	2014 £
Turnover	1,2	58,092,850	52,490,571
Cost of sales		(48,188,056)	(44,140,115)
Gross profit		9,904,794	8,350,456
Administrative expenses		(4,228,026)	(4,240,613)
Exceptional administrative expenses		(3,467,000)	-
Total administrative expenses		(7,695,026)	(4,240,613)
Operating profit	3	2,209,768	4,109,843
Income from investment in subsidiary		64,551	194,955
Interest receivable and similar income		20,497	46,197
Interest payable and similar charges	5	(16,414)	(11,000)
Profit on ordinary activities before taxation		2,278,402	4,339,995
Tax on profit on ordinary activities	9	(661,187)	(976,654)
Profit for the financial year	17	1,617,215	3,363,341

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 9 to 18 form part of these financial statements.

CONTRACT VEHICLES LIMITED

Registered number: 00759126

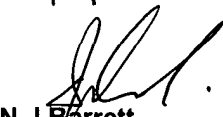
BALANCE SHEET

AS AT 30 SEPTEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	10		2,281,188		2,061,254
Investments	11		1		1
			<u>2,281,189</u>		<u>2,061,255</u>
Current assets					
Debtors: amounts falling due after more than one year	12	2,495,737		2,735,773	
Debtors: amounts falling due within one year	12	16,430,490		12,622,213	
Cash at bank		4,386,000		4,430,723	
		<u>23,312,227</u>		<u>19,788,709</u>	
Creditors: amounts falling due within one year	13	(15,960,008)		(11,360,362)	
Net current assets			<u>7,352,219</u>		<u>8,428,347</u>
Total assets less current liabilities			<u>9,633,408</u>		<u>10,489,602</u>
Creditors: amounts falling due after more than one year	14		(2,341,153)		(2,695,975)
Provisions for liabilities					
Deferred tax	15		(261,494)		(130,081)
Net assets			<u><u>7,030,761</u></u>		<u><u>7,663,546</u></u>
Capital and reserves					
Called up share capital	16		11,385		11,385
Share premium account	17		693		693
Profit and loss account	17		<u>7,018,683</u>		<u>7,651,468</u>
Shareholders' funds	18		<u><u>7,030,761</u></u>		<u><u>7,663,546</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

8/2/16


N J Barrett
Director

The notes on pages 9 to 18 form part of these financial statements.

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its Group.

1.2 Going concern

The use of the going concern basis of accounting is appropriate because the directors are not aware of any material uncertainties related to events as conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the Group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	- 25% straight line
Office equipment	- 10-25% straight line

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. Accounting Policies (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

1.11 Employer Financed Retirement Benefit Schemes (EFRBS)

In accordance with UITF Abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements", the Company does not include the assets and liabilities of EFRBS ("the Scheme") on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.

1.12 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

1.13 Long term incentive scheme

The Company operates a long-term incentive scheme for certain directors and employees in the Company. The settlement amount in respect of the long-term incentive scheme is dependant upon the profit before any provision for payment under the long term incentive plan and before taxation and exceptional items as shown in the financial statements over a three year period and is also subject to employment service conditions during the life of the arrangement. The Profit and Loss Account includes an amount that has been incurred in respect of services performed during the accounting period.

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. Turnover

The turnover and profit on ordinary activities before taxation are wholly attributable to the Company's principal activity.

A geographical analysis of turnover is as follows:

	2015 £	2014 £
United Kingdom	57,093,309	51,564,921
Rest of European Union	999,541	925,650
	<u>58,092,850</u>	<u>52,490,571</u>

3. Operating profit

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

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	989,689	594,960
- held under finance leases	131,233	64,499
Operating lease rentals:		
- plant and machinery	28,132,952	25,753,337
- other operating leases	113,710	113,709
Profit on sale of tangible assets	(724,503)	(558,075)
	<u></u>	<u></u>

4. Auditors' remuneration

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>22,000</u>	<u>20,500</u>

5. Interest payable

	2015 £	2014 £
Hire purchase interest	<u>16,414</u>	<u>11,000</u>

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

6. Staff costs and numbers

Staff costs, including Directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	2,849,736	2,986,721
Social security costs	317,794	250,691
Pension costs	119,830	126,907
	<u>3,287,360</u>	<u>3,364,319</u>

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

	2015 No.	2014 No.
Administration and selling	<u>96</u>	<u>81</u>

7. Directors' remuneration

	2015 £	2014 £
Remuneration	<u>115,720</u>	<u>411,244</u>

The highest paid Director received remuneration of £NIL (2014 - £NIL).

Included in directors emoluments is £NIL (2014: £250,000) relating to amounts receivable by directors under long term incentive schemes. These amounts were paid during the year.

8. Exceptional administrative costs

Following a review of the Company's and wider Group's tax affairs by management, they concluded that they would like certainty over various tax planning arrangements entered into over the past years. Having instigated this review, management is having ongoing discussions with HM Revenue and Customs.

The directors acknowledge that a tax liability may arise from this review and are fully co-operating with HM Revenue & Customs in this regard. As such, as at the date of approval of these financial statements the company, on behalf of the Group, have made provision for £3,267,000 regarding potential future tax liabilities as at the year ended 30 September 2015.

The amount provided as at the date of the approval of these financial statements represents the directors current best estimate of the liability required to settle all the Group's tax affairs relating to prior financial years.

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

9. Taxation

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	891,679	635,845
Adjustments in respect of prior periods	(361,905)	130,979
Total current tax	<u>529,774</u>	<u>766,824</u>
Deferred tax (see note 15)		
Origination and reversal of timing differences	131,413	209,830
Tax on profit on ordinary activities	<u>661,187</u>	<u>976,654</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20.5% (2014 - 22%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>2,278,402</u>	<u>4,339,995</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2014 - 22%)	467,072	957,319
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	33,152	44,895
Capital allowances for year in excess of depreciation	(139,941)	(120,799)
Dividends from subsidiary	(13,233)	(45,524)
Adjustments to tax charge in respect of prior periods	(360,880)	130,979
Short term timing difference leading to an increase in taxation	-	(109,986)
Current year disallowance of HMRC settlement	710,735	-
Group relief	(167,131)	(90,060)
Current tax charge for the year (see note above)	<u>529,774</u>	<u>766,824</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

10. Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 October 2014	2,317,988	1,283,217	3,601,205
Additions	2,685,734	446,455	3,132,189
Disposals	(2,672,521)	(895)	(2,673,416)
At 30 September 2015	2,331,201	1,728,777	4,059,978
Depreciation			
At 1 October 2014	1,011,636	528,315	1,539,951
Charge for the year	812,214	308,708	1,120,922
On disposals	(881,188)	(895)	(882,083)
At 30 September 2015	942,662	836,128	1,778,790
Net book value			
At 30 September 2015	1,388,539	892,649	2,281,188
At 30 September 2014	1,306,352	754,902	2,061,254

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Motor vehicles	322,679	366,285

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 October 2014 and 30 September 2015	1
Net book value	
At 30 September 2015	1
At 30 September 2014	1

The Company owns the whole issued share capital of CVL Distribution Limited, a Company incorporated in England and Wales, whose principal activity is freight transport. Its Profit After Tax for the year ended 30 September 2015 was £64,551 (2014: £194,955) and its net assets at 30 September 2015 were £1 (2014: £1).

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

12. Debtors

	2015 £	2014 £
Due after more than one year		
Prepayments and accrued income	2,495,737	2,735,773
	<u>2,495,737</u>	<u>2,735,773</u>
Due within one year		
Trade debtors	7,115,330	5,139,406
Amounts owed by group undertakings	2,923,727	3,074,248
Advance payments regarding vehicles	477,906	-
Other debtors	367,056	218,088
Prepayments and accrued income	5,546,471	4,190,471
	<u>16,430,490</u>	<u>12,622,213</u>

13. Creditors: Amounts falling due within one year

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	81,185	90,721
Trade creditors	7,804,421	6,125,507
Amounts owed to group undertakings	-	657,076
Corporation tax	314,651	323,640
Other taxation and social security	4,056,117	833,245
Other creditors	574,563	1,352,548
Accruals and deferred income	3,129,071	1,977,625
	<u>15,960,008</u>	<u>11,360,362</u>

The finance leases and hire purchase contracts are secured on the assets to which they relate.

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

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	157,593	214,301
Accruals and deferred income	2,183,560	2,481,674
	<u>2,341,153</u>	<u>2,695,975</u>

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2015 £	2014 £
Between one and five years	157,593	214,301

The finance leases and hire purchase contracts are secured on the assets to which they relate.

15. Deferred taxation

	2015 £	2014 £
At beginning of year	130,081	(79,749)
(Released during)/charge for year	131,413	209,830
At end of year	261,494	130,081

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	261,494	130,081

16. Share capital

	2015 £	2014 £
Authorised, allotted, called up and fully paid		
11,385 Ordinary shares shares of £1 each	11,385	11,385

17. Reserves

	Share premium account £	Profit and loss account £
At 1 October 2014	693	7,651,468
Profit for the financial year	-	1,617,215
Dividends: Equity capital	-	(2,250,000)
At 30 September 2015	693	7,018,683

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

18. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	7,663,546	6,650,205
Profit for the financial year	1,617,215	3,363,341
Dividends (Note 19)	(2,250,000)	(2,350,000)
Closing shareholders' funds	<u>7,030,761</u>	<u>7,663,546</u>

19. Dividends

	2015 £	2014 £
Dividends paid on equity capital	<u>2,250,000</u>	<u>2,350,000</u>

20. Contingent liabilities

The Company is a member of a group VAT registration. The amount outstanding at 30 September 2015 was £425,117 (2014: £833,245).

The Company holds a composite cross guarantee with Contract Vehicles Group Limited. Under this guarantee the potential liability so guaranteed at the period end amounted to £Nil (2014: £Nil).

21. Capital commitments

At 30 September 2015 the Company had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>45,000</u>

22. Pension costs

The Company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £119,830 (2014: £126,907). There were no outstanding or prepaid contributions either at the beginning or end of the financial period.

CONTRACT VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

23. Operating lease commitments

At 30 September 2015 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within 1 year	-	-	1,090,152	242,513
Between 2 and 5 years	106,000	106,000	705,698	1,077,074
After more than 5 years	-	-	102,632	307,940
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The commitment relating to other assets represents one month's rental on leases which are cancellable at one month's notice.

24. Related party transactions

The entity has taken advantage of the FRS 8 exemption from disclosure of certain intra group transactions on the basis that consolidated accounts are prepared by Contract Vehicles Group Limited.

25. Ultimate parent company

The Company's ultimate parent Company is Contract Vehicles Group Limited, a Company registered in England and Wales.

The consolidated accounts of Contract Vehicles Group Limited may be obtained from The Registrar of Companies, Crown Way, Cardiff, CF14 3UZ.