

HALTON BOROUGH TRANSPORT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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COMPANIES HOUSE

HALTON BOROUGH TRANSPORT LIMITED

COMPANY INFORMATION

Directors

A Cookson
W Zygodllo
B Stevenson
A Macmanus
M Wharton
C Stafford
K Morley

Company number

01994122

Registered office

Moor Lane
Widnes
Cheshire
WA8 7AF

Auditor

Mitchell Charlesworth LLP
Glebe Business Park
Lunts Heath Road
Widnes
Cheshire
WA8 5SQ

Bankers

National Westminster Bank plc
146 Widnes Road
Widnes
Cheshire
WA8 6BB

HALTON BOROUGH TRANSPORT LIMITED

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HALTON BOROUGH TRANSPORT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

Fair review of the business

The principal activity of the company continued to be the provision of commercial local bus services in the Halton (Widnes & Runcorn) area. Services extend to Liverpool, St Helens and Warrington. A number of tendered local bus services operate on behalf of Halton Borough Council and Merseytravel.

The company's balance sheet as detailed on page 10 shows a satisfactory position, shareholders' funds amounting to £630,925.

Principal risks and uncertainties

The main risks to profitability of the business are large increases in diesel prices together with changes in government legislation that either has changed or is likely to which will restrict the operations of commercial bus services and indeed tendered services. In addition insurance cost and accident claims can be volatile.

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The directors receive regular reports on these figures in order to manage the company's requirements.

The company is exposed to normal credit and cash flow risks associated with selling on credit and manages this through contractual arrangements with its customers and subcontractors.

Development and performance

The Company's turnover for the year is £7,006,807 which is an increase of £119,192 against the prior year (2016: £6,887,615). The profit margin has decreased by 0.5% to 15.2% (2016: 15.7%).

This reduction in margin is due to cost increases including insurance. We have a fuel hedge that was taken out locking the Company in at a fixed price. Unfortunately insurance reserves were also increased during the year as a result of more claims that came in, the Company is defending some of these in the courts, but there was increase in the claims generally in the year.

Growth in the commercial local bus business is very restricted by a lack of opportunities in the region as the supply of bus services is adequate for the demand. We have also purchased 8, 4 year old buses replacing a number of older life expired minibuses and single deck buses. We have also seen a slight growth within the Halton area as the Company has retained its commitment to quality with a modern, environmentally friendly, low floor fleet of buses on all regular bus services

In late March 16 our fares within the Halton Region were increased, and we also increased wages of our staff. In the main cost lines are well controlled with increases only as a result of increased service provisions.

We continue to enjoy passenger number growth within the Halton and Merseyside within the concessionary scheme we have however been affected by both schemes reducing the amount of reimbursement which forced us to lock into a fixed pot scheme for both areas for a period between 12 and 24 months .

Performance through the year has been measured against cash flow forecasts which are reviewed regularly when important changes are identified (e.g. rapid fluctuations in fuel prices).

HALTON BOROUGH TRANSPORT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017



C Stafford

Director

4/7/17

HALTON BOROUGH TRANSPORT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company continued to be the provision of commercial local bus services in the Halton (Widnes & Runcorn) area.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Cookson

W Zygodllo

B Stevenson

M Wall

(Resigned 19 May 2017)

A Macmanus

M Richardson

(Resigned 1 August 2016)

M Wharton

C Stafford

K Morley

S Hill

(Resigned 9 May 2016)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Market value of land and buildings

In the opinion of the directors, the market value of the land and buildings of the company is not significantly different than the book values of those assets.

Auditor

Mitchell Charlesworth LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

HALTON BOROUGH TRANSPORT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

On behalf of the board



.....
C Stafford

Director

4/7/17
.....

HALTON BOROUGH TRANSPORT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the annual 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 judgements 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.

HALTON BOROUGH TRANSPORT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HALTON BOROUGH TRANSPORT LIMITED

We have audited the financial statements of Halton Borough Transport Limited for the year ended 31 March 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

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

HALTON BOROUGH TRANSPORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HALTON BOROUGH TRANSPORT LIMITED

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 and the Directors' Report.

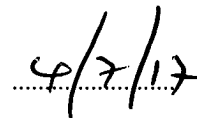
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.



for and on behalf of Mitchell Charlesworth LLP

Chartered Accountants
Statutory Auditor



Glebe Business Park
Lunts Heath Road
Widnes
Cheshire
WA8 5SQ

HALTON BOROUGH TRANSPORT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	7,006,807	6,887,615
Cost of sales		(6,155,011)	(5,971,941)
Gross profit		851,796	915,674
Administrative expenses		(844,974)	(887,312)
Other operating income		75,628	69,681
Operating profit	4	82,450	98,043
Interest receivable and similar income	8	17	-
Interest payable and similar expenses	9	(153,269)	(112,597)
Loss before taxation		(70,802)	(14,554)
Taxation	10	20,275	852
Loss for the financial year		(50,527)	(13,702)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HALTON BOROUGH TRANSPORT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	£	£
Loss for the year	(50,527)	(13,702)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(50,527)	(13,702)
	<hr/>	<hr/>


HALTON BOROUGH TRANSPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		2,297,464		2,555,303
Current assets					
Stocks	13	92,787		66,505	
Debtors	14	645,962		518,462	
Cash at bank and in hand		11,935		179,284	
		750,684		764,251	
Creditors: amounts falling due within one year	15	(1,384,778)		(1,514,496)	
Net current liabilities			(634,094)		(750,245)
Total assets less current liabilities			1,663,370		1,805,058
Creditors: amounts falling due after more than one year	16		(936,300)		(1,007,189)
Provisions for liabilities	19		(96,145)		(116,420)
Net assets			630,925		681,449
Capital and reserves					
Called up share capital	22		430,100		430,100
Profit and loss reserves			200,825		251,349
Total equity			630,925		681,449

The financial statements were approved by the board of directors and authorised for issue on 4/7/17 and are signed on its behalf by:


C Stafford
Director

Company Registration No. 01994122

HALTON BOROUGH TRANSPORT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2015	430,100	265,054	695,154
Year ended 31 March 2016:			
Loss and total comprehensive income for the year	-	(13,702)	(13,702)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2016	430,100	251,352	681,452
Year ended 31 March 2017:			
Loss and total comprehensive income for the year	-	(50,527)	(50,527)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	<u>430,100</u>	<u>200,825</u>	<u>630,925</u>

HALTON BOROUGH TRANSPORT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25	218,535		556,684	
Interest paid		(153,269)		(112,597)	
Income taxes refunded/(paid)		3,642		-	
Net cash inflow from operating activities		68,908		444,087	
Investing activities					
Purchase of tangible fixed assets		(283,105)		(166,017)	
Proceeds on disposal of tangible fixed assets		55,145		5,699	
Interest received		17		-	
Net cash used in investing activities		(227,943)		(160,318)	
Financing activities					
Repayment of debentures		(17,786)		(21,286)	
Repayment of borrowings		-		(9,116)	
Repayment of bank loans		-		(18,132)	
Payment of finance leases obligations		2,911		(179,721)	
Net cash used in financing activities		(14,875)		(228,255)	
Net (decrease)/increase in cash and cash equivalents		(173,910)		55,514	
Cash and cash equivalents at beginning of year		179,284		123,770	
Cash and cash equivalents at end of year		5,374		179,284	
Relating to:					
Cash at bank and in hand		11,935		179,284	
Bank overdrafts included in creditors payable within one year		(6,561)		-	

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Halton Borough Transport Limited is a private company limited by shares incorporated in England and Wales. The registered office is Moor Lane, Widnes, Cheshire, WA8 7AF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% Straight Line
Plant and equipment	20% Straight Line
Computers	20% Straight Line
Vehicles	Straight Line over 15 Years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.15 Related party transactions

The directors have taken advantage of the exemption in Financial Reporting Standard 8 paragraph 3(c) and have not disclosed related party transactions with the company's parent undertaking, Halton Borough Council, which has a controlling interest in the company.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover	7,006,807	6,887,615
Other significant revenue		
Interest income	17	-
Grants received	75,628	69,681
Turnover analysed by geographical market		
	2017 £	2016 £
United Kingdom	7,006,807	6,887,615

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(75,628)	(69,681)
Depreciation of owned tangible fixed assets	497,691	497,722
(Profit)/loss on disposal of tangible fixed assets	(11,892)	23,879
Cost of stocks recognised as an expense	5,679,686	5,491,423
Operating lease charges	1,205	699
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	9,000	9,000
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	-	1,000
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Traffic	128	126
Engineering	17	19
Administration	13	12
	<u> </u>	<u> </u>
	158	157
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	211,846	206,561
Social security costs	346,063	351,635
Pension costs	5,235	5,212
	<u> </u>	<u> </u>
	563,144	563,408
	<u> </u>	<u> </u>

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	181,169	177,975
Company pension contributions to defined contribution schemes	5,235	5,212
	<u>186,404</u>	<u>183,187</u>

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	17	-
	<u>17</u>	<u>-</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	17	-
	<u>17</u>	<u>-</u>

9 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	151,590	109,622
Other finance costs:		
Other interest	1,679	2,975
	<u>153,269</u>	<u>112,597</u>

10 Taxation

	2017 £	2016 £
Deferred tax		
Origination and reversal of timing differences	(20,275)	(852)
	<u>(20,275)</u>	<u>(852)</u>

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Loss before taxation	(70,802)	(14,554)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 0% (2016: 20.00%)	-	(2,911)
Tax effect of utilisation of tax losses not previously recognised	-	(14,940)
Permanent capital allowances in excess of depreciation	-	17,851
Deferred taxation	(20,275)	(852)
Taxation credit for the year	(20,275)	(852)

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Computers £	Vehicles £	Total £
Cost					
At 1 April 2016	297,632	145,608	127,944	6,797,839	7,369,023
Additions	3,152	2,202	27,287	250,464	283,105
Disposals	-	-	-	(474,059)	(474,059)
At 31 March 2017	300,784	147,810	155,231	6,574,244	7,178,069
Depreciation and impairment					
At 1 April 2016	123,277	140,513	114,590	4,435,340	4,813,720
Depreciation charged in the year	5,510	2,121	14,737	475,323	497,691
Eliminated in respect of disposals	-	-	-	(430,806)	(430,806)
At 31 March 2017	128,787	142,634	129,327	4,479,857	4,880,605
Carrying amount					
At 31 March 2017	171,997	5,176	25,904	2,094,387	2,297,464
At 31 March 2016	174,355	5,095	13,354	2,362,499	2,555,303

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Tangible fixed assets

(Continued)

Included within the net book value of land and buildings is freehold land at £25,269 (2016 - £25,269) which is not depreciated.

The net book value of motor vehicles includes £1,298,320 (2016 - £1,499,277) in respect of assets held under finance leases and hire purchases. The depreciation charge for the year on leased assets amounted to £175,183 (2016 - £208,480).

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	198,900	123,385
Carrying amount of financial liabilities		
Measured at amortised cost	1,942,914	2,055,094

13 Stocks

	2017 £	2016 £
Raw materials and consumables	92,787	66,505

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	198,900	123,385
Corporation tax recoverable	183	3,825
Other debtors	87,026	48,260
Prepayments and accrued income	359,853	342,992
	645,962	518,462

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

15 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Debenture loans	17	14,286	21,285
Bank loans and overdrafts	17	6,561	-
Obligations under finance leases	18	282,691	219,680
Trade creditors		93,919	104,242
Other taxation and social security		88,866	80,969
Government grants		289,298	385,622
Other creditors		48,855	78,537
Accruals and deferred income		560,302	624,161
		<u>1,384,778</u>	<u>1,514,496</u>

16 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Debenture loans	17	28,571	39,358
Obligations under finance leases	18	907,729	967,831
		<u>936,300</u>	<u>1,007,189</u>

The debenture loan is secured on the freehold land and buildings and is repayable at par over 25 years by equal half yearly instalments from March 1992 at a rate of interest established by the Council under paragraph 15 of Schedule 13 of the Local Government Act 1972.

17 Loans and overdrafts

	2017 £	2016 £
Debenture loans	42,857	60,643
Bank overdrafts	6,561	-
	<u>49,418</u>	<u>60,643</u>
Payable within one year	20,847	21,285
Payable after one year	28,571	39,358
	<u></u>	<u></u>

The long-term loans are secured by fixed charges over the assets by which they relate to.

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 Finance lease obligations

	2017	2016
	£	£
Future minimum lease payments due under finance leases:		
Within one year	282,691	219,680
In two to five years	907,729	967,831
	<u>1,190,420</u>	<u>1,187,511</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Provisions for liabilities

	Notes	2017	2016
		£	£
Deferred tax liabilities	20	96,145	116,420
		<u>96,145</u>	<u>116,420</u>

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2017	2016
	£	£
Balances:		
ACAs	119,729	135,895
Tax losses	(23,584)	(19,475)
	<u>96,145</u>	<u>116,420</u>
Movements in the year:		2017
		£
Liability at 1 April 2016		116,420
Credit to profit or loss		(20,275)
Liability at 31 March 2017		<u>96,145</u>

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

20 Deferred taxation (Continued)

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	5,235	5,212

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Defined benefit schemes

Certain employees participate in the Cheshire Pension Fund, part of the local government pension scheme, a defined benefit scheme administered by Cheshire West and Chester Council in accordance with the Local Government Regulations 1997 as amended.

Halton Borough Transport Limited is a wholly owned subsidiary of Halton Borough Council and the liability of the Pension fund ultimately rests with Halton Borough Council.

Halton Borough Council have taken over liability of the past service cost but Halton Borough Transport Limited will continue to be liable for future service costs. Therefore the Cheshire Pension Fund is treated as a multi employer Scheme and treated as a defined benefit contribution scheme and contributions payable charged to the profit and Loss account.

22 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
430,100 Ordinary of £1 each	430,100	430,100

HALTON BOROUGH TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	-	8,668
Between two and five years	10,835	10,835
	<u>10,835</u>	<u>19,503</u>

24 Controlling party

The ultimate parent undertaking during the year was the majority shareholder, Halton Borough Council.

25 Cash generated from operations

	2017 £	2016 £
Loss for the year after tax	(50,527)	(13,702)
Adjustments for:		
Taxation credited	(20,275)	(852)
Finance costs	153,270	112,597
Investment income	(17)	-
(Gain)/loss on disposal of tangible fixed assets	(11,892)	23,879
Depreciation and impairment of tangible fixed assets	497,691	497,722
Movements in working capital:		
(Increase)/decrease in stocks	(26,282)	9,033
(Increase)/decrease in debtors	(131,142)	69,761
(Decrease) in creditors	(95,967)	(86,438)
(Decrease) in deferred income	(96,324)	(55,316)
Cash generated from operations	<u>218,535</u>	<u>556,684</u>