

REGISTERED NUMBER: SC066568 (Scotland)

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
FOR
PARK'S OF HAMILTON (HOLDINGS) LIMITED

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for the Year Ended 31 MARCH 2019

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PARK'S OF HAMILTON (HOLDINGS) LIMITED

COMPANY INFORMATION
for the Year Ended 31 MARCH 2019

DIRECTORS:	D I Park I B Mackay W Cumming R W Park A S Bryce 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:	SC066568 (Scotland)
AUDITORS:	Thomas Barrie & Co LLP Statutory Auditor Chartered Accountants Atlantic House 1a Cadogan Street Glasgow G2 6QE
BANKERS:	Bank of Scotland plc 110 St Vincent Street Glasgow G2 5ER
SOLICITORS:	Brodies LLP 110 Queen Street Glasgow G1 3BX

GROUP STRATEGIC REPORT
for the Year Ended 31 MARCH 2019

The directors present their strategic report of the company and the group for the year ended 31 March 2019.

REVIEW OF BUSINESS

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

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

The turnover of the group by sector was as follows:

	2019	2018
	£	£
Motor Division	769,280,917	734,064,319
Coach Hiring Operations	<u>27,900,951</u>	<u>26,945,355</u>
	797,181,868	761,009,674

Despite difficult trading conditions as a result of the general uncertainty in the economy, the company is in a good financial position at the end of the year. Overall operating profit has decreased from £17,979,668 to £15,416,456. Profit before tax has also decreased from £16,542,797 to £13,584,481.

After taxation and dividends £621,519 has been deducted from reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks associated with the group's financial assets and liabilities are set out below.

Liquidity Risk

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

Interest Rate Risk

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

Credit Risk

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

ON BEHALF OF THE BOARD:

A G Noble - Director

22 October 2019

REPORT OF THE DIRECTORS
for the Year Ended 31 MARCH 2019

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

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of the operation of a fleet of luxury coaches; the sale and service of private and commercial vehicles; the sale of motor fuels, oils and accessories; the operation of vehicle body repair centres and the rental of properties.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2019 will be £ 12,500,000 .

FUTURE DEVELOPMENTS

The directors will continue to look for opportunities to expand the company's core business.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

D I Park
I B Mackay
W Cumming
R W Park
A S Bryce
G T Park
A G Noble

Other changes in directors holding office are as follows:

R B Hare was appointed as a director after 31 March 2019 but prior to the date of this report.

Qualifying third party indemnity provisions

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

EMPLOYEES

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

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

REPORT OF THE DIRECTORS
for the Year Ended 31 MARCH 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:

A G Noble - Director

22 October 2019

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PARK'S OF HAMILTON (HOLDINGS) LIMITED**

Opinion

We have audited the financial statements of Park's of Hamilton (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated 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 group's and of the parent company affairs as at 31 March 2019 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group 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 Group 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 (HOLDINGS) LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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 C.A. (Senior Statutory Auditor)
for and on behalf of Thomas Barrie & Co LLP
Statutory Auditor
Chartered Accountants
Atlantic House
1a Cadogan Street
Glasgow
G2 6QE

23 October 2019

CONSOLIDATED INCOME STATEMENT
for the Year Ended 31 MARCH 2019

2018			Notes	2019	
£	£			£	£
761,009,674		TURNOVER	3		797,181,868
<u>9,972,124</u>		Other operating income		<u>10,494,860</u>	
770,981,798				807,676,728	
<u>674,201,750</u>		Raw materials and consumables		<u>707,656,970</u>	
96,780,048				100,019,758	
	54,370,434	Staff costs	4	58,624,429	
	5,012,505	Depreciation		5,317,452	
	<u>19,417,441</u>	Other operating expenses		<u>20,661,421</u>	
78,800,380				84,603,302	
<u>17,979,668</u>		OPERATING PROFIT	5	<u>15,416,456</u>	
		Interest receivable and similar income		9,534	
4,642				<u>15,425,990</u>	
<u>17,984,310</u>					
		Interest payable and similar expenses	6	1,841,509	
<u>1,441,513</u>		PROFIT BEFORE TAXATION		<u>13,584,481</u>	
16,542,797					
		Tax on profit	7	1,880,000	
<u>3,012,383</u>		PROFIT FOR THE FINANCIAL YEAR		<u>11,704,481</u>	
<u>13,530,414</u>		Profit attributable to:			
		Owners of the parent		<u>11,704,481</u>	
<u>13,530,414</u>					

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the Year Ended 31 MARCH 2019

2018 £	Notes	2019 £
13,530,414	PROFIT FOR THE YEAR	11,704,481
	OTHER COMPREHENSIVE INCOME/(LOSS)	
(88,000)	Actuarial losses	(29,000)
-	GMP Equalisation	203,000
-	Income tax relating to components of other comprehensive income/(loss)	-
(88,000)	OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX	174,000
13,442,414	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	11,878,481
13,442,414	Total comprehensive income attributable to: Owners of the parent	11,878,481

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2019

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

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COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2019

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

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	20,000,004	41,758,966	61,758,970
Changes in equity			
Dividends	-	(7,950,000)	(7,950,000)
Total comprehensive income	-	13,442,414	13,442,414
Balance at 31 March 2018	20,000,004	47,251,380	67,251,384
Changes in equity			
Dividends	-	(12,500,000)	(12,500,000)
Total comprehensive income	-	11,878,481	11,878,481
Balance at 31 March 2019	20,000,004	46,629,861	66,629,865

The notes form part of these financial statements

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	20,000,004	883,218	20,883,222
Changes in equity			
Dividends	-	(7,950,000)	(7,950,000)
Total comprehensive income	-	19,732,438	19,732,438
Balance at 31 March 2018	20,000,004	12,665,656	32,665,660
Changes in equity			
Dividends	-	(12,500,000)	(12,500,000)
Total comprehensive income	-	11,675,528	11,675,528
Balance at 31 March 2019	20,000,004	11,841,184	31,841,188

The notes form part of these financial statements

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

2018 £	Notes	2019 £
	Cash flows from operating activities	
14,826,396	Cash generated from operations 1	25,867,993
(1,280,214)	Interest paid	(1,635,612)
(161,299)	Interest element of hire purchase payments paid	(205,897)
(4,189,743)	Tax paid	(2,769,990)
<u>9,195,140</u>	Net cash from operating activities	<u>21,256,494</u>
	Cash flows from investing activities	
(12,230,683)	Purchase of tangible fixed assets	(11,295,856)
(211,648)	Purchase of investment property	-
3,613,508	Sale of tangible fixed assets	4,127,548
4,642	Interest received	9,534
<u>(8,824,181)</u>	Net cash from investing activities	<u>(7,158,774)</u>
	Cash flows from financing activities	
4,250,000	New loans in year	9,750,000
(2,062,500)	Loan repayments in year	(4,937,500)
(4,772,067)	Capital repayments in year	(4,552,720)
-	Amount introduced by directors	8,521,119
(7,827)	Amount withdrawn by directors	-
(7,950,000)	Equity dividends paid	(12,500,000)
<u>(10,542,394)</u>	Net cash from financing activities	<u>(3,719,101)</u>
(10,171,435)	Increase/(decrease) in cash and cash equivalents	10,378,619
(1,408,403)	Cash and cash equivalents at beginning of year	(11,579,838)
<u>(11,579,838)</u>	Cash and cash equivalents at end of year	<u>(1,201,219)</u>

The notes form part of these financial statements

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

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

	2019	2018
	£	£
Profit before taxation	13,584,481	16,542,797
Depreciation charges	5,686,540	5,301,855
Profit on disposal of fixed assets	(369,088)	(289,350)
Pension adjustments	174,000	(88,000)
Finance costs	1,841,509	1,441,513
Finance income	(9,534)	(4,642)
	<u>20,907,908</u>	<u>22,904,173</u>
Increase in stocks	(25,033,239)	(5,470,480)
Decrease/(increase) in trade and other debtors	4,483,998	(10,050,940)
Increase in trade and other creditors	<u>25,509,326</u>	<u>7,443,643</u>
Cash generated from operations	<u><u>25,867,993</u></u>	<u><u>14,826,396</u></u>

2. **CASH AND CASH EQUIVALENTS**

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

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	253,912	172,722
Bank overdrafts	(1,455,131)	(11,752,560)
	<u>(1,201,219)</u>	<u>(11,579,838)</u>

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	172,722	185,944
Bank overdrafts	(11,752,560)	(1,594,347)
	<u>(11,579,838)</u>	<u>(1,408,403)</u>

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

1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

Basis of accounts and changes in presentation during the year

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 as modified by the revaluation of certain assets.

Basis of consolidation

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is written off in the year of acquisition

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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.

Investment Properties

Investment properties are included in the accounts at fair value based on the local market.

Used Vehicle Stock

Used vehicle stock valuations which are derived from expert vehicle valuation data and directors' judgements.

Bad Debts

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

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

2. ACCOUNTING POLICIES - continued

Turnover

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

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

Services

The company recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Commission

If the Company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of commission made by the Company.

Rental of investment properties

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the separable net assets acquired.

Goodwill arising on acquisition is now charged to the profit and loss account in the year in which it arises.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost each asset less its estimated residual value over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Improvements to property	- 10% on cost
Plant & machinery	- 10% to 25% on cost
Fixtures and fittings	- 10% to 25% on cost
Motor Vehicles :	
Other company vehicles	- 25% or 50% on cost
Coaches	- from 10% on cost
Cherished plates	- not provided
Computer equipment	- 25% on cost

No depreciation has been charged in the year on freehold property as none is required under FRS 102 as the market value is in excess of the accounts value.

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.

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

2. ACCOUNTING POLICIES - continued

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including related transaction costs. Subsequently, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Vehicle stock held on a consignment basis are not recorded in the balance sheet. Amounts paid for these vehicles are reflected within debtors as deposits.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

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

2. ACCOUNTING POLICIES - continued

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.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Interest is charged on a reducing balance basis.

Pension costs and other post-retirement benefits

The pension scheme liabilities are measured using a projected unit method and discounted at an AA corporate bond rate. The pension scheme assets are valued at market rate. The pension scheme surplus (to the extent that it can be recovered) is recognised in full on the balance sheet.

The group also operates defined contribution pension schemes. Contributions payable are charged to the profit and loss account 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

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2019	2018
	£	£
Sale of goods	745,205,265	715,852,974
Service income	51,976,603	45,156,700
	<u>797,181,868</u>	<u>761,009,674</u>

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

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	52,539,419	49,081,043
Social security costs	4,926,612	4,576,379
Other pension costs	1,158,398	713,012
	<u>58,624,429</u>	<u>54,370,434</u>

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

	2019	2018
Office and Management	553	569
Production	<u>1,404</u>	<u>1,345</u>
	<u>1,957</u>	<u>1,914</u>

	2019	2018
	£	£
Directors' remuneration	830,429	829,799
Directors' pension contributions to money purchase schemes	<u>78,000</u>	<u>74,280</u>

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

	2019	2018
Money purchase schemes	<u>4</u>	<u>6</u>

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	151,479	154,598
Pension contributions to money purchase schemes	<u>24,000</u>	<u>-</u>

5. OPERATING PROFIT

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

	2019	2018
	£	£
Hire of plant and machinery	7,948	20,014
Depreciation - owned assets	2,918,562	2,274,360
Depreciation - assets on hire purchase contracts	2,767,978	3,027,495
Profit on disposal of fixed assets	(369,088)	(289,350)
Auditors' remuneration	80,269	79,970
Auditors remuneration for non-audit services	<u>63,750</u>	<u>60,834</u>

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

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	456,289	351,077
Stocking interest	1,179,323	929,137
Hire purchase	205,897	161,299
	<u>1,841,509</u>	<u>1,441,513</u>

7. TAXATION

Analysis of the tax charge

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

	2019	2018
	£	£
Current tax:		
UK corporation tax	2,643,908	3,091,239
Overprovided in previous year	(276,582)	(39,376)
Total current tax	<u>2,367,326</u>	<u>3,051,863</u>
Deferred tax	(487,326)	(39,480)
Tax on profit	<u>1,880,000</u>	<u>3,012,383</u>

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

Reconciliation of total tax charge included in profit and loss

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

	2019	2018
	£	£
Profit before tax	<u>13,584,481</u>	<u>16,542,797</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2018 - 19 %)	2,581,051	3,143,131
Effects of:		
Expenses not deductible for tax purposes	25,916	32,420
Capital allowances in excess of depreciation	-	(67,592)
Depreciation in excess of capital allowances	3,881	-
Adjustments to tax charge in respect of previous periods	(276,582)	(39,376)
Tax relief on pension actuarial loss	33,060	(16,720)
Movement in deferred taxation	(487,326)	(39,480)
Total tax charge	<u>1,880,000</u>	<u>3,012,383</u>

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

7. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	2019		
	Gross £	Tax £	Net £
Actuarial losses	(29,000)	-	(29,000)
GMP Equalisation	203,000	-	203,000
	<u>174,000</u>	<u>-</u>	<u>174,000</u>

	2018		
	Gross £	Tax £	Net £
Actuarial losses	(88,000)	-	(88,000)

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

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2019 £	2018 £
Interim	<u>12,500,000</u>	<u>7,950,000</u>

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 April 2018 and 31 March 2019	<u>288,145</u>
AMORTISATION	
At 1 April 2018 and 31 March 2019	<u>288,145</u>
NET BOOK VALUE	
At 31 March 2019	<u>-</u>
At 31 March 2018	<u>-</u>

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

11. TANGIBLE FIXED ASSETS

Group

	Totals £	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION				
At 1 April 2018	129,350,374	80,295,747	4,082,608	5,954,056
Additions	15,206,076	6,527,704	973,406	722,449
Disposals	(9,580,120)	-	-	(672,852)
Reclassification/transfer	211,648	211,648	-	-
At 31 March 2019	135,187,978	87,035,099	5,056,014	6,003,653
DEPRECIATION				
At 1 April 2018	26,553,611	6,269,211	739,961	4,494,902
Charge for year	5,686,540	-	486,372	523,291
Eliminated on disposal	(5,821,660)	-	-	(660,558)
At 31 March 2019	26,418,491	6,269,211	1,226,333	4,357,635
NET BOOK VALUE				
At 31 March 2019	108,769,487	80,765,888	3,829,681	1,646,018
At 31 March 2018	102,796,763	74,026,536	3,342,647	1,459,154

	Fixtures and fittings £	Motor vehicles £	Computer equipment £
COST OR VALUATION			
At 1 April 2018	4,322,492	32,382,733	2,312,738
Additions	684,000	6,047,067	251,450
Disposals	(459,924)	(8,177,313)	(270,031)
At 31 March 2019	4,546,568	30,252,487	2,294,157
DEPRECIATION			
At 1 April 2018	2,682,182	10,540,719	1,826,636
Charge for year	640,847	3,816,187	219,843
Eliminated on disposal	(458,793)	(4,433,573)	(268,736)
At 31 March 2019	2,864,236	9,923,333	1,777,743
NET BOOK VALUE			
At 31 March 2019	1,682,332	20,329,154	516,414
At 31 March 2018	1,640,310	21,842,014	486,102

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

11. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 March 2019 is represented by:

	Totals £	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 1990	11,675,000	11,675,000	-	-
Cost	123,512,978	75,360,099	5,056,014	6,003,653
	135,187,978	87,035,099	5,056,014	6,003,653

	Fixtures and fittings £	Motor vehicles £	Computer equipment £
Cost	4,546,568	30,252,487	2,294,157
	4,546,568	30,252,487	2,294,157

All of the property valuations were valued on an existing use basis on 21 November 1990.

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

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

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

11. TANGIBLE FIXED ASSETS - continued

Company

	Totals £	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION				
At 1 April 2018	86,148,941	80,295,747	4,082,608	102,094
Additions	7,630,476	6,527,704	973,406	-
Reclassification/transfer	211,648	211,648	-	-
At 31 March 2019	93,991,065	87,035,099	5,056,014	102,094
DEPRECIATION				
At 1 April 2018	8,054,011	6,269,211	739,961	86,880
Charge for year	590,037	-	486,372	2,040
At 31 March 2019	8,644,048	6,269,211	1,226,333	88,920
NET BOOK VALUE				
At 31 March 2019	85,347,017	80,765,888	3,829,681	13,174
At 31 March 2018	78,094,930	74,026,536	3,342,647	15,214

	Fixtures and fittings £	Motor vehicles £	Computer equipment £
COST OR VALUATION			
At 1 April 2018	252,977	466,338	949,177
Additions	465	-	128,901
At 31 March 2019	253,442	466,338	1,078,078
DEPRECIATION			
At 1 April 2018	177,548	-	780,411
Charge for year	22,200	-	79,425
At 31 March 2019	199,748	-	859,836
NET BOOK VALUE			
At 31 March 2019	53,694	466,338	218,242
At 31 March 2018	75,429	466,338	168,766

Cost or valuation at 31 March 2019 is represented by:

	Totals £	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 1990	11,675,000	11,675,000	-	-
Cost	82,316,065	75,360,099	5,056,014	102,094
	93,991,065	87,035,099	5,056,014	102,094

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

11. TANGIBLE FIXED ASSETS - continued

Company

	Fixtures and fittings £	Motor vehicles £	Computer equipment £
Cost	253,442	466,338	1,078,078
	<u>253,442</u>	<u>466,338</u>	<u>1,078,078</u>

All of the property valuations were valued on an existing use basis on 21 November 1990.

12. FIXED ASSET INVESTMENTS

The following are the subsidiaries of Parks of Hamilton (Holdings) Ltd. All companies are incorporated in Scotland, unless otherwise stated, and wholly owned. All trading companies, with the exception of Park's of Hamilton (Coach Hirers) Ltd, which is involved in luxury coach hiring, are involved in the motor trade. All subsidiaries are 100% owned and the registered office for all is Park House, 14 Bothwell Road, Hamilton, ML3 0AY. All subsidiaries are included in the consolidated accounts.

Park's of Hamilton (Townhead Garage) Ltd
Park's of Hamilton (Coach Hirers) Ltd
Douglas Park Ltd
Park's (Ayr) Ltd
Park's of Hamilton (Crofthead Garage) Ltd (non-trading)
Park's of Hamilton (Shawhead Garage) Ltd (non-trading)
Park's of Hamilton (Downtown Garage) Ltd (non-trading)
Thistle Contract Hire and Leasing Ltd (non-trading)
The Braedale Garage Ltd (non-trading)
Park's of Hamilton Ltd (non-trading)
Trathens Travel Services Ltd (registered in England and non-trading)
Robert Wyper (Motors) Ltd (non-trading)
McDonald Motors (Glasgow) Ltd (non-trading)
MacKay & Jardine Ltd (non-trading)
Douglas Park (Glasgow) Ltd (non-trading)
Douglas Park (Hillington) Ltd (non-trading)
Macrac & Dick Ltd (non-trading)
Menzies Motors Ltd (non-trading)
Inverness Motor Company Ltd (non-trading)
W.B.T. Nominees Limited (non-trading)

The following companies were struck off as of the 11th October 2019. Robert Wyper (Motors) Limited, McDonald Motors (Glasgow) Limited, Inverness Motor Company Limited, The Braedale Garage Limited, Douglas Park (Hillington) Limited, Douglas Park (Glasgow) Limited, Park's of Hamilton (Downtown Garage) Limited, Park's of Hamilton (Shawhead Garage) Limited and Park's of Hamilton (Crofthead Garage) Limited.

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

13. **INVESTMENT PROPERTY**

Group

	Total £
FAIR VALUE	
At 1 April 2018	11,986,648
Reclassification/transfer	<u>(211,648)</u>
At 31 March 2019	<u>11,775,000</u>
NET BOOK VALUE	
At 31 March 2019	<u>11,775,000</u>
At 31 March 2018	<u>11,986,648</u>

The investment properties were valued at fair value by DM Hall, Chartered Surveyors in August 2017. An external inspection of the properties was carried out and the valuations were based on the continuation of any existing leases and their knowledge of the local area.

Company

	Total £
FAIR VALUE	
At 1 April 2018	11,986,648
Reclassification/transfer	<u>(211,648)</u>
At 31 March 2019	<u>11,775,000</u>
NET BOOK VALUE	
At 31 March 2019	<u>11,775,000</u>
At 31 March 2018	<u>11,986,648</u>

14. **STOCKS**

	Group	
	2019	2018
	£	£
Stocks	160,381,300	135,312,203
Work-in-progress	<u>394,448</u>	<u>430,306</u>
	<u>160,775,748</u>	<u>135,742,509</u>

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

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	30,701,856	37,292,118	249,045	92,608
Amounts owed by group undertakings	-	-	11,863,580	14,159,761
Other debtors	4,089,889	3,055,234	1,350,299	1,092,742
Stocking deposits	62,000	62,000	-	-
Directors' current accounts	-	7,827	-	7,827
Tax	1,407,602	1,452,270	1,407,602	1,452,270
Prepayments and accrued income	4,365,487	3,293,878	511,164	466,626
	<u>40,626,834</u>	<u>45,163,327</u>	<u>15,381,690</u>	<u>17,271,834</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 18)	5,705,131	14,502,560	9,174,042	18,186,457
Other loans (see note 18)	57,500,000	55,250,000	57,500,000	55,250,000
Hire purchase contracts (see note 19)	3,865,880	3,980,545	9,942	39,768
Trade creditors	145,369,817	115,444,310	276,284	561,076
Amounts owed to group undertakings	-	-	5,358,971	50,250
Tax	2,643,908	3,091,240	365,436	555,882
Social security and other taxes	1,271,847	1,082,197	94,324	83,321
VAT	120,372	2,591,335	122,463	247,397
Other creditors	5,390,288	7,613,726	3,087,073	4,349,640
Directors' loan accounts	3,013,292	-	3,013,292	-
Accrued expenses	4,050,087	3,961,517	686,855	555,805
	<u>228,930,622</u>	<u>207,517,430</u>	<u>79,688,682</u>	<u>79,879,596</u>

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans (see note 18)	13,312,500	12,250,000	13,312,500	12,250,000
Hire purchase contracts (see note 19)	6,584,053	7,111,888	-	19,884
Directors' loan accounts	5,500,000	-	5,500,000	-
	<u>25,396,553</u>	<u>19,361,888</u>	<u>18,812,500</u>	<u>12,269,884</u>

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

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,455,131	11,752,560	4,924,042	15,436,457
Bank loans	4,250,000	2,750,000	4,250,000	2,750,000
Other loans	57,500,000	55,250,000	57,500,000	55,250,000
	<u>63,205,131</u>	<u>69,752,560</u>	<u>66,674,042</u>	<u>73,436,457</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>10,312,500</u>	<u>2,750,000</u>	<u>10,312,500</u>	<u>2,750,000</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>3,000,000</u>	<u>9,500,000</u>	<u>3,000,000</u>	<u>9,500,000</u>

The other loans represent the vehicle stocking facility which is secured over the vehicle stocks and is repayable on demand.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2019	2018
	£	£
Gross obligations repayable:		
Within one year	4,040,330	4,152,269
Between one and five years	<u>6,760,417</u>	<u>7,289,803</u>
	<u>10,800,747</u>	<u>11,442,072</u>
Finance charges repayable:		
Within one year	174,450	171,724
Between one and five years	<u>176,364</u>	<u>177,915</u>
	<u>350,814</u>	<u>349,639</u>
Net obligations repayable:		
Within one year	3,865,880	3,980,545
Between one and five years	<u>6,584,053</u>	<u>7,111,888</u>
	<u>10,449,933</u>	<u>11,092,433</u>

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

19. **LEASING AGREEMENTS - continued**

Company

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	9,942	39,768
Between one and five years	-	19,884
	<u>9,942</u>	<u>59,652</u>

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	236,328	238,898
Between one and five years	174,804	408,562
	<u>411,132</u>	<u>647,460</u>

20. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group	
	2019	2018
	£	£
Bank overdrafts	1,455,131	11,752,560
Bank loans	17,562,500	15,000,000
Other loans	57,500,000	55,250,000
Hire purchase contracts	10,449,933	11,092,433
	<u>86,967,564</u>	<u>93,094,993</u>

The parent company and all but three non trading subsidiaries have granted Bonds and Floating Charges in favour of the Bank of Scotland plc. In addition, the parent company together with Douglas Park Limited, Park's of Hamilton (Townhead Garage) Ltd, Park's (Ayr) Limited and Macrae & Dick Limited have granted Bonds and Floating Charges in favour of Santander Consumer (UK) plc.

The company has granted Standard Securities to the Bank of Scotland plc in respect of group borrowings.

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

21. FINANCIAL INSTRUMENTS

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

<u>Group</u>		2019	2018
	£ £		
Financial assets			
Financial assets that are debt instruments measured at amortised cost		<u>201,656,494</u>	<u>181,078,558</u>
Financial liabilities			
Financial liabilities measured at amortised cost		<u>254,327,175</u>	<u>226,879,318</u>
<u>Company</u>		2019	2018
	£ £		
Financial assets			
Financial assets that are debt instruments measured at amortised cost		<u>15,521,385</u>	<u>17,411,529</u>
Financial liabilities			
Financial liabilities measured at amortised cost		<u>98,501,182</u>	<u>92,149,480</u>

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>1,243,942</u>	<u>1,731,268</u>	<u>-</u>	<u>376,935</u>
Group				
				Deferred tax
				£
Balance at 1 April 2018				1,731,268
Provision reduction				<u>(487,326)</u>
Balance at 31 March 2019				<u><u>1,243,942</u></u>
Company				
				Deferred tax
				£
Balance at 1 April 2018				376,935
Credit to Income Statement during year				<u>(376,935)</u>
Balance at 31 March 2019				<u><u>-</u></u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019	2018
			£	£
20,000,004	Ordinary	£1	<u>20,000,004</u>	<u>20,000,004</u>

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

24. RESERVES

Group

	Retained earnings £
At 1 April 2018	47,251,380
Profit for the year	11,704,481
Dividends	(12,500,000)
Actuarial Gain (Loss)	174,000
At 31 March 2019	<u>46,629,861</u>

Company

	Retained earnings £
At 1 April 2018	12,665,656
Profit for the year	11,501,528
Dividends	(12,500,000)
Actuarial Gain (Loss)	174,000
At 31 March 2019	<u>11,841,184</u>

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

25. EMPLOYEE BENEFIT OBLIGATIONS

As part of the acquisition of Macrae & Dick Limited the company became responsible for a hybrid defined benefits scheme. For service before 6 April 1997 the benefits paid must be at least equal to the member's Guaranteed Minimum Pension (GMP).

A full actuarial valuation was carried out on 1 May 2016 and updated to 31 March 2019 by a qualified independent actuary.

The employer pays additional contributions for death in service benefits, scheme expenses and PPF levies.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Present value of funded obligations	(1,207,000)	(968,000)
Fair value of plan assets	<u>1,207,000</u>	<u>968,000</u>
	-	-
Present value of unfunded obligations	-	-
Deficit	-	-
Net liability	<u>-</u>	<u>-</u>

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

25. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Current service cost	-	-
Net interest from net defined benefit asset/liability	(14,000)	(10,000)
Past service cost	203,000	-
	<u>189,000</u>	<u>(10,000)</u>
Actual return on plan assets	<u>40,000</u>	<u>35,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Opening defined benefit obligation	968,000	1,011,000
Past service cost	203,000	-
Interest cost	26,000	25,000
Benefits paid	(30,000)	(24,000)
Remeasurements:		
Actuarial (gains)/losses from changes in financial assumptions	37,000	(54,000)
Oblig other remeasurement	3,000	10,000
	<u>1,207,000</u>	<u>968,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Opening fair value of scheme assets	968,000	1,011,000
Contributions by employer	29,000	88,000
Expected return	40,000	35,000
Benefits paid	(30,000)	(24,000)
Unrecognised surplus	126,000	(147,000)
Return on plan assets (excluding interest income)	74,000	5,000
	<u>1,207,000</u>	<u>968,000</u>

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

25. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Actuarial (gains)/losses from changes in financial assumptions	(37,000)	54,000
Oblig other remeasurement	(3,000)	(10,000)
Return on plan assets (excluding interest income)	74,000	5,000
Effects of unrecognised surplus	140,000	(137,000)
	<u>174,000</u>	<u>(88,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Equities	638,040	578,740
Bonds and Gilts	850,720	913,800
Cash	147,240	30,460
Unrecognised surplus	(429,000)	(555,000)
	<u>1,207,000</u>	<u>968,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2019	2018
Discount rate	2.40%	2.60%
Future pension increases	2.60%	2.40%

Defined contribution scheme

During the year under review the Group operated two pension schemes.

Contributions to the schemes are charged to the profit and loss account so as to spread the cost of the pensions over employees' working lives with the Group.

The main scheme is a group personal pension plan.

A senior management but non-shareholding directors scheme is also run on a money purchase basis.

The pension scheme charge for the period was £877,398 (2018 - £638,732).

26. CONTINGENT LIABILITIES

The parent company together with Douglas Park Limited, Park's of Hamilton (Townhead Garage) Ltd, Park's (Ayr) Limited, Park's of Hamilton (Coach Hirers) Limited, Macrae & Dick Limited, Menzies Motors Limited and Trathens Travel Services Limited have entered into cross guarantees in respect of each company's indebtedness to the Bank of Scotland plc and Santander Consumer (UK) plc.

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

27. RELATED PARTY DISCLOSURES

During the year, a total of key management personnel compensation of £ 822,000 (2018 - £ 813,000) was paid.

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D I Park.

29. CONSIGNMENT STOCKS

At the year end the Group held £18,959,062 (2018 - £16,941,338) of vehicle consignment stock of which £62,000 (2018 - £62,000) has been paid for by means of a stocking deposit, which is reflected in debtors as shown in note 14 to the accounts.

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