

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
PARK'S OF HAMILTON (HOLDINGS) LIMITED

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for the year ended 31 MARCH 2020

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PARK'S OF HAMILTON (HOLDINGS) LIMITED

COMPANY INFORMATION
for the year ended 31 MARCH 2020

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:	HSBC 1 Centenary Square Birmingham B1 1HQ
SOLICITORS:	Brodies LLP 110 Queen Street Glasgow G1 3BX

GROUP STRATEGIC REPORT
for the year ended 31 MARCH 2020

The directors present their strategic report of the company and the group for the year ended 31 March 2020.

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:

	2020	2019
	£	£
Motor Division	784,914,303	769,280,917
Coach Hiring Operations	<u>28,004,638</u>	<u>27,900,951</u>
	812,918,943	797,181,868

The turnover in the Motor division increased by 2%. We received instruction to close all but essential services by on 23 March 2020, which restricted sales toward the end of the trading period.

In total, 16,220 new vehicles (2019 - 16,636) and 20,342 used vehicles (2019 - 20,102) were sold in the year. New cars due to be delivered in March were postponed until permitted by the easing of restrictions.

Against similar trading restrictions, the Motor division aftersales operations (which encompass service, body repair and parts sales) increased year on year turnover by 3.9%.

During the year the Group completed the construction of the UK's largest McLaren dealership in Leeds, and added a neighbouring showroom to welcome Lamborghini to the Group's operations.

The Coach Hiring division turnover remained broadly comparable to the prior year despite cancellations of private hire bookings during March due to the imposition of Covid-19 restrictions.

Gross profit for the Group increased from £100,019,758 to £104,471,182, but operating profit decreased from £15,416,455 to £14,312,444 largely due to increased staff costs in line with the increased employee numbers and the restriction of trading late in the trading period.

The impact of Covid-19 restrictions continued to adversely impact on trading into the 2020-21 trading year. The Directors recognise the ongoing support of central and local government, manufacturer partners and major coach hire contractors during the pandemic. Since the reopening of car showrooms, the Motor division has performed ahead of expectations despite lower trading volumes, with management keenly focused on profitability and cost control. The coach hiring division has continued to be adversely impacted by restrictions. However, support of the public transport network and other private hire opportunities have continued to generate income while management has acted swiftly to identify significant cost savings.

GROUP STRATEGIC REPORT
for the year ended 31 MARCH 2020

PRINCIPAL RISKS AND UNCERTAINTIES

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

Operational risk

The Group's Motor division is dependent on supply chains which are outside the influence of the Directors, the failure of which would risk the ability meet customer demands and the Group's financial goals. Risk is managed through regular and proactive dialogue with suppliers to ensure customer demand is met through reliable delivery of vehicles and associated products.

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

Market and strategic risks

The Group's profitability and cash flow are affected by changes in market conditions and the ability of the Directors to accurately predict these in advance. The Group places increasing emphasis on the careful management of the purchasing and maintaining of used vehicle inventory and sales profitability to provide the Group with protection against shortfalls in new vehicle demand.

The emergence of Covid-19 restrictions has highlighted the importance of being able to adapt sales processes to meet changing customer demands and behaviours. The Directors recognise the emergence of online sales platforms from both manufacturers and internet consolidators which increase competition and threaten to reduce profitability of sales. The Group is focused on retaining customers by providing a high standard of service across all sales channels.

Competitive risk

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

Regulatory and legislative risk

The Group operates in a highly regulated marketplace and is regulated by the FCA for general insurance broking and consumer credit purposes. The Group operates under the Senior Managers and Certification Regime (SMCR), with responsibilities appropriately allocated to Directors and senior Group managers.

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

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

Financial Risk Management

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

Liquidity Risk

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

Interest Rate Risk

GROUP STRATEGIC REPORT
for the year ended 31 MARCH 2020

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

Credit Risk

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

SECTION 172(1) STATEMENT

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

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

Employees

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

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

Customers

The Group is committed to delivering a professional, industry leading customer experience across all activities. Customer feedback is collected from a number of sources. The Group regularly carries out mystery shopping exercises to assess the quality of the sales process and we aim to treat all customers fairly.

Suppliers

The Motor division works closely with a wide variety of motor manufacturers under a franchise business model. Successful operation is dependent on the continued maintenance of strong relationships with those manufacturers and their financing partners through regular engagement and participation in conferences and dealer councils.

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

Community and Environment

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

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

ON BEHALF OF THE BOARD:

A G Noble - Director

28 January 2021

REPORT OF THE DIRECTORS
for the year ended 31 MARCH 2020

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2020.

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

No dividends will be distributed for the year ended 31 March 2020.

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 2019 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 - appointed 6 April 2019

Qualifying third party indemnity provisions

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

GOING CONCERN

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

EMPLOYEES

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

STREAMLINED ENERGY AND CARBON REPORTING

As part of the Streamlined Energy and Carbon Reporting (SECR) regulations, the Group is reporting the annual greenhouse gas emissions from 1 April 2019 to 31 March 2020. This includes all emissions sources for scopes 1 and 2 plus scope 3 emissions we deem ourselves responsible for where information is practically available. The company has taken advantage of the exemption from making individual reports in subsidiary companies by reporting on a consolidated basis.

No comparative figures are available as this is the first year of reporting.

REPORT OF THE DIRECTORS
for the year ended 31 MARCH 2020

The gross carbon emissions for Park's of Hamilton (Holdings) Limited were 23,909 tonnes of carbon dioxide and equivalent gases (TCO2e).

TCO2e by Scope

Year ended
31 March 2020 (TCO2e)

Scope 1 (Direct emissions)	21,826
Scope 2 (Indirect emissions)	2,083
Scope 3 (Other indirect emissions)	0
Total	23,909

Intensity ratios

TCO2e per £1,000 turnover	0.03
TCO2e per employee	11.48

The coach hiring division is responsible for 77% of the Group's overall greenhouse gas emissions, predominantly from diesel used to fuel the coach fleet. The vehicles operated by the group are usually less than five years old and are purchased new from the manufacturer, complying with emissions regulations at the time of registration. Systems are in place to monitor fuel efficiency.

The remaining emissions are derived from the heating and powering of the Group's properties. The Directors are committed to the ongoing improvement of the efficiency of heating systems and electrical fittings.

Methodology

The methodology used to calculate our emissions is based on financial control in accordance with the principles of ISO14064 and the WRI/WBCSD GHG Reporting Protocols (revised edition), utilising conversion factors for the period reported as issued by BEIS/DEFRA.

REPORT OF THE DIRECTORS
for the year ended 31 MARCH 2020

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

28 January 2021

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 2020 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 2020 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 seven, 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

29 January 2021

CONSOLIDATED INCOME STATEMENT
for the year ended 31 MARCH 2020

	Notes	2020 £	2019 £
TURNOVER	3	812,918,943	797,181,868
Other operating income		<u>11,955,779</u>	<u>10,494,860</u>
		824,874,722	807,676,728
Raw materials and consumables		<u>(720,403,540)</u>	<u>(707,656,970)</u>
		104,471,182	100,019,758
Staff costs	4	(62,749,746)	(58,624,429)
Depreciation		(5,567,333)	(5,317,452)
Other operating expenses		<u>(21,841,659)</u>	<u>(20,661,422)</u>
OPERATING PROFIT	5	14,312,444	15,416,455
Interest receivable and similar income		<u>21,957</u>	<u>9,534</u>
		14,334,401	15,425,989
Interest payable and similar expenses	6	<u>(1,976,335)</u>	<u>(1,841,509)</u>
PROFIT BEFORE TAXATION		12,358,066	13,584,480
Tax on profit	7	<u>(2,109,452)</u>	<u>(1,880,000)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>10,248,614</u>	<u>11,704,480</u>
Profit attributable to:			
Owners of the parent		<u>10,248,614</u>	<u>11,704,480</u>

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the year ended 31 MARCH 2020

Notes	2020 £	2019 £
PROFIT FOR THE YEAR	10,248,614	11,704,480
OTHER COMPREHENSIVE INCOME		
Actuarial losses	-	(29,000)
GMP Equalisation	-	203,000
Income tax relating to components of other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	174,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,248,614	11,878,480
Total comprehensive income attributable to: Owners of the parent	10,248,614	11,878,480

The notes form part of these financial statements

PARK'S OF HAMILTON (HOLDINGS) LIMITED (REGISTERED NUMBER: SC066568)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 MARCH 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	111,407,875	108,769,488
Investments	12	1	1
Investment property	13	<u>11,645,000</u>	<u>11,775,000</u>
		<u>123,052,876</u>	<u>120,544,489</u>
CURRENT ASSETS			
Stocks	14	172,140,339	160,775,748
Debtors	15	18,349,969	40,626,834
Cash at bank and in hand		<u>1,976,689</u>	<u>253,912</u>
		192,466,997	201,656,494
CREDITORS			
Amounts falling due within one year	16	<u>(216,617,543)</u>	<u>(228,930,624)</u>
NET CURRENT LIABILITIES		<u>(24,150,546)</u>	<u>(27,274,130)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		98,902,330	93,270,359
CREDITORS			
Amounts falling due after more than one year	17	(20,930,891)	(25,396,553)
PROVISIONS FOR LIABILITIES	22	<u>(1,092,961)</u>	<u>(1,243,942)</u>
NET ASSETS		<u>76,878,478</u>	<u>66,629,864</u>
CAPITAL AND RESERVES			
Called up share capital	23	20,000,004	20,000,004
Retained earnings	24	<u>56,878,474</u>	<u>46,629,860</u>
SHAREHOLDERS' FUNDS		<u>76,878,478</u>	<u>66,629,864</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 January 2021 and were signed on its behalf by:

A G Noble - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

31 MARCH 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	88,936,818	85,347,017
Investments	12	17,698,968	17,698,968
Investment property	13	<u>11,645,000</u>	<u>11,775,000</u>
		<u>118,280,786</u>	<u>114,820,985</u>
CURRENT ASSETS			
Debtors	15	7,526,993	15,381,690
Cash at bank and in hand		<u>1,771,070</u>	<u>139,695</u>
		9,298,063	15,521,385
CREDITORS			
Amounts falling due within one year	16	<u>(72,441,301)</u>	<u>(79,688,682)</u>
NET CURRENT LIABILITIES		<u>(63,143,238)</u>	<u>(64,167,297)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		55,137,548	50,653,688
CREDITORS			
Amounts falling due after more than one year	17	<u>(14,400,000)</u>	<u>(18,812,500)</u>
NET ASSETS		<u>40,737,548</u>	<u>31,841,188</u>
CAPITAL AND RESERVES			
Called up share capital	23	20,000,004	20,000,004
Retained earnings	24	<u>20,737,544</u>	<u>11,841,184</u>
SHAREHOLDERS' FUNDS		<u>40,737,548</u>	<u>31,841,188</u>
Company's profit for the financial year		<u>8,896,360</u>	<u>11,501,528</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 January 2021 and were signed on its behalf by:

A G Noble - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 MARCH 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2018	20,000,004	47,251,380	67,251,384
Changes in equity			
Dividends	-	(12,500,000)	(12,500,000)
Total comprehensive income	-	11,878,480	11,878,480
Balance at 31 March 2019	<u>20,000,004</u>	<u>46,629,860</u>	<u>66,629,864</u>
Changes in equity			
Total comprehensive income	-	10,248,614	10,248,614
Balance at 31 March 2020	<u>20,000,004</u>	<u>56,878,474</u>	<u>76,878,478</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 MARCH 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 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	<u>20,000,004</u>	<u>11,841,184</u>	<u>31,841,188</u>
Changes in equity			
Total comprehensive income	-	8,896,360	8,896,360
Balance at 31 March 2020	<u>20,000,004</u>	<u>20,737,544</u>	<u>40,737,548</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 MARCH 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	15,289,127	25,867,992
Interest paid		(1,771,335)	(1,635,612)
Interest element of hire purchase payments paid		(205,000)	(205,897)
Tax paid		(2,719,961)	(2,769,990)
Net cash from operating activities		<u>10,592,831</u>	<u>21,256,493</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,493,240)	(11,295,855)
Sale of tangible fixed assets		4,229,771	4,127,548
Interest received		21,957	9,534
Net cash from investing activities		<u>(3,241,512)</u>	<u>(7,158,773)</u>
Cash flows from financing activities			
New loans in year		18,000,000	9,750,000
Loan repayments in year		(17,562,500)	(4,937,500)
Capital repayments in year		(5,223,034)	(4,552,720)
Amount introduced by directors		-	8,521,119
Amount withdrawn by directors		(6,513,292)	-
Equity dividends paid		-	(12,500,000)
Net cash from financing activities		<u>(11,298,826)</u>	<u>(3,719,101)</u>
(Decrease)/increase in cash and cash equivalents		<u>(3,947,507)</u>	<u>10,378,619</u>
Cash and cash equivalents at beginning of year	2	(1,201,219)	(11,579,838)
Cash and cash equivalents at end of year	2	<u>(5,148,726)</u>	<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 2020

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

	2020	2019
	£	£
Profit before taxation	12,358,066	13,584,480
Depreciation charges	5,439,301	5,686,540
Profit on disposal of fixed assets	(201,968)	(369,088)
Impairment of investment properties	330,000	-
Pension adjustments	-	174,000
Finance costs	1,976,335	1,841,509
Finance income	(21,957)	(9,534)
	<u>19,879,777</u>	<u>20,907,907</u>
Increase in stocks	(11,364,591)	(25,033,239)
Decrease in trade and other debtors	22,372,861	4,483,998
(Decrease)/increase in trade and other creditors	<u>(15,598,920)</u>	<u>25,509,326</u>
Cash generated from operations	<u>15,289,127</u>	<u>25,867,992</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 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	1,976,689	253,912
Bank overdrafts	<u>(7,125,415)</u>	<u>(1,455,131)</u>
	<u>(5,148,726)</u>	<u>(1,201,219)</u>

Year ended 31 March 2019

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

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 MARCH 2020

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.19 £	Cash flow £	Other non-cash changes £	At 31.3.20 £
Net cash				
Cash at bank and in hand	253,912	1,722,777		1,976,689
Bank overdrafts	(1,455,131)	(5,670,284)		(7,125,415)
	<u>(1,201,219)</u>	<u>(3,947,507)</u>		<u>(5,148,726)</u>
Debt				
Finance leases	(10,449,933)	5,223,034	(4,812,252)	(10,039,151)
Debts falling due within 1 year	(61,750,000)	(389,739)	-	(62,139,739)
Debts falling due after 1 year	<u>(13,312,500)</u>	<u>(1,087,500)</u>	<u>-</u>	<u>(14,400,000)</u>
	<u>(85,512,433)</u>	<u>3,745,795</u>	<u>(4,812,252)</u>	<u>(86,578,890)</u>
Total	<u>(86,713,652)</u>	<u>(201,712)</u>	<u>(4,812,252)</u>	<u>(91,727,616)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 MARCH 2020

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 2020

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 2020

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 2020

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:

	2020	2019
	£	£
Sale of goods	761,279,204	745,205,265
Service income	51,639,739	51,976,603
	<u>812,918,943</u>	<u>797,181,868</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	56,275,161	52,539,419
Social security costs	5,139,529	4,926,612
Other pension costs	1,335,056	1,158,398
	<u>62,749,746</u>	<u>58,624,429</u>

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

	2020	2019
Office and Management	599	553
Production	<u>1,499</u>	<u>1,404</u>
	<u>2,098</u>	<u>1,957</u>

	2020	2019
	£	£
Directors' remuneration	1,030,954	830,429
Directors' pension contributions to money purchase schemes	<u>78,000</u>	<u>78,000</u>

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

	2020	2019
Money purchase schemes	<u>4</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Emoluments etc	190,313	151,479
Pension contributions to money purchase schemes	<u>-</u>	<u>24,000</u>

5. OPERATING PROFIT

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

	2020	2019
	£	£
Hire of plant and machinery	250	7,948
Depreciation - owned assets	2,670,320	2,918,560
Depreciation - assets on hire purchase contracts	2,768,982	2,767,978
Profit on disposal of fixed assets	(201,968)	(369,088)
Auditors' remuneration	49,307	80,269
Auditors remuneration for non-audit services	<u>-</u>	<u>63,750</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	393,573	456,289
Stocking interest	1,377,762	1,179,323
Hire purchase	205,000	205,897
	<u>1,976,335</u>	<u>1,841,509</u>

7. TAXATION

Analysis of the tax charge

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	2,280,376	2,643,908
Underprovided in previous year	743	-
Overprovided in previous year	(20,686)	(276,582)
Total current tax	<u>2,260,433</u>	<u>2,367,326</u>
Deferred tax	(150,981)	(487,326)
Tax on profit	<u>2,109,452</u>	<u>1,880,000</u>

UK corporation tax was charged at 19 %) in 2019.

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:

	2020	2019
	£	£
Profit before tax	<u>12,358,066</u>	<u>13,584,480</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2019 - 19 %)	2,348,033	2,581,051
Effects of:		
Expenses not deductible for tax purposes	29,242	25,916
Capital allowances in excess of depreciation	(159,600)	-
Depreciation in excess of capital allowances	-	3,881
Adjustments to tax charge in respect of previous periods	(19,942)	(276,582)
Tax relief on pension actuarial loss	-	33,060
Movement in deferred taxation	(150,981)	(487,326)
Impairment of investment property	62,700	-
Total tax charge	<u>2,109,452</u>	<u>1,880,000</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

7. **TAXATION - continued**

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

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**

	2020	2019
	£	£
Interim	-	12,500,000

10. **INTANGIBLE FIXED ASSETS**

Group

Goodwill
£

COST

At 1 April 2019
and 31 March 2020

288,145

AMORTISATION

At 1 April 2019
and 31 March 2020

288,145

NET BOOK VALUE

At 31 March 2020

-

At 31 March 2019

-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 April 2019	87,035,099	5,056,014	6,003,653
Additions	4,101,398	255,934	810,601
Disposals	-	-	(74,932)
Reclassification/transfer	(200,000)	-	-
At 31 March 2020	90,936,497	5,311,948	6,739,322
DEPRECIATION			
At 1 April 2019	6,269,211	1,226,333	4,357,634
Charge for year	-	529,975	577,745
Eliminated on disposal	-	-	(15,759)
At 31 March 2020	6,269,211	1,756,308	4,919,620
NET BOOK VALUE			
At 31 March 2020	84,667,286	3,555,640	1,819,702
At 31 March 2019	80,765,888	3,829,681	1,646,019

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2019	4,546,569	30,252,486	2,294,156	135,187,977
Additions	1,007,117	5,881,934	248,508	12,305,492
Disposals	(66,527)	(9,536,565)	(527,471)	(10,205,495)
Reclassification/transfer	-	-	-	(200,000)
At 31 March 2020	5,487,159	26,597,855	2,015,193	137,087,974
DEPRECIATION				
At 1 April 2019	2,864,236	9,923,333	1,777,742	26,418,489
Charge for year	748,460	3,350,941	232,181	5,439,302
Eliminated on disposal	(15,426)	(5,619,281)	(527,226)	(6,177,692)
At 31 March 2020	3,597,270	7,654,993	1,482,697	25,680,099
NET BOOK VALUE				
At 31 March 2020	1,889,889	18,942,862	532,496	111,407,875
At 31 March 2019	1,682,333	20,329,153	516,414	108,769,488

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

11. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 March 2020 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 1990	11,675,000	-	-
Cost	79,261,497	5,311,948	6,739,322
	<u>90,936,497</u>	<u>5,311,948</u>	<u>6,739,322</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 1990	-	-	-	11,675,000
Cost	5,487,159	26,597,855	2,015,193	125,412,974
	<u>5,487,159</u>	<u>26,597,855</u>	<u>2,015,193</u>	<u>137,087,974</u>

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 2019	21,739,657
Additions	5,283,170
Disposals	(4,109,500)
Transfer to ownership	(1,146,372)
At 31 March 2020	<u>21,766,955</u>
DEPRECIATION	
At 1 April 2019	4,258,844
Charge for year	2,768,982
Eliminated on disposal	(1,787,263)
Transfer to ownership	(485,975)
At 31 March 2020	<u>4,754,588</u>
NET BOOK VALUE	
At 31 March 2020	<u>17,012,367</u>
At 31 March 2019	<u>17,480,813</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

11. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 April 2019	87,035,099	5,056,014	102,094
Additions	4,101,398	255,934	4,497
Disposals	-	-	-
Reclassification/transfer	(200,000)	-	-
At 31 March 2020	90,936,497	5,311,948	106,591
DEPRECIATION			
At 1 April 2019	6,269,211	1,226,333	88,920
Charge for year	-	529,975	2,040
Eliminated on disposal	-	-	-
At 31 March 2020	6,269,211	1,756,308	90,960
NET BOOK VALUE			
At 31 March 2020	84,667,286	3,555,640	15,631
At 31 March 2019	80,765,888	3,829,681	13,174

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 April 2019	253,442	466,338	1,078,078	93,991,065
Additions	868	-	74,012	4,436,709
Disposals	-	-	(523,006)	(523,006)
Reclassification/transfer	-	-	-	(200,000)
At 31 March 2020	254,310	466,338	629,084	97,704,768
DEPRECIATION				
At 1 April 2019	199,748	-	859,836	8,644,048
Charge for year	22,459	-	92,434	646,908
Eliminated on disposal	-	-	(523,006)	(523,006)
At 31 March 2020	222,207	-	429,264	8,767,950
NET BOOK VALUE				
At 31 March 2020	32,103	466,338	199,820	88,936,818
At 31 March 2019	53,694	466,338	218,242	85,347,017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

11. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 31 March 2020 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Valuation in 1990	11,675,000	-	-
Cost	79,261,497	5,311,948	106,591
	<u>90,936,497</u>	<u>5,311,948</u>	<u>106,591</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 1990	-	-	-	11,675,000
Cost	254,310	466,338	629,084	86,029,768
	<u>254,310</u>	<u>466,338</u>	<u>629,084</u>	<u>97,704,768</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
Thistle Contract Hire and Leasing Ltd (non-trading)
Park's of Hamilton Ltd (non-trading)
Trathens Travel Services Ltd (registered in England and non-trading)
MacKay & Jardine Ltd (non-trading)
Macrae & Dick Ltd (non-trading)
Menzies Motors Ltd (non-trading)
W.B.T. Nominees Limited (non-trading)

The following companies were struck off as of the 22nd December 2020. 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 2020

13. **INVESTMENT PROPERTY**

Group

	Total £
FAIR VALUE	
At 1 April 2019	11,775,000
Impairments	(330,000)
Reclassification/transfer	200,000
At 31 March 2020	<u>11,645,000</u>
NET BOOK VALUE	
At 31 March 2020	<u>11,645,000</u>
At 31 March 2019	<u>11,775,000</u>

The investment properties were valued at fair value by DM Hall, Chartered Surveyors at 31 March 2020. 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 2019	11,775,000
Impairments	(330,000)
Reclassification/transfer	200,000
At 31 March 2020	<u>11,645,000</u>
NET BOOK VALUE	
At 31 March 2020	<u>11,645,000</u>
At 31 March 2019	<u>11,775,000</u>

14. **STOCKS**

	Group	
	2020	2019
	£	£
Stocks	171,702,918	160,381,300
Work-in-progress	437,421	394,448
	<u>172,140,339</u>	<u>160,775,748</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	7,836,925	30,701,856	27,391	249,045
Amounts owed by group undertakings	-	-	4,033,013	11,863,580
Other debtors	5,035,189	4,089,889	1,067,096	1,350,299
Stocking deposits	61,599	62,000	-	-
Tax	1,503,598	1,407,602	1,503,598	1,407,602
Deferred tax asset	-	-	84,337	-
Prepayments and accrued income	3,912,658	4,365,487	811,558	511,164
	<u>18,349,969</u>	<u>40,626,834</u>	<u>7,526,993</u>	<u>15,381,690</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts (see note 18)	10,725,415	5,705,131	3,816,450	9,174,042
Other loans (see note 18)	58,539,739	57,500,000	58,539,739	57,500,000
Hire purchase contracts (see note 19)	3,508,260	3,865,880	-	9,942
Trade creditors	126,712,325	145,369,819	283,550	276,284
Amounts owed to group undertakings	-	-	4,776,239	5,358,971
Tax	2,280,376	2,643,908	94,110	365,436
Social security and other taxes	1,419,144	1,271,847	116,701	94,324
VAT	3,442,582	120,372	320,528	122,463
Other creditors	4,838,993	5,390,288	2,090,059	3,087,073
Directors' loan accounts	2,000,000	3,013,292	2,000,000	3,013,292
Accrued expenses	3,150,709	4,050,087	403,925	686,855
	<u>216,617,543</u>	<u>228,930,624</u>	<u>72,441,301</u>	<u>79,688,682</u>

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans (see note 18)	14,400,000	13,312,500	14,400,000	13,312,500
Hire purchase contracts (see note 19)	6,530,891	6,584,053	-	-
Directors' loan accounts	-	5,500,000	-	5,500,000
	<u>20,930,891</u>	<u>25,396,553</u>	<u>14,400,000</u>	<u>18,812,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020**18. LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	7,125,415	1,455,131	216,450	4,924,042
Bank loans	3,600,000	4,250,000	3,600,000	4,250,000
Other loans	58,539,739	57,500,000	58,539,739	57,500,000
	<u>69,265,154</u>	<u>63,205,131</u>	<u>62,356,189</u>	<u>66,674,042</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	3,600,000	10,312,500	3,600,000	10,312,500
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>10,800,000</u>	<u>3,000,000</u>	<u>10,800,000</u>	<u>3,000,000</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	
	2020	2019
	£	£
Gross obligations repayable:		
Within one year	3,680,878	4,040,330
Between one and five years	<u>6,742,411</u>	<u>6,760,417</u>
	<u>10,423,289</u>	<u>10,800,747</u>
Finance charges repayable:		
Within one year	172,618	174,450
Between one and five years	<u>211,520</u>	<u>176,364</u>
	<u>384,138</u>	<u>350,814</u>
Net obligations repayable:		
Within one year	3,508,260	3,865,880
Between one and five years	<u>6,530,891</u>	<u>6,584,053</u>
	<u>10,039,151</u>	<u>10,449,933</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

19. LEASING AGREEMENTS - continued

Company

	Hire purchase contracts	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>9,942</u>

Group

	Non-cancellable operating leases	
	2020	2019
	£	£
Within one year	115,221	236,328
Between one and five years	<u>59,583</u>	<u>174,804</u>
	<u>174,804</u>	<u>411,132</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2020	2019
	£	£
Bank overdrafts	7,125,415	1,455,131
Bank loans	18,000,000	17,562,500
Other loans	58,539,739	57,500,000
Hire purchase contracts	<u>10,039,151</u>	<u>10,449,933</u>
	<u>93,704,305</u>	<u>86,967,564</u>

The parent company and all but seven non trading subsidiaries have granted Bonds and Floating Charges in favour of HSBC 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 HSBC plc in respect of group borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

21. FINANCIAL INSTRUMENTS

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

<u>Group</u>	2020	2019
£ £		
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>192,466,997</u>	<u>201,656,494</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>237,548,434</u>	<u>254,327,175</u>
 <u>Company</u>	 2020	 2019
£ £		
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>9,298,063</u>	<u>15,521,385</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>86,841,301</u>	<u>98,501,182</u>

22. PROVISIONS FOR LIABILITIES

	Group	
	2020	2019
	£	£
Deferred tax		
Accelerated capital allowances	190,000	-
Deferred tax	<u>902,961</u>	<u>1,243,942</u>
	<u><u>1,092,961</u></u>	<u><u>1,243,942</u></u>
 Group		
		Deferred tax
		£
Balance at 1 April 2019		1,243,942
Provision reduction		<u>(150,981)</u>
Balance at 31 March 2020		<u><u>1,092,961</u></u>
 Company		
		Deferred tax
		£
Provided during year		<u>(84,337)</u>
Balance at 31 March 2020		<u><u>(84,337)</u></u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2020	2019
			£	£
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 2020

24. RESERVES

Group

	Retained earnings £
At 1 April 2019	46,629,860
Profit for the year	10,248,614
At 31 March 2020	<u>56,878,474</u>

Company

	Retained earnings £
At 1 April 2019	11,841,184
Profit for the year	8,896,360
At 31 March 2020	<u>20,737,544</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 2019 and updated to 31 March 2020 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	
	2020	2019
	£	£
Present value of funded obligations	(1,068,000)	(1,207,000)
Fair value of plan assets	<u>1,068,000</u>	<u>1,207,000</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 2020

25. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	-	-
Net interest from net defined benefit asset/liability	(10,000)	(14,000)
Past service cost	-	203,000
	<u>(10,000)</u>	<u>189,000</u>
Actual return on plan assets	<u>37,000</u>	<u>40,000</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	1,207,000	968,000
Past service cost	-	203,000
Interest cost	27,000	26,000
Benefits paid	(129,000)	(30,000)
Remeasurements:		
Actuarial (gains)/losses from changes in financial assumptions	(47,000)	37,000
Oblig other remeasurement	10,000	3,000
	<u>1,068,000</u>	<u>1,207,000</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	1,207,000	968,000
Contributions by employer	-	29,000
Expected return	37,000	40,000
Benefits paid	(129,000)	(30,000)
Unrecognised surplus	46,000	126,000
Return on plan assets (excluding interest income)	(93,000)	74,000
	<u>1,068,000</u>	<u>1,207,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

25. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial (gains)/losses from changes in financial assumptions	47,000	(37,000)
Oblig other remeasurement	(10,000)	(3,000)
Return on plan assets (excluding interest income)	(93,000)	74,000
Effects of unrecognised surplus	<u>56,000</u>	<u>140,000</u>
	<u>-</u>	<u>174,000</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Equities	536,870	638,040
Bonds and Gilts	856,090	850,720
Cash	58,040	147,240
Unrecognised surplus	<u>(383,000)</u>	<u>(429,000)</u>
	<u>1,068,000</u>	<u>1,207,000</u>

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

	2020	2019
Discount rate	2.30%	2.40%
Future pension increases	2.10%	2.60%

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 £1,257,056 (2019 - £1,080,398).

26. CONTINGENT LIABILITIES

The parent company together with Douglas Park Limited, Park's of Hamilton (Townhead Garage) Ltd, Park's (Ayr) Limited and Park's of Hamilton (Coach Hirers) Limited have entered into cross guarantees in respect of each company's indebtedness to HSBC plc and Santander Consumer (UK) plc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 MARCH 2020

27. RELATED PARTY DISCLOSURES

During the year, a total of key management personnel compensation of £ 1,022,577 (2019 - £ 822,000) was paid.

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D I Park.

29. CONSIGNMENT STOCKS

At the year end the Group held £25,072,878 (2019 - £18,959,062) of vehicle consignment stock of which £61,599 (2019 - £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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