

REGISTERED NUMBER: SC160959 (Scotland)

Strategic Report, Report of the Director and

Financial Statements

For The Year Ended 31 January 2017

for

Class One Traffic Management Ltd.

**Contents of the Financial Statements
For The Year Ended 31 January 2017**

	Page
Company Information	1
Strategic Report	2
Report of the Director	4
Report of the Independent Auditors	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Statement of Cash Flows	10
Notes to the Financial Statements	11

Class One Traffic Management Ltd.

**Company Information
For The Year Ended 31 January 2017**

DIRECTOR: Mrs Karen Healey

SECRETARY: Mrs Catherine Tulloch

REGISTERED OFFICE: Class One House
Seabegs Road
Bonnybridge
FK4 2AQ

REGISTERED NUMBER: SC160959 (Scotland)

AUDITORS: Cahill Jack Associates Limited
Chartered Accountants and Statutory Auditors
91 Alexander Street
Airdrie
North Lanarkshire
ML6 0BD

BANKERS: Clydesdale Bank
Cumbernauld
G67 1BU

SOLICITORS: Keegan Walker
Torridon House
Civic Square
Almondvale Boulevard
Livingston
EH54 6QY

**Strategic Report
For The Year Ended 31 January 2017**

The director presents her strategic report for the year ended 31 January 2017.

The strategic report forms part of the company's annual accounts and copies are available from the registered office given on the company information page.

REVIEW OF BUSINESS

Below is a summary of the main key performance indicators (KPIs) from the amounts included within the financial statements:

	<u>2017</u>	<u>2016</u>
Gross Profit % age	58.45%	58.91%
Net Profit before tax % age	13.52%	15.32%
Current Assets Ratio	172.26%	179.26%
Gross Profit	8,224,310	7,100,810
Total Wages and Salary Costs	8,650,119	6,839,997
Administrative expenses	6,412,304	5,259,058

Given the straightforward nature of the business, the directors are of the opinion that the KPIs above are sufficient to enable an understanding of the development, performance and position of the company. KPIs are continuously measured internally in order to monitor comparative efficiencies and to measure the results of implemented strategies.

The current year's trading results have remained consistent with last year's results. Turnover for the year increased by 17% and with the continued saving regarding line marking expenses, the gross profit remained consistent with last year at 58%. The company's balance sheet position remains strong with the current assets ratio staying at 172%. Administrative expenses increased primarily due to the increase in wages costs relating to compliance and administration.

The company has confidence in its business strategy which will enable the company to continue to expand and enhance its position within the market. The company intends to maintain a future annual growth percentage of at least 20%.

In order to maintain the current levels of growth, the company's business strategy still includes a substantial asset replacement programme which will ensure the company's continued ability to deliver a high quality of service for the increased demand.

Strategic Report

For The Year Ended 31 January 2017

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The key risks affecting the group are set out below:-

Competition

The company operates in a highly competitive market, particularly in respect of pricing and services availability and quality. This results in not only constant pressure on margins but also in the risk that the company may fall short of customers' expectations. In order to mitigate this risk the directors and managers ensure that the company continually monitors market prices and routinely undertakes quality control procedures in order to ensure that customer expectations are fully met. They also maintain a constant programme of innovation within the product range as well as regular development meetings with customers to ensure their satisfaction in the quality of service supplied.

Employees

The company's performance depends largely on the experience of its managers and staff. The loss of key individuals or the inability to recruit people with the right level of experience and skills could adversely impact on the financial performance. In order to mitigate these risks they have introduced a programme for employees to enhance continuous learning and skills improvements and has implemented an incentive scheme designed to retain key individuals.

Services provision

Given the company's focus on service availability and quality it continually monitors available services within the market plus the demands and requirements of its customers. The company retains staff of a specialist nature who regularly attend training courses both in house and externally. This ensures the required level of expertise is maintained to ensure the quality and variety of services expected by its customers.

FINANCIAL RISK MANAGEMENT

Credit and price risk

Company policies are aimed at minimising any potential exposure and require that deferred terms are only offered where customers demonstrate an appropriate payment history and satisfy credit worthiness procedures. Credit limits are subject to regular review to ensure that limits remain appropriate to the circumstances of each customer.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generations from its operations. The company also manages liquidity risk via revolving credit facilities.

Interest rate and cash flow risk

The company manages this risk, where significant, by fixing interest payments using interest rate swaps where payments are variable and hence exposed to interest rate movements. The company also uses short term deposit to ensure cash availability throughout the year.

ON BEHALF OF THE BOARD:

Mrs Catherine Tulloch - Secretary

26 June 2017

**Report of the Director
For The Year Ended 31 January 2017**

The director presents her report with the financial statements of the company for the year ended 31 January 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of road traffic management.

DIVIDENDS

No interim dividend was paid during the year. The director recommends a final dividend of 8.01 per share.

Details of the total distribution of dividends for the year ended 31 January 2017 is given in note 9 to the accounts.

DIRECTOR

Mrs Karen Healey held office during the whole of the period from 1 February 2016 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cahill Jack Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mrs Catherine Tulloch - Secretary

26 June 2017

Report of the Independent Auditors to the Members of Class One Traffic Management Ltd.

We have audited the financial statements of Class One Traffic Management Ltd. for the year ended 31 January 2017 on pages six to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of director and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
Class One Traffic Management Ltd.**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mr Antony Fraser (Senior Statutory Auditor)
for and on behalf of Cahill Jack Associates Limited
Chartered Accountants and Statutory Auditors
91 Alexander Street
Airdrie
North Lanarkshire
ML6 0BD

26 June 2017

**Statement of Comprehensive Income
For The Year Ended 31 January 2017**

	Notes	31.1.17 £	31.1.16 £
TURNOVER		14,071,018	12,052,756
Cost of sales		<u>5,846,708</u>	<u>4,951,946</u>
GROSS PROFIT		8,224,310	7,100,810
Administrative expenses		<u>6,412,304</u>	<u>5,259,058</u>
		1,812,006	1,841,752
Other operating income		<u>84,638</u>	<u>-</u>
OPERATING PROFIT	4	1,896,644	1,841,752
Profit/loss on sale of tangible fixed assets	5	<u>(744)</u>	<u>1,458</u>
		1,895,900	1,843,210
Interest receivable and similar income	6	<u>28,673</u>	<u>24,717</u>
		1,924,573	1,867,927
Interest payable and similar expenses	7	<u>22,826</u>	<u>21,000</u>
PROFIT BEFORE TAXATION		1,901,747	1,846,927
Tax on profit	8	<u>396,954</u>	<u>367,660</u>
PROFIT FOR THE FINANCIAL YEAR		1,504,793	1,479,267
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,504,793</u>	<u>1,479,267</u>

The notes form part of these financial statements

Class One Traffic Management Ltd. (Registered number: SC160959)

**Statement of Financial Position
31 January 2017**

	Notes	31.1.17 £	£	31.1.16 £	£
FIXED ASSETS					
Tangible assets	10		1,982,585		1,546,729
Investments	11		-		-
Investment property	12		273,420		-
			<u>2,256,005</u>		<u>1,546,729</u>
CURRENT ASSETS					
Stocks	13	404,515		372,016	
Debtors	14	2,663,720		2,394,591	
Investments	15	529,159		522,313	
Cash at bank and in hand		<u>2,975,843</u>		<u>2,769,506</u>	
		6,573,237		6,058,426	
CREDITORS					
Amounts falling due within one year	16	<u>3,815,965</u>		<u>3,379,616</u>	
NET CURRENT ASSETS			<u>2,757,272</u>		<u>2,678,810</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,013,277		4,225,539
CREDITORS					
Amounts falling due after more than one year	17		(385,329)		(359,718)
PROVISIONS FOR LIABILITIES	20		(89,534)		(111,078)
NET ASSETS			<u>4,538,414</u>		<u>3,754,743</u>
CAPITAL AND RESERVES					
Called up share capital	21		90,000		90,000
Retained earnings	22		<u>4,448,414</u>		<u>3,664,743</u>
SHAREHOLDERS' FUNDS			<u>4,538,414</u>		<u>3,754,743</u>

The financial statements were approved by the director on 26 June 2017 and were signed by:

Mrs Karen Healey - Director

**Statement of Changes in Equity
For The Year Ended 31 January 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 February 2015	90,000	3,025,005	3,115,005
Changes in equity			
Dividend and other reserve movements	-	(839,529)	(839,529)
Total comprehensive income	-	1,479,267	1,479,267
Balance at 31 January 2016	90,000	3,664,743	3,754,743
Changes in equity			
Dividend and other reserve movements	-	(721,122)	(721,122)
Total comprehensive income	-	1,504,793	1,504,793
Balance at 31 January 2017	90,000	4,448,414	4,538,414

**Statement of Cash Flows
For The Year Ended 31 January 2017**

	Notes	31.1.17 £	31.1.16 £
Cash flows from operating activities			
Cash generated from operations	1	2,412,854	2,401,780
Interest paid		-	(129)
Interest element of hire purchase payments paid		(22,826)	(20,871)
Tax paid		(387,698)	(357,645)
Net cash from operating activities		<u>2,002,330</u>	<u>2,023,135</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(432,415)	(205,505)
Purchase of investment property		(273,420)	-
Sale of tangible fixed assets		81,654	126,577
Interest received		28,673	24,717
Net cash from investing activities		<u>(595,508)</u>	<u>(54,211)</u>
Cash flows from financing activities			
Capital repayments in year		(472,517)	(381,641)
Equity dividend and reserve		(721,122)	(839,529)
Amounts transferred term deposits		-	516,057
Amounts transferred to term deposits		(6,846)	-
Net cash from financing activities		<u>(1,200,485)</u>	<u>(705,113)</u>
Increase in cash and cash equivalents		<u>206,337</u>	<u>1,263,811</u>
Cash and cash equivalents at beginning of year	2	2,769,506	1,505,695
Cash and cash equivalents at end of year	2	<u>2,975,843</u>	<u>2,769,506</u>

The notes form part of these financial statements

**Notes to the Statement of Cash Flows
For The Year Ended 31 January 2017**

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

	31.1.17 £	31.1.16 £
Profit before taxation	1,901,747	1,846,927
Depreciation charges	466,757	420,027
Finance costs	22,826	21,000
Finance income	(28,673)	(24,717)
	<u>2,362,657</u>	<u>2,263,237</u>
Increase in stocks	(32,499)	(39,994)
Increase in trade and other debtors	(269,129)	(241,127)
Increase in trade and other creditors	351,825	419,664
Cash generated from operations	<u><u>2,412,854</u></u>	<u><u>2,401,780</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 January 2017

	31.1.17 £	1.2.16 £
Cash and cash equivalents	<u>2,975,843</u>	<u>2,769,506</u>

Year ended 31 January 2016

	31.1.16 £	1.2.15 £
Cash and cash equivalents	<u>2,769,506</u>	<u>1,505,695</u>

3. MAJOR NON-CASH TRANSACTIONS

Non-cash transactions represent new hire purchase agreements totalling £551,852.

**Notes to the Financial Statements
For The Year Ended 31 January 2017**

1. STATUTORY INFORMATION

Class One Traffic Management Ltd. is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The principal activity of the company was that of road traffic management.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Class One Traffic Management Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 405 of the Companies Act 2006 not to prepare consolidated financial statements.

Significant judgements and estimates

The preparation of financial information in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The directors have identified the following areas which give rise to estimation uncertainty:

1) Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and any residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.

2) Valuation of stock of road traffic equipment uses estimations of recoverable amounts based on recent sales for items included within stock. Comparison of estimated net realisable value with written down costs may give rise to changes in values of stock reported in the accounts.

3) Debtors recoverability: For any balance considered irrecoverable, provision is made against the debtor. The remaining debtor balance at the year end not provided for, is therefore considered fully recoverable.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Notes to the Financial Statements - continued
For The Year Ended 31 January 2017**

2. ACCOUNTING POLICIES - continued

Turnover and revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding trade discounts, value added tax and any other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from agreement to provide services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the agreement.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset 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
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 30% on reducing balance

Tangible assets are stated at original cost less accumulated depreciation and accumulated impairment losses.

Land and buildings is comprised of freehold property. Buildings are depreciated using a straight line method. Land is not depreciated. Depreciation on other assets, is calculated using a reducing balance method to allocate the cost less the residual values over their estimated useful lives. The estimated useful lives and residual values are reviewed annually and revised as appropriate. Estimations are evidenced by previous disposal made by the company during current and prior accounting periods.

The company adds to the carrying amount of an item of fixed asset the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. Any carrying amount of the replaced part is written off. Repairs and maintenance are charged to the profit and loss during the year in which they are incurred except for any parts unused at the year end.

Asset residual values, useful lives and depreciation methods of relevant assets are reviewed, and adjusted prospectively if appropriate. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and recognised in the profit and loss during the year of disposal.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

**Notes to the Financial Statements - continued
For The Year Ended 31 January 2017**

2. ACCOUNTING POLICIES - continued

Stocks

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

Stock comprises of various items of road traffic equipment and consumables used in the performance of the company's trading activity. Estimated stock values are reviewed annually and revised as appropriate taking into account any disposal made by the company during current and prior accounting periods.

Financial instruments

Trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

The following assets and liabilities are classified as financial instruments - trade debtors, trade creditors, bank loans, directors' loans and forward currency contracts (derivatives).

Any bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method. Trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received. Forward currency contracts are derivative financial instruments. They are measured at fair value. Gains and losses arising from changes in the fair value of derivative financial instruments are included in the profit or loss in the period in which they arise.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss.

Any borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

Current and deferred tax

The tax for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge is attributed to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity. The current income tax and deferred tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax asset is limited to the extent that it is possible that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Current or deferred taxation assets and liabilities are not discounted.

**Notes to the Financial Statements - continued
For The Year Ended 31 January 2017**

2. ACCOUNTING POLICIES - continued

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.

Pension costs and short term employee benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Amounts in respect of defined contribution plans are recognised as an expense when they are incurred.

Short term employee benefits, including holiday pay, are recognised as an expense in the profit and loss in the period in which they are incurred.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

3. EMPLOYEES AND DIRECTORS

	31.1.17	31.1.16
	£	£
Wages and salaries	7,640,592	6,051,806
Social security costs	863,093	657,620
Other pension costs	146,434	130,571
	<u>8,650,119</u>	<u>6,839,997</u>

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

	31.1.17	31.1.16
Administration	33	28
Direct	133	126
	<u>166</u>	<u>154</u>

During the year, a total of key management personnel compensation of £4,569,029 was paid (2016 - £3,509,471)

	31.1.17	31.1.16
	£	£
Director's remuneration	<u>16,225</u>	<u>24,446</u>

Notes to the Financial Statements - continued
For The Year Ended 31 January 2017

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.1.17	31.1.16
	£	£
Hire of plant and machinery	649,576	602,428
Depreciation - owned assets	89,207	127,265
Depreciation - assets on hire purchase contracts	377,550	292,762
Auditors' remuneration	<u>12,000</u>	<u>12,000</u>

5. EXCEPTIONAL ITEMS

	31.1.17	31.1.16
	£	£
Profit/loss on sale of tangible fixed assets	<u>(744)</u>	<u>1,458</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.1.17	31.1.16
	£	£
Deposit account interest	26,552	24,717
Other Interest	<u>2,121</u>	<u>-</u>
	<u>28,673</u>	<u>24,717</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.1.17	31.1.16
	£	£
Bank interest	-	129
Hire purchase	<u>22,826</u>	<u>20,871</u>
	<u>22,826</u>	<u>21,000</u>

8. TAXATION

Analysis of the tax charge

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

	31.1.17	31.1.16
	£	£
Current tax:		
UK corporation tax	418,498	348,051
Deferred tax	<u>(21,544)</u>	<u>19,609</u>
Tax on profit	<u>396,954</u>	<u>367,660</u>

Notes to the Financial Statements - continued
For The Year Ended 31 January 2017

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	31.1.17 £	31.1.16 £
Profit before tax	<u>1,901,747</u>	<u>1,846,927</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20.160%)	380,349	372,340
Effects of:		
Expenses not deductible for tax	14,132	6,883
Depreciation for the period in excess of capital allowances	24,017	(31,171)
Deferred tax provision	<u>(21,544)</u>	<u>19,608</u>
Total tax charge	<u>396,954</u>	<u>367,660</u>

9. DIVIDEND AND OTHER RESERVE MOVEMENTS

	31.1.17 £	31.1.16 £
Ordinary shares of £1 each		
Final	<u>721,122</u>	<u>839,529</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 February 2016	495,444	80,478	89,768	2,241,767	2,907,457
Additions	339,371	2,426	4,268	638,202	984,267
Disposals	-	-	(10,354)	(376,678)	(387,032)
At 31 January 2017	<u>834,815</u>	<u>82,904</u>	<u>83,682</u>	<u>2,503,291</u>	<u>3,504,692</u>
DEPRECIATION					
At 1 February 2016	130,118	65,481	63,634	1,101,495	1,360,728
Charge for year	16,770	3,857	7,173	438,957	466,757
Eliminated on disposal	-	-	(9,228)	(296,150)	(305,378)
At 31 January 2017	<u>146,888</u>	<u>69,338</u>	<u>61,579</u>	<u>1,244,302</u>	<u>1,522,107</u>
NET BOOK VALUE					
At 31 January 2017	<u>687,927</u>	<u>13,566</u>	<u>22,103</u>	<u>1,258,989</u>	<u>1,982,585</u>
At 31 January 2016	<u>365,326</u>	<u>14,997</u>	<u>26,134</u>	<u>1,140,272</u>	<u>1,546,729</u>

Included in cost of land and buildings is freehold land of £ 61,500 (2016 - £ 61,500) which is not depreciated.

**Notes to the Financial Statements - continued
For The Year Ended 31 January 2017**

10. TANGIBLE FIXED ASSETS - continued

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

	Motor vehicles £
COST	
At 1 February 2016	1,510,701
Additions	627,057
Transfer to ownership	(287,996)
At 31 January 2017	<u>1,849,762</u>
DEPRECIATION	
At 1 February 2016	504,570
Charge for year	377,550
Transfer to ownership	(169,591)
At 31 January 2017	<u>712,529</u>
NET BOOK VALUE	
At 31 January 2017	<u>1,137,233</u>
At 31 January 2016	<u>1,006,131</u>

11. FIXED ASSET INVESTMENTS

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Traffic Management Hire Services Limited

Registered office: See company information page

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

12. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
Additions	273,420
At 31 January 2017	<u>273,420</u>
NET BOOK VALUE	
At 31 January 2017	<u>273,420</u>

During the year the company purchased a property which is partly rented and used as offices. Approximately 50% of the building costs are included within investment properties. The purchase price is taken to be representative of its current market value.

**Notes to the Financial Statements - continued
For The Year Ended 31 January 2017**

13. STOCKS

	31.1.17	31.1.16
	£	£
Non trading stock	<u>404,515</u>	<u>372,016</u>

The amount of stock recognised as an expense in cost of sales during the period was £197,777 (2016 - £148,500).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.17	31.1.16
	£	£
Trade debtors	2,640,141	2,376,908
Other debtors	<u>23,579</u>	<u>17,683</u>
	<u>2,663,720</u>	<u>2,394,591</u>

15. CURRENT ASSET INVESTMENTS

	31.1.17	31.1.16
	£	£
Cash held on term deposits	<u>529,159</u>	<u>522,313</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.17	31.1.16
	£	£
Hire purchase contracts (see note 18)	428,706	374,982
Trade creditors	306,194	285,750
Tax	34,915	4,115
Social security and other taxes	199,388	212,321
VAT	604,702	497,017
Accrued expenses	<u>2,242,060</u>	<u>2,005,431</u>
	<u>3,815,965</u>	<u>3,379,616</u>

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

	31.1.17	31.1.16
	£	£
Hire purchase contracts (see note 18)	<u>385,329</u>	<u>359,718</u>

18. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.1.17	31.1.16
	£	£
Net obligations repayable:		
Within one year	428,706	374,982
Between one and five years	<u>385,329</u>	<u>359,718</u>
	<u>814,035</u>	<u>734,700</u>

Notes to the Financial Statements - continued
For The Year Ended 31 January 2017

19. SECURED DEBTS

The following secured debts are included within creditors:

	31.1.17	31.1.16
	£	£
Hire purchase contracts	<u>814,035</u>	<u>734,700</u>

Any bank loans, overdrafts or Bacs facilities are secured by a standard security over the property at Seabegs Road Bonnybridge. Hire purchase creditors are secured on the assets concerned. Total secured creditors amounting to £814,035 (2016 £734,700) is analysed as £428,706 (2016 £374,982) falling due within one year and £385,329 (2016 £359,718) falling due after one year.

20. PROVISIONS FOR LIABILITIES

	31.1.17	31.1.16
	£	£
Deferred tax provision	<u>89,534</u>	<u>111,078</u>
		Deferred tax
		£
Balance at 1 February 2016		111,078
Accelerated capital allowances		(20,662)
Corporation tax rate change		(882)
Balance at 31 January 2017		<u>89,534</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.1.17	31.1.16
Number:	Class:	Nominal value:	£	£
90,000	Ordinary	£1	<u>90,000</u>	<u>90,000</u>

22. RESERVES

	Retained earnings
	£
At 1 February 2016	3,664,743
Profit for the year	1,504,793
Dividend and other reserve movements	(721,122)
At 31 January 2017	<u>4,448,414</u>

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr Michael Healey.

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