

Registered number: 01539777

**AIRPORT PARKING AND HOTELS
LIMITED**

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2016**

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AIRPORT PARKING AND HOTELS LIMITED

COMPANY INFORMATION

Directors

B. G. Voller
J. W. Voller
C. B. Voller
N. J. Caunter
N. S. Izard

Company secretary

N. S. Izard

Registered number

01539777

Registered office

Brockbourne House
77 Mount Ephraim
Tunbridge Wells
TN4 8BS

Independent auditors

Creaseys Group Limited
Chartered Accountants & Statutory Auditors
Brockbourne House
77 Mount Ephraim
Tunbridge Wells
Kent
TN4 8BS

Bankers

National Westminster Bank plc
16 The Boulevard
Crawley
West Sussex
RH10 1XU

Solicitors

Stevens Drake
117-119 High Street
Crawley
West Sussex
RH10 1DD

AIRPORT PARKING AND HOTELS LIMITED

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AIRPORT PARKING AND HOTELS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The main activities of the company during the period remained the operation of APH branded park and ride facilities serving Gatwick, Birmingham and Manchester airports and the sale of third party pre-booked parking, hotels and lounges to outbound air travellers, serving all significant UK airports.

Business review

2016 saw a continuation of the steady growth in consumer confidence which resulted in more outbound air travel, seemingly unaffected, so far at least, by the Brexit vote mid-year. As a result of this and a continuation of a number of marketing and sales improvements, turnover grew by 7% year on year. In contrast, cost of sales grew by just 3.6%, whereas administrative expenses grew by 15.2%, the resulting gross profit grew by 15.3% year on year.

Principal risks and uncertainties

The principal risks facing the company is of any major, sustained interruption to air travel from the UK and any significant shift in consumer behaviour with respect to air travel abroad, perhaps precipitated by falls in the value of sterling or other non-financial barriers to travel (such as visa and passport concerns)

Anti-competitive behaviour from airport operators often manifests in aggressive (anti-competitive) pricing, attempts to hike facilities fees for airport road use to harm off-airport operators. The company continues to play an important role in the industry association, the Independent Airport Parking Association (IAPA), which lobbies against and combats the anti-competitive behaviour of airports whenever it arises.

Financial key performance indicators

Pre-Tax Profit increased to 6.5% of revenue, up from 6.1% the prior year

Return on Capital Employed held at 16%, the same as the prior year

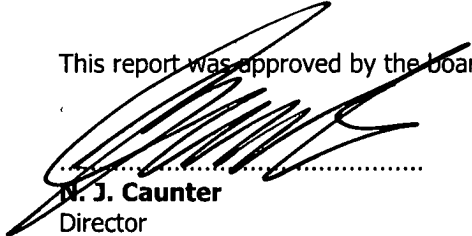
Revenue per Employee increased to £120,337, from £106,587 the prior year

Pre-Tax Profit per Employee increased to £7,839 from £6,513 the prior year

Other key performance indicators

Customer service is vital in the long term reputation of the company and its brand. Two key measures track the company's performance. Reevoo, an independent online review service tracks overall likelihood of recommending a friend which was 9.4 out of 10 for 2016 (more than 30,000 reviews) and happy to book with APH again, which scored 9.8 out of 10 (29,000 reviews). In addition, the company again won the prestigious Best Airport Parking Company in the 2016 British Travel Awards, this was the seventh consecutive year.

This report was approved by the board and signed on its behalf.



M. J. Caunter
Director

Date: 16/6/17

AIRPORT PARKING AND HOTELS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £1,316,644 (2015 - £1,135,767).

A final dividend of £41,400 was declared and paid on the 1 February 2017.

Directors

The directors who served during the year were:

B. G. Voller
J. W. Voller
C. B. Voller
N. J. Caunter
N. S. Izard

AIRPORT PARKING AND HOTELS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Disclosure of information to auditors

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

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

Auditors

The auditors, Creaseys Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



N. J. Caunter
Director

Date: 16/6/17

AIRPORT PARKING AND HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AIRPORT PARKING AND HOTELS LIMITED

We have audited the financial statements of Airport Parking and Hotels Limited for the year ended 31 December 2016, which comprise the statement of income and retained earnings, the balance sheet and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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 an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

AIRPORT PARKING AND HOTELS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AIRPORT PARKING AND HOTELS LIMITED (CONTINUED)

Opinion on other matter 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

Matters on which we are required to report by exception

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

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

Creaseys Group Limited

Matthew Neill BA (Hons) MA ACA (Senior statutory auditor)

for and on behalf of

Creaseys Group Limited

Chartered Accountants

Statutory Auditors

Brockbourne House

77 Mount Ephraim

Tunbridge Wells

Kent

TN4 8BS

Date: *23 June 2017*

AIRPORT PARKING AND HOTELS LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover	3	25,270,708	23,662,369
Cost of sales		(17,749,336)	(17,139,157)
Gross profit		<u>7,521,372</u>	<u>6,523,212</u>
Administrative expenses		(5,841,302)	(5,070,720)
Operating profit	4	<u>1,680,070</u>	<u>1,452,492</u>
Interest payable and expenses	7	(33,924)	(9,622)
Profit before tax		<u>1,646,146</u>	<u>1,442,870</u>
Tax on profit	8	(329,502)	(307,103)
Profit after tax		<u><u>1,316,644</u></u>	<u><u>1,135,767</u></u>
Retained earnings at the beginning of the year		8,032,959	6,948,712
Profit for the year		1,316,644	1,135,767
Dividends declared and paid		(55,200)	(51,520)
Retained earnings at the end of the year		<u><u>9,294,403</u></u>	<u><u>8,032,959</u></u>

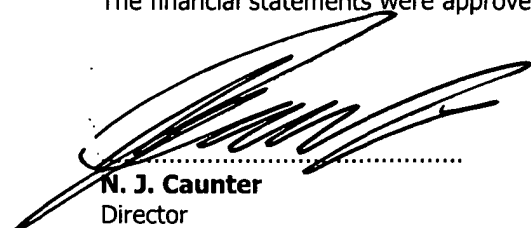
The notes on pages 8 to 21 form part of these financial statements.

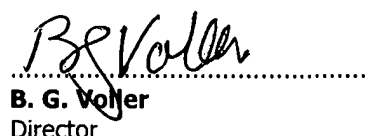
AIRPORT PARKING AND HOTELS LIMITED
REGISTERED NUMBER:01539777

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	8,199,740	7,640,998
Investments	11	34,876	34,876
		<u>8,234,616</u>	<u>7,675,874</u>
Current assets			
Debtors: amounts falling due after more than one year	12	44,250	-
Debtors: amounts falling due within one year	12	1,673,094	1,707,636
Cash at bank and in hand		5,790,826	4,295,555
		<u>7,508,170</u>	<u>6,003,191</u>
Creditors: amounts falling due within one year	13	(5,227,962)	(4,600,527)
Net current assets		<u>2,280,208</u>	<u>1,402,664</u>
Total assets less current liabilities		<u>10,514,824</u>	<u>9,078,538</u>
Creditors: amounts falling due after more than one year	14	(1,219,421)	(1,044,579)
Net assets		<u><u>9,295,403</u></u>	<u><u>8,033,959</u></u>
Capital and reserves			
Called up share capital	17	1,000	1,000
Profit and loss account		9,294,403	8,032,959
		<u><u>9,295,403</u></u>	<u><u>8,033,959</u></u>

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


N. J. Caunter
 Director


B. G. Voller
 Director

Date: 16/6/17

The notes on pages 8 to 21 form part of these financial statements.

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

1.1 Company information

Airport Parking and Hotels Limited (the company) is a limited company domiciled and incorporated in England and Wales.

The address of its registered office is Brockbourne House, 77 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS.

The address of the company's place of business is Snow Hill, Copthorne, Crawley, West Sussex, RH10 3EQ.

The company's principal activity is the operation of APH branded airport parking facilities at Gatwick, Birmingham and Manchester airports, and the sale of third party pre-booked parking, hotels and lounge facilities at these and all other major UK airports.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

Monetary amounts in these financial statements are stated in pounds sterling and are rounded to the nearest whole £1, except where otherwise indicated.

The following principal accounting policies have been applied:

1.3 Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

Section 7, 'Statement of Cash Flows' - Presentation of a statement of Cash Flow and related notes and disclosures.

Section 11, 'Basic Financial Instruments' and Section 12, 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan or breaches.

The financial statements of the company are consolidated within the financial statements of Crawley Down Holdings Limited. The consolidated financial statements are available from the registered office: Brockbourne House, 77 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS.

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.4 Consolidated financial statements

The company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

1.5 Revenue

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 discounts, rebates, value added tax and other sales taxes.

Owned car parks

Revenue is recognised when the parking date commences. 100% of the revenue for a booking is recognised on the first day of the stay.

Third-party car parks

The company recognises the full value of a sale for a third-party car park space on the basis that the company acts as the principal for VAT purposes.

Other revenue

For hotel reservations, revenue in respect of commissions is recognised when the hotel stay commences.

Revenue received in advance of the parking dates and hotel stays is recognised in deferred income.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets 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. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of income and retained earnings during the period in which they are incurred.

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- See below
Leasehold land & buildings	- 6.67%, 10% and 20% straight line
Plant & equipment	- 10% straight line
Motor vehicles	- 20% straight line
Office furniture	- 10% straight line
Computer equipment	- 20% to 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

Freehold property

The cost of freehold buildings and improvements (excluding land) is depreciated at variable annual rates over 50 years: 1% for the first 15 years, 2% for the next 15 years and 2.75% for the final 20 years. Another freehold property is depreciated at 10% of the 2005 net book value.

Freehold property with a cost of £436,014 (2015: £436,014) is not depreciated because, in the opinion of the directors, it has a high residual value and long useful economic life and, as a consequence, depreciation would be immaterial either annually or in aggregate. This constitutes a departure from the general requirement of the Companies Act 2006 for all tangible assets (excluding land) to be depreciated over their useful economic lives, and is necessary to enable the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation, and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 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.

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.10 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 three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and 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 account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.12 Creditors

Short term 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.

1.13 Finance costs

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 tax 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 assets is limited to the extent that it is probable 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.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Turnover

The whole of the turnover is attributable to the Company's principal activity.

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets owned by the company	240,786	242,033
Depreciation of tangible fixed assets held under finance leases	220,118	158,358
Operating lease rentals	442,595	428,255
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	16,800	17,351
Fees payable to the Company's auditors for other services	4,500	4,325
Defined contribution pension cost	129,893	82,834
	<u>1,074,592</u>	<u>933,156</u>

5. Employees

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

	2016 £	2015 £
Wages and salaries	5,128,584	4,848,611
Social security costs	496,735	430,006
Cost of defined contribution scheme	129,893	82,834
	<u>5,755,212</u>	<u>5,361,451</u>

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

	2016 No.	2015 No.
Office and management	24	25
Sales and distribution	186	197
	<u>210</u>	<u>222</u>

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	413,684	203,543

The highest paid director received remuneration of £312,459 (2015 - £130,283).

Directors' emoluments are in respect of two directors only, as the remuneration for the other directors was paid by Crawley Down Group Limited for both the current and prior accounting period.

7. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	18	-
Finance leases and hire purchase contracts	33,906	9,622
	33,924	9,622

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	249,361	-
Adjustments in respect of previous periods	-	(1,330)
Group taxation relief	15,224	331,241
Total current tax	264,585	329,911
Deferred tax		
Origination and reversal of timing differences	58,905	(31,213)
Changes to tax rates	6,012	8,405
Total deferred tax	64,917	(22,808)
Taxation on profit on ordinary activities	329,502	307,103

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 -higher than) the standard rate of corporation tax in the UK of 20% (2015 -20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,646,146	1,442,870
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%)	329,229	292,132
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	3,076	3,152
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	89	849
Adjustments to tax charge in respect of prior periods	(1,342)	(1,300)
Group relief receipt	(21,224)	(331,241)
Group relief payable	21,224	331,241
Adjust tax rates to opening and closing deferred tax	(1,550)	12,270
Total tax charge for the year	329,502	307,103

9. Dividends

	2016 £	2015 £
Ordinary dividends	55,200	51,520

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Tangible fixed assets

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2016	6,476,928	305,924	633,203	1,610,971	1,693,311	10,720,337
Additions	32,240	-	8,079	963,533	45,796	1,049,648
Transfers intra group	16,952	-	-	-	-	16,952
Disposals	-	-	-	(580,497)	-	(580,497)
At 31 December 2016	6,526,120	305,924	641,282	1,994,007	1,739,107	11,206,440
Depreciation						
At 1 January 2016	261,386	261,311	564,518	522,433	1,469,691	3,079,339
Charge for the period on owned assets	4,365	11,023	26,359	99,180	99,859	240,786
Charge for the period on financed assets	-	-	-	220,118	-	220,118
Disposals	-	-	-	(533,543)	-	(533,543)
At 31 December 2016	265,751	272,334	590,877	308,188	1,569,550	3,006,700
Net book value						
At 31 December 2016	<u>6,260,369</u>	<u>33,590</u>	<u>50,405</u>	<u>1,685,819</u>	<u>169,557</u>	<u>8,199,740</u>
At 31 December 2015	<u>6,215,542</u>	<u>44,613</u>	<u>68,685</u>	<u>1,088,538</u>	<u>223,620</u>	<u>7,640,998</u>

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

	2016 £	2015 £
Motor vehicles	<u>1,581,809</u>	<u>870,227</u>

Included in freehold property is land at a cost of £4,112,742 (2015: £4,563,550), which is not depreciated.

Included in freehold property are long leasehold properties with a cost of £3,384,610 (2015: £3,384,610) which are on long-term leases of 200 and 999 years. They are classified as freehold properties in the accounts to reflect the long-term ownership of the leases.

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11. Fixed asset investments

	Investment in subsidiary companies £
Cost or valuation	
At 1 January 2016 and 31 December 2016	34,876
Net book value	
At 31 December 2016	34,876
At 31 December 2015	34,876

12. Debtors

	2016 £	2015 £
Due after more than one year		
Prepayments and accrued income	44,250	-
Due within one year		
Trade debtors	508,535	428,860
Amounts owed by group undertakings	471,713	526,652
Other debtors	222,272	246,886
Prepayments and accrued income	427,292	397,039
Deferred taxation	43,282	108,199
	1,673,094	1,707,636

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other loans	317,693	305,473
Trade creditors	1,503,796	1,808,852
Amounts owed to group undertakings	37,779	36,862
Corporation tax	250,790	-
Other taxation and social security	91,050	94,683
Obligations under finance lease and hire purchase contracts	364,745	229,095
Other creditors	12,747	12,747
Accruals and deferred income	2,649,362	2,112,815
	<u>5,227,962</u>	<u>4,600,527</u>

Secured loans

The "other loan" is due to the Crawley Down Garage Directors Pension Scheme. This is repayable by monthly instalments and is secured by a fixed and floating charge over the company's assets. The aggregate amount of secured debt at the year-end was £481,259 (2015: £786,732).

The obligations under hire purchase contracts are secured against the assets on which the hire purchase contracts arise. The aggregate amount of secured debt at the year-end was £1,420,600 (2015: £792,414).

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

	2016 £	2015 £
Other loans	163,566	481,259
Net obligations under finance leases and hire purchase contracts	1,055,855	563,320
	<u>1,219,421</u>	<u>1,044,579</u>

Secured loans

The "other loan" is due to the Crawley Down Garage Directors Pension Scheme. This is repayable by monthly instalments and is secured by a fixed and floating charge over the company's assets. The aggregate amount of secured debt at the year-end was £481,259 (2015: £786,732).

The obligations under hire purchase contracts are secured against the assets on which the hire purchase contracts arise. The aggregate amount of secured debt at the year-end was £1,420,600 (2015: £792,414).

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

15. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	364,745	229,095
Between 1-2 years	470,965	228,549
Between 2-5 years	584,890	334,771
	<u>1,420,600</u>	<u>792,415</u>

16. Deferred taxation

	2016 £
At beginning of year	108,199
Charged to the profit or loss	(64,917)
At end of year	<u>43,282</u>

The deferred tax asset is made up as follows:

	2016 £
Decelerated capital allowances	22,893
Short term timing differences	20,389
	<u>43,282</u>

17. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at the general meetings of the company.

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

18. Contingent liabilities

National Westminster Bank plc holds fixed and floating cross-guarantees in respect of all accounts held in the names of the companies within the group, and has the right to the set-off of debit and credit balances on all accounts. This company has similarly jointly guaranteed the overdrafts of the group companies. The amounts owed by the group under this guarantee at 31 December 2016 amounted to £1,510,752 (2015: £4,685,489) in respect of total overdrafts and £1,040,000 (2015: £1,200,000) in respect of total loans.

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £129,893 (2015: £82,834). Contributions of £9,571 (2015: £8,868) were payable to the fund at the balance sheet date.

20. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	325,000	442,595
Later than 1 year and not later than 5 years	1,187,500	1,300,000
Later than 5 years	904,167	1,375,000
	<u>2,416,667</u>	<u>3,117,595</u>

21. Related party transactions

The company has taken advantage of the exemption provided in section 33.1A of Financial Reporting Standard 102 from the requirement to disclose transactions with wholly owned group members.

At the year-end, the company owed £481,259 (2015: £786,732) to the Crawley Down Garage Directors Pension Scheme, of which B. G. Voller, J. W. Voller, C. B. Voller, N. S. Izard and N. J. Caunter are members.

All staff who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel, irrespective of which group company provides their remuneration. Total remuneration in respect of these individuals is £522,358 (2015: £442,307).

22. Post balance sheet events

After the balance sheet date the company completed on the purchase of land for a cost of £5,641,974 plus SDLT and legal costs totalling £389,552.

AIRPORT PARKING AND HOTELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

23. Controlling party

The company's parent company and ultimate controlling party is Crawley Down Holdings Limited, a company registered in England and Wales. The parent company's address of principal place of business is: Snow Hill, Copthorne, Crawley, West Sussex, RH10 3EQ.

Copies of the consolidated financial statements of Crawley Down Holdings Limited are available from the registered office: Brockbourne House, 77 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS.

The company is controlled by the board of directors of Crawley Down Holdings Limited.