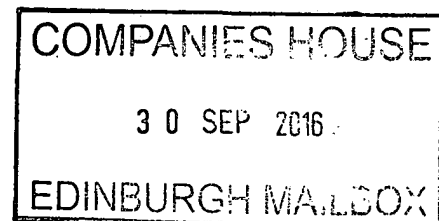


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REGISTERED NUMBER: SC033868 (Scotland)

CRAIG OF CAMPBELTOWN LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



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**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Page
Company Information	1
Group Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	5
Consolidated Statement of Comprehensive Income	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Statement of Changes in Equity	9
Company Statement of Changes in Equity	10
Consolidated Cash Flow Statement	11
Notes to the Consolidated Cash Flow Statement	12
Notes to the Consolidated Financial Statements	13
Reconciliation of Equity	27
Reconciliation of Profit	30

CRAIG OF CAMPBELTOWN LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015**

DIRECTOR: C R Craig

SECRETARY: J M Craig

REGISTERED OFFICE: Benmhor
Campbeltown
Argyll
PA28 6DN

REGISTERED NUMBER: SC033868 (Scotland)

INDEPENDENT AUDITORS : Cook & Co, Chartered Accountants
Statutory Auditor
Suite 525
Baltic Chambers
50 Wellington Street
GLASGOW
G2 6HJ

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The director presents his strategic report of the company and the group for the year ended 31 December 2015.

REVIEW OF BUSINESS

The group continued working to enhance local services and improve fleet quality in co-operation with Local Authorities and Regional Transport Partnerships throughout 2015, whilst consolidating its' private hire and commercial tours activities.

2016 will see further significant investment in the fleet. Uncertainties over fuel prices, potential reductions in concessionary travel reimbursement and Bus Service Operators Grant, along with possible cutbacks in Local Authority budgets are all expected to contribute to another challenging trading year.

The results for the year are set out in the financial statements. The director considers the profit achieved on ordinary activities before taxation to be satisfactory and the group has sufficient resources to meet its' requirements in 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks affecting the group are as follows:-

"Direct cost" uncertainty - specifically in relation to fuel prices.
Renewal of contracted income due for tender within the next twelve months.
Current economic conditions.

The director has put in place a risk management system which aims to manage and reduce the above risks to which the group is exposed.

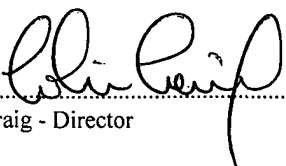
FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise investments, bank balances, trade creditors and trade debtors. The main purpose of the instruments are to raise funds for and to finance the group's operations.

The group's approach to managing principal risks applicable to financial statements are shown below:

- a) Investments comprise shareholdings in group companies. The valuation risk is managed by monitoring the performance of those companies.
- b) In respect of bank balances, the liquidity risk is managed by maintaining balances and effective use of available resources.
- c) Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.
- d) Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts as they fall due.

ON BEHALF OF THE BOARD:


.....
C R Craig - Director

Date: 26th September 2016
.....

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2015**

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The group is principally engaged in the operation of buses, coaches and ferries in the Argyll & Bute and Glasgow areas, trading under the names of West Coast Motors, Oban & District Buses, Glasgow Citybus, City Sightseeing Glasgow, Kintyre Express and Fairline Coaches.

DIVIDENDS

During the year, the company paid dividends of £526,192 (2014: £151,200). No further Dividend is recommended for this year.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

C R Craig has held office during the whole period from 1 January 2015 to the date of this report.

The remaining director notes, with regret, the death of Mr W G Craig on 28 March 2015.

POLITICAL DONATIONS AND EXPENDITURE

The group made charitable donations totalling £13,100 (2014 - £13,150) during the year.

CHANGE IN FINANCIAL REPORTING FRAMEWORK

This is the first set of financial statements prepared by Craig of Campbeltown Limited in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in the reconciliation statements within the financial statements.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2015**

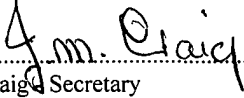
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 group's auditors are unaware, and he 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, Cook & Co, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
J M Craig Secretary

Date: 26th September 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CRAIG OF CAMPBELTOWN LIMITED

We have audited the financial statements of Craig of Campbeltown Limited for the year ended 31 December 2015 on pages six to thirty. 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 three, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Group 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.

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 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Alan Young (Senior Statutory Auditor)
for and on behalf of Cook & Co, Chartered Accountants
Statutory Auditor
Suite 525
Baltic Chambers
50 Wellington Street
GLASGOW
G2 6HJ

Date: 27/9/16

CRAIG OF CAMPBELTOWN LIMITED (REGISTERED NUMBER: SC033868)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	31.12.15 £	31.12.14 £
TURNOVER	4	17,548,211	16,399,516
Cost of sales		13,788,436	13,044,829
GROSS PROFIT		3,759,775	3,354,687
Administrative expenses		1,943,139	2,002,453
OPERATING PROFIT	6	1,816,636	1,352,234
Interest receivable and similar income		8,540	6,364
		1,825,176	1,358,598
Interest payable and similar charges	7	170,801	158,107
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,654,375	1,200,491
Tax on profit on ordinary activities	8	350,350	279,819
PROFIT FOR THE FINANCIAL YEAR		1,304,025	920,672
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,304,025	920,672
Profit attributable to: Owners of the parent		1,304,025	920,672
Total comprehensive income attributable to: Owners of the parent		1,304,025	920,672

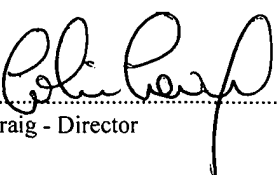
The notes form part of these financial statements

CRAIG OF CAMPBELTOWN LIMITED (REGISTERED NUMBER: SC033868)

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2015**

	Notes	£	31.12.15 £	£	31.12.14 £
FIXED ASSETS					
Intangible assets	11		90,000		180,000
Tangible assets	12		9,464,858		8,162,029
Investments	13		5,000		5,000
			<u>9,559,858</u>		<u>8,347,029</u>
CURRENT ASSETS					
Stocks	14	107,125		120,373	
Debtors	15	944,352		1,426,750	
Cash at bank and in hand		2,260,386		1,247,965	
		<u>3,311,863</u>		<u>2,795,088</u>	
CREDITORS					
Amounts falling due within one year	16	3,362,745		3,129,447	
			<u>(50,882)</u>		<u>(334,359)</u>
NET CURRENT LIABILITIES					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			9,508,976		8,012,670
CREDITORS					
Amounts falling due after more than one year	17		(3,233,746)		(2,598,873)
PROVISIONS FOR LIABILITIES					
	21		<u>(253,642)</u>		<u>(170,042)</u>
NET ASSETS					
			<u>6,021,588</u>		<u>5,243,755</u>
CAPITAL AND RESERVES					
Called up share capital	22		2,625		2,625
Capital redemption reserve	23		875		875
Retained earnings	23		6,018,088		5,240,255
			<u>6,021,588</u>		<u>5,243,755</u>
SHAREHOLDERS' FUNDS					
			<u>6,021,588</u>		<u>5,243,755</u>

The financial statements were approved by the director on 26th SEPTEMBER 2016 and were signed by:


C R Craig - Director

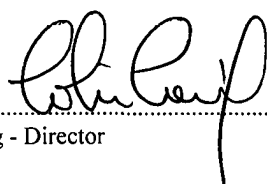
The notes form part of these financial statements

CRAIG OF CAMPBELTOWN LIMITED (REGISTERED NUMBER: SC033868)

**COMPANY BALANCE SHEET
31 DECEMBER 2015**

	Notes	£	31.12.15 £	£	31.12.14 £
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		8,065,248		6,931,071
Investments	13		866,068		866,068
			<u>8,931,316</u>		<u>7,797,139</u>
CURRENT ASSETS					
Stocks	14	97,901		112,700	
Debtors	15	800,436		1,218,291	
Cash at bank		2,240,000		1,222,162	
		<u>3,138,337</u>		<u>2,553,153</u>	
CREDITORS					
Amounts falling due within one year	16	3,313,549		3,002,925	
			<u>(175,212)</u>		<u>(449,772)</u>
NET CURRENT LIABILITIES					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			8,756,104		7,347,367
CREDITORS					
Amounts falling due after more than one year	17		(2,694,859)		(2,180,097)
PROVISIONS FOR LIABILITIES					
	21		<u>(180,543)</u>		<u>(77,943)</u>
NET ASSETS					
			<u>5,880,702</u>		<u>5,089,327</u>
CAPITAL AND RESERVES					
Called up share capital	22		2,625		2,625
Capital redemption reserve	23		875		875
Retained earnings	23		5,877,202		5,085,827
SHAREHOLDERS' FUNDS					
			<u>5,880,702</u>		<u>5,089,327</u>

The financial statements were approved by the director on 26/9/16 and were signed by:



C R Craig - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2014	2,625	4,470,783	875	4,474,283
Changes in equity				
Dividends	-	(151,200)	-	(151,200)
Total comprehensive income	-	920,672	-	920,672
Balance at 31 December 2014	2,625	5,240,255	875	5,243,755
Changes in equity				
Dividends	-	(526,192)	-	(526,192)
Total comprehensive income	-	1,304,025	-	1,304,025
Balance at 31 December 2015	2,625	6,018,088	875	6,021,588

The notes form part of these financial statements

CRAIG OF CAMPBELTOWN LIMITED (REGISTERED NUMBER: SC033868)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2014	2,625	4,413,105	875	4,416,605
Changes in equity				
Dividends	-	(151,200)	-	(151,200)
Total comprehensive income	-	823,922	-	823,922
Balance at 31 December 2014	2,625	5,085,827	875	5,089,327
Changes in equity				
Dividends	-	(526,192)	-	(526,192)
Total comprehensive income	-	1,317,567	-	1,317,567
Balance at 31 December 2015	2,625	5,877,202	875	5,880,702

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	31.12.15 £	31.12.14 £
Cash flows from operating activities			
Cash generated from operations	1	4,032,691	2,863,212
Interest paid		(6,725)	(3,754)
Interest element of hire purchase payments paid		(164,076)	(154,353)
Tax paid		(436,384)	(434,927)
Net cash from operating activities		<u>3,425,506</u>	<u>2,270,178</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,355,466)	(2,218,263)
Purchase of fixed asset investments		-	(5,000)
Sale of tangible fixed assets		74,812	12,250
Capital grants received on fixed assets		-	90,111
Interest received		8,540	6,364
Net cash from investing activities		<u>(3,272,114)</u>	<u>(2,114,538)</u>
Cash flows from financing activities			
New hire purchase and finance leases		2,971,470	1,146,900
Capital repayments in year		(1,950,487)	(1,509,510)
Amount introduced by directors		383,244	-
Amount withdrawn by directors		-	(24,494)
New bank loans received		-	220,000
Bank loan repayments		(19,006)	-
Equity dividends paid		(526,192)	(151,200)
Net cash from financing activities		<u>859,029</u>	<u>(318,304)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,012,421</u>	<u>(162,664)</u>
Cash and cash equivalents at beginning of year	2	1,247,965	1,410,629
Cash and cash equivalents at end of year	2	<u><u>2,260,386</u></u>	<u><u>1,247,965</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS		
	31.12.15	31.12.14
	£	£
Profit before taxation	1,654,375	1,200,491
Depreciation charges	2,113,835	2,035,203
Profit on disposal of fixed assets	(46,010)	-
Government grants	(18,022)	(47,072)
Finance costs	170,801	158,107
Finance income	(8,540)	(6,364)
	<u>3,866,439</u>	<u>3,340,365</u>
Decrease/(increase) in stocks	13,248	(25,851)
Decrease/(increase) in trade and other debtors	314,381	(445,115)
Decrease in trade and other creditors	(161,377)	(6,187)
Cash generated from operations	<u><u>4,032,691</u></u>	<u><u>2,863,212</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u>2,260,386</u>	<u>1,247,965</u>

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	<u>1,247,965</u>	<u>1,410,629</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. PARENT COMPANY INFORMATION

Craig of Campbeltown Limited is a limited liability company incorporated in Scotland. The registered office is Benmhor, Campbeltown, Argyll, PA28 6DN.

2. STATEMENT OF COMPLIANCE

This is the first set of financial statements prepared by Craig of Campbeltown Limited in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The group transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in the reconciliation of equity and profit statements.

The significant accounting policies adopted by the group and applied consistently in the preparation of these financial statements are set out in note 3.

3. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in Sterling which is the functional currency of the company.

BASIS OF CONSOLIDATION

The financial statements have been consolidated on an acquisition basis, as required by the Companies Act 2006 because of the group size. Under this basis, the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities stated net of value added tax and is all derived from within the United Kingdom.

The group's main income comes from passenger fares, Local Authority and Regional Transport Partnership contracts for the provision of passenger services, concessionary travel reimbursements and contracts for operating express services. All revenue is recognised as and when it is due in respect of services provided or performed.

GOODWILL

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of its separable net assets. It is being amortised to the profit and loss account over its estimated economic life of three to five years.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. ACCOUNTING POLICIES - continued

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	- 10% to 50% of net book value or cost and 15% to 33% of net book value or cost
Motor vehicles	- 15% to 33% of net book value or cost and 15% to 25% of net book value or cost

STOCKS

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

CURRENT AND DEFERRED TAX

Current tax is calculated on the profits of the period. Current tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax is recognised in the profit and loss account or other comprehensive income depending on where the revaluation was initially posted.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred taxation assets and liabilities are not discounted.

FUNCTIONAL AND PRESENTATION CURRENCY

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.

EMPLOYEE BENEFITS

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

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

The group 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

3. ACCOUNTING POLICIES - continued

GOVERNMENT GRANTS

Grants received in respect of fixed assets purchased are credited to deferred liabilities and amortised to the profit and loss account over the same period of useful life as the assets to which they relate.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

CASH AND CASH EQUIVALENTS

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

FINANCIAL INSTRUMENTS

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with charges 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.

4. TURNOVER

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

5. STAFF COSTS

	31.12.15	31.12.14
	£	£
Wages and salaries	6,907,229	6,358,912
Social security costs	591,880	546,616
Other pension costs	140,949	183,242
	<u>7,640,058</u>	<u>7,088,770</u>

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

	31.12.15	31.12.14
Office and Administration Staff	26	23
Drivers, Mechanics and Support Staff	290	285
	<u>316</u>	<u>308</u>

6. OPERATING PROFIT

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

	31.12.15	31.12.14
	£	£
Hire of plant and machinery	33,030	49,454
Other operating leases	308,322	339,610
Depreciation - owned assets	585,014	586,615
Depreciation - assets on hire purchase contracts	1,438,821	1,228,587
Profit on disposal of fixed assets	(46,010)	-
Goodwill amortisation	90,000	220,000
Auditors' remuneration	16,055	10,750
	<u></u>	<u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

6. OPERATING PROFIT - continued

Director's remuneration	135,800	96,250
Director's pension contributions to money purchase schemes	<u>9,000</u>	<u>9,000</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

7. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.15	31.12.14
	£	£
Bank loan interest	6,725	-
Other interest payable	-	3,754
Hire purchase	<u>164,076</u>	<u>154,353</u>
	<u>170,801</u>	<u>158,107</u>

8. TAXATION

Analysis of the tax charge

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

	31.12.15	31.12.14
	£	£
Current tax:		
UK corporation tax	308,063	289,660
Under provision in prior years	<u>807</u>	<u>5,980</u>
Total current tax	308,870	295,640
Deferred tax	<u>41,480</u>	<u>(15,821)</u>
Tax on profit on ordinary activities	<u>350,350</u>	<u>279,819</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

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:

	31.12.15 £	31.12.14 £
Profit on ordinary activities before tax	<u>1,654,375</u>	<u>1,200,491</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 - 21.500%)	335,011	258,106
Effects of:		
Expenses not deductible for tax purposes	2,801	4,629
Capital allowances in excess of depreciation	(1,905)	-
Depreciation in excess of capital allowances	-	23,083
Adjustments to tax charge in respect of previous periods	807	5,980
Payable at rates higher/(lower) than the standard rate	-	3,842
FRS 102 Adjustment	(27,844)	-
Deferred tax	<u>41,480</u>	<u>(15,821)</u>
Total tax charge	<u>350,350</u>	<u>279,819</u>

9. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,317,567 (2014 - £823,922).

10. DIVIDENDS

	31.12.15 £	31.12.14 £
Ordinary shares of £1 each		
Final	<u>526,192</u>	<u>151,200</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2015	
and 31 December 2015	<u>1,133,180</u>
AMORTISATION	
At 1 January 2015	953,180
Amortisation for year	<u>90,000</u>
At 31 December 2015	<u>1,043,180</u>
NET BOOK VALUE	
At 31 December 2015	<u>90,000</u>
At 31 December 2014	<u>180,000</u>
Company	Goodwill £
COST	
At 1 January 2015	
and 31 December 2015	<u>843,180</u>
AMORTISATION	
At 1 January 2015	
and 31 December 2015	<u>843,180</u>
NET BOOK VALUE	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

12. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2015	1,163,212	1,739,598	18,875,935	21,778,745
Additions	-	174,355	3,181,111	3,355,466
Disposals	-	(121,078)	(1,087,060)	(1,208,138)
At 31 December 2015	1,163,212	1,792,875	20,969,986	23,926,073
DEPRECIATION				
At 1 January 2015	130,224	1,089,717	12,396,775	13,616,716
Charge for year	29,532	160,794	1,833,509	2,023,835
Eliminated on disposal	-	(114,997)	(1,064,339)	(1,179,336)
At 31 December 2015	159,756	1,135,514	13,165,945	14,461,215
NET BOOK VALUE				
At 31 December 2015	1,003,456	657,361	7,804,041	9,464,858
At 31 December 2014	1,032,988	649,881	6,479,160	8,162,029

The net book amount of motor vehicles, plant and equipment includes £6,916,782 (2014 - £5,571,390) in respect of assets held under finance leases and hire purchase contracts.

Freehold properties are included at cost less depreciation.

Company	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2015	849,799	1,690,941	16,975,225	19,515,965
Additions	-	101,482	2,810,864	2,912,346
Disposals	-	(121,078)	(1,040,060)	(1,161,138)
At 31 December 2015	849,799	1,671,345	18,746,029	21,267,173
DEPRECIATION				
At 1 January 2015	129,179	1,058,940	11,396,775	12,584,894
Charge for year	16,995	152,244	1,581,849	1,751,088
Eliminated on disposal	-	(114,997)	(1,019,060)	(1,134,057)
At 31 December 2015	146,174	1,096,187	11,959,564	13,201,925
NET BOOK VALUE				
At 31 December 2015	703,625	575,158	6,786,465	8,065,248
At 31 December 2014	720,620	632,001	5,578,450	6,931,071

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

12. TANGIBLE FIXED ASSETS - continued

Company

The net book amount of motor vehicles, plant and equipment includes £6,121,797 (2014 - £4,707,080) in respect of assets held under finance leases and hire purchase contracts.

Freehold properties are included at cost less depreciation.

13. FIXED ASSET INVESTMENTS

Group

Unlisted
investments
£

COST

At 1 January 2015

and 31 December 2015

5,000

NET BOOK VALUE

At 31 December 2015

5,000

At 31 December 2014

5,000

Company

Shares in
group
undertakings
£

Unlisted
investments
£

Totals
£

COST

At 1 January 2015

and 31 December 2015

861,068

5,000

866,068

NET BOOK VALUE

At 31 December 2015

861,068

5,000

866,068

At 31 December 2014

861,068

5,000

866,068

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

SUBSIDIARIES

City Sightseeing Glasgow Limited

Nature of business: Dormant

Class of shares:

Ordinary

%
holding
100.00

Glasgow Citybus Limited

Nature of business: Dormant

Class of shares:

Ordinary

%
holding
100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

13. FIXED ASSET INVESTMENTS - continued

Oban and District Buses Limited

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Fairline Coaches Limited

Nature of business: Coach operators

Class of shares:	%
Ordinary	holding 100.00

14. STOCKS

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	£	£	£	£
Fuel stock	107,125	120,373	97,901	112,700

15. DEBTORS

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	480,291	686,579	365,191	498,380
Other debtors	105,855	51,502	102,037	49,685
Directors' loan accounts	-	50,000	-	50,000
Prepayments and accrued income	296,647	458,358	271,649	439,915
	<u>882,793</u>	<u>1,246,439</u>	<u>738,877</u>	<u>1,037,980</u>
Amounts falling due after more than one year:				
Trade debtors	61,559	62,294	61,559	62,294
Directors' loan accounts	-	118,017	-	118,017
	<u>61,559</u>	<u>180,311</u>	<u>61,559</u>	<u>180,311</u>
Aggregate amounts	<u>944,352</u>	<u>1,426,750</u>	<u>800,436</u>	<u>1,218,291</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	£	£	£	£
Bank loans and overdrafts (see note 18)	19,589	18,973	-	-
Hire purchase contracts (see note 19)	1,761,973	1,413,507	1,605,786	1,306,904
Trade creditors	704,175	730,611	686,657	706,675
Amounts owed to group undertakings	-	-	217,563	133,514
Tax	126,484	296,118	85,262	221,108
Social security and other taxes	142,538	146,513	132,752	138,723
Other creditors	100,946	145,594	100,946	145,594
Directors' loan accounts	215,227	-	215,227	-
Accrued expenses	273,791	360,109	251,334	332,385
Deferred grants	18,022	18,022	18,022	18,022
	<u>3,362,745</u>	<u>3,129,447</u>	<u>3,313,549</u>	<u>3,002,925</u>

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

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	£	£	£	£
Bank loans (see note 18)	181,405	201,027	-	-
Hire purchase contracts (see note 19)	3,013,293	2,340,776	2,655,811	2,123,027
Deferred grants	39,048	57,070	39,048	57,070
	<u>3,233,746</u>	<u>2,598,873</u>	<u>2,694,859</u>	<u>2,180,097</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.12.15	31.12.14
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>19,589</u>	<u>18,973</u>
Amounts falling due between one and two years:		
Bank loans	<u>20,225</u>	<u>19,589</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>87,686</u>	<u>84,929</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>73,494</u>	<u>96,509</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.12.15	31.12.14
	£	£
Net obligations repayable:		
Within one year	1,761,973	1,413,507
Between one and five years	3,013,293	2,340,776
	<u>4,775,266</u>	<u>3,754,283</u>

Company

	Hire purchase contracts	
	31.12.15	31.12.14
	£	£
Net obligations repayable:		
Within one year	1,605,786	1,306,904
Between one and five years	2,655,811	2,123,027
	<u>4,261,597</u>	<u>3,429,931</u>

Company

	Non-cancellable operating leases	
	31.12.15	31.12.14
	£	£
Within one year	297,800	297,800
Between one and five years	674,197	971,997
	<u>971,997</u>	<u>1,269,797</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	£	£	£	£
Bank loans	200,994	220,000	-	-
Hire purchase contracts	<u>4,775,266</u>	<u>3,754,283</u>	<u>4,261,597</u>	<u>3,429,931</u>
	<u>4,976,260</u>	<u>3,974,283</u>	<u>4,261,597</u>	<u>3,429,931</u>

The bank loan is secured over freehold property, with interest at variable rates, and is repayable over equal instalments over ten years.

The hire and lease purchase creditors are secured over the assets to which they relate and carry interest at varying commercial rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

21. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
	£	£	£	£
Deferred tax	<u>253,642</u>	<u>170,042</u>	<u>180,543</u>	<u>77,943</u>
Group				
				Deferred tax
				£
Balance at 1 January 2015				170,042
Credit to Statement of Comprehensive Income during year				41,480
Decrease in s455 tax payable				<u>42,120</u>
Balance at 31 December 2015				<u>253,642</u>
Company				
				Deferred tax
				£
Balance at 1 January 2015				77,943
Credit to Statement of Comprehensive Income during year				60,480
Decrease in s455 tax repayable				<u>42,120</u>
Balance at 31 December 2015				<u>180,543</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.15	31.12.14
			£	£
2,624	Ordinary	£1	2,624	2,625
1	A Ordinary	£1	<u>1</u>	<u>-</u>
			<u>2,625</u>	<u>2,625</u>

23. RESERVES

Group			
	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 January 2015	5,240,255	875	5,241,130
Profit for the year	1,304,025	-	1,304,025
Dividends	<u>(526,192)</u>	<u>-</u>	<u>(526,192)</u>
At 31 December 2015	<u>6,018,088</u>	<u>875</u>	<u>6,018,963</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015

23. RESERVES - continued**Company**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2015	5,085,827	875	5,086,702
Profit for the year	1,317,567	-	1,317,567
Dividends	(526,192)	-	(526,192)
At 31 December 2015	<u>5,877,202</u>	<u>875</u>	<u>5,878,077</u>

24. PENSION COMMITMENTS

The group operates a defined contribution scheme for some of its employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At the balance sheet date unpaid contributions of £19,871 (2013 - £22,170) were due to the fund. The balances are included within other creditors and were fully paid in January 2015.

25. CAPITAL COMMITMENTS

	31.12.15 £	31.12.14 £
Contracted but not provided for in the financial statements	<u>2,302,870</u>	<u>1,355,620</u>

26. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

C R Craig
 Director

During the year dividends amounting to £452,880 (2014 - £50,400) were paid to C R Craig and the director made loan repayments to the company amounting to £383,244.

	31.12.15 £	31.12.14 £
Amount due (to)/from related party at the balance sheet date	<u>(215,227)</u>	<u>168,017</u>

27. POST BALANCE SHEET EVENTS

Since the balance sheet date, the company acquired the entire issued share capital of Perryman Buses Limited.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is C R Craig.

29. FIRST YEAR ADOPTION

Prior to 1 January 2014 the group prepared its financial statements under previously extant UK GAAP. From 1 January 2014, the group has elected to present its annual financial statements in accordance with FRS 102 and the Companies Act 2006. The comparative figures in respect of the 2014 financial statements have been restated to reflect the group's adoption of FRS 102 from the date of transition at 1 January 2014.

TRANSITIONAL RELIEF

On transition to FRS 102, the group has taken advantage of the following transitional relief:

- not to apply the requirements of Section 19 Business Combinations and Goodwill;
- to measure investment in subsidiaries, associates and joint ventures at cost determined in accordance with Section 9 Consolidated and Separate Financial Statements, Section 14 Investments in Associates or Section 15 Investments in Joint Ventures.

RECONCILIATION OF EQUITY

1 JANUARY 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		400,000	-	400,000
Tangible assets		7,771,218	-	7,771,218
		<u>8,171,218</u>	<u>-</u>	<u>8,171,218</u>
CURRENT ASSETS				
Stocks		95,641	-	95,641
Debtors		957,141	-	957,141
Cash at bank and in hand		1,410,629	-	1,410,629
		<u>2,463,411</u>	<u>-</u>	<u>2,463,411</u>
CREDITORS				
Amounts falling due within one year	1	(3,031,447)	(122,000)	(3,153,447)
NET CURRENT LIABILITIES		<u>(568,036)</u>	<u>(122,000)</u>	<u>(690,036)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,603,182	(122,000)	7,481,182
CREDITORS				
Amounts falling due after more than one year		(2,814,586)	-	(2,814,586)
PROVISIONS FOR LIABILITIES	3	(215,196)	22,883	(192,313)
NET ASSETS		<u>4,573,400</u>	<u>(99,117)</u>	<u>4,474,283</u>
CAPITAL AND RESERVES				
Called up share capital		2,625	-	2,625
Capital redemption reserve		875	-	875
Retained earnings	1	4,569,900	(99,117)	4,470,783
SHAREHOLDERS' FUNDS		<u>4,573,400</u>	<u>(99,117)</u>	<u>4,474,283</u>

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		180,000	-	180,000
Tangible assets		8,162,029	-	8,162,029
Investments		5,000	-	5,000
		<u>8,347,029</u>	<u>-</u>	<u>8,347,029</u>
CURRENT ASSETS				
Stocks		120,373	-	120,373
Debtors		1,426,750	-	1,426,750
Cash at bank and in hand		1,247,965	-	1,247,965
		<u>2,795,088</u>	<u>-</u>	<u>2,795,088</u>
CREDITORS				
Amounts falling due within one year	1	(2,991,947)	(137,500)	(3,129,447)
NET CURRENT LIABILITIES				
		<u>(196,859)</u>	<u>(137,500)</u>	<u>(334,359)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		8,150,170	(137,500)	8,012,670
CREDITORS				
Amounts falling due after more than one year		(2,598,873)	-	(2,598,873)
PROVISIONS FOR LIABILITIES				
	3	(192,925)	22,883	(170,042)
NET ASSETS				
		<u>5,358,372</u>	<u>(114,617)</u>	<u>5,243,755</u>
CAPITAL AND RESERVES				
Called up share capital		2,625	-	2,625
Capital redemption reserve		875	-	875
Retained earnings	1	5,354,872	(114,617)	5,240,255
SHAREHOLDERS' FUNDS				
		<u>5,358,372</u>	<u>(114,617)</u>	<u>5,243,755</u>

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2014

Notes to the reconciliation of equity

1. Holiday pay accrual

Under UK GAAP provisions for holiday pay accruals were not recognised and holiday pay was charged to the profit and loss account as it was paid. FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received.

This has resulted in the company recognising a liability for holiday pay of £122,000 on transition to FRS 102. In the year to 31 December 2014 an additional charge of £15,500 was recognised in the profit and loss account and the liability to 31 December 2014 was £126,000.

2. Statement of cash flows

Under UK GAAP, cash flows were presented separately for operating activities, returns on investment and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid and financing.

Under FRS 102, cash flows are required to be shown separately for three categories only, namely, operating, investing and financing. Additionally the cash flow statement reconciles to cash and cash equivalents whereas under previous UK GAAP the cash flow statement reconciled to cash. Cash and cash equivalents are defined in FRS 102 as "cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value" whereas cash is defined in FRS 1 as "cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand.

3. Deferred tax

Deferred tax of £22,883 has been recognised on the holiday pay accrual liability recognised on transition at 1 January 2014.

CRAIG OF CAMPBELTOWN LIMITED (REGISTERED NUMBER: SC033868)

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER		16,399,516	-	16,399,516
Cost of sales	1	(13,029,329)	(15,500)	(13,044,829)
GROSS PROFIT		3,370,187	(15,500)	3,354,687
Administrative expenses		(2,002,453)	-	(2,002,453)
OPERATING PROFIT		1,367,734	(15,500)	1,352,234
Interest receivable and similar income		6,364	-	6,364
Interest payable and similar charges		(158,107)	-	(158,107)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,215,991	(15,500)	1,200,491
Tax on profit on ordinary activities		(279,819)	-	(279,819)
PROFIT FOR THE FINANCIAL YEAR		936,172	(15,500)	920,672
Profit attributable to: Owners of the parent		936,172	(15,500)	920,672

Notes to the reconciliation of profit or loss

1. Holiday pay accrual

Under UK GAAP provisions for holiday pay accruals were not recognised and holiday pay was charged to the profit and loss account as it was paid. FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received.

This has resulted in the company recognising a liability for holiday pay of £122,000 on transition to FRS 102. In the year to 31 December 2014 an additional charge of £15,500 was recognised in the profit and loss account and the liability to 31 December 2014 was £126,000.

The notes form part of these financial statements