

**CRAIG OF CAMPBELTOWN LIMITED**  
**GROUP STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**CRAIG OF CAMPBELTOWN LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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**CRAIG OF CAMPBELTOWN LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**DIRECTORS:**

C R Craig  
N J Morrison

**SECRETARY:**

J M Craig

**REGISTERED OFFICE:**

Benmhor  
Campbeltown  
Argyll  
PA28 6DN

**REGISTERED NUMBER:**

SC033868 (Scotland)

**INDEPENDENT AUDITORS:**

Milne Craig  
Chartered Accountants  
Statutory Auditor  
Abercorn House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

## **CRAIG OF CAMPBELTOWN LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their strategic report of the company and the group for the year ended 31 December 2017.

#### **REVIEW OF BUSINESS**

Throughout 2017 the group has continued working to enhance local and long distance services, and to improve fleet quality, in co-operation with Local Authorities, Regional Transport Partnerships and major customers, whilst further consolidating its private hire and commercial tour activities, and spreading its geographical dependency by acquiring a quality bus and coaching firm.

2018 will see further significant investment in fleet and personnel and, where opportunities arise, route coverage. Continuing uncertainties over fuel prices, funding of concessionary travel and Bus Service Operators Grant schemes, along with potential cutbacks in local Authority budgets are all expected to contribute to another challenging year.

The results for the year are set out in the financial statements. The Directors' consider the profit achieved on ordinary trading activities before taxation to be satisfactory and that the group has sufficient resources to meet its forecast requirements in 2018.

#### **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.

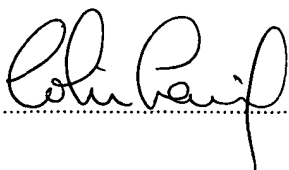
#### **FINANCIAL INSTRUMENTS**

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:**



.....  
Director

Date: 12/9/18 .....

## **CRAIG OF CAMPBELTOWN LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

#### **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, Fairline Coaches and Borders Buses.

#### **DIVIDENDS**

During the year, the company paid dividends of £179,028 (2016: £116,052). No further Dividend is recommended for this year.

#### **DIRECTORS**

C R Craig has held office during the whole of the period from 1 January 2017 to the date of this report.

Other changes in directors holding office are as follows:

N J Morrison - appointed 24 January 2017

#### **POLITICAL DONATIONS AND EXPENDITURE**

The group made charitable donations totalling £12,510 (2016 - £12,000) during the year.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**CRAIG OF CAMPBELTOWN LIMITED**


**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**AUDITORS**

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
J.M. Craig - Secretary

Date: 12/9/18 .....

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

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### **Opinion**

We have audited the financial statements of Craig of Campbeltown Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

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### Matters on which we are required to report by exception

In the light of the 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 or the Report of the Directors.

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

- adequate accounting records have not been kept, 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.

### Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Shona Malcolm BAcc CA (Senior Statutory Auditor)

for and on behalf of Milne Craig

Chartered Accountants

Statutory Auditor

Abercorn House

79 Renfrew Road

Paisley

Renfrewshire

PA3 4DA

Date: 12/9/18



**CRAIG OF CAMPBELTOWN LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>TURNOVER</b>	4	26,327,944	21,466,793
Cost of sales		21,688,931	16,599,012
<b>GROSS PROFIT</b>		4,639,013	4,867,781
Administrative expenses		2,871,062	2,426,471
		1,767,951	2,441,310
Other operating income		14,330	7,806
<b>OPERATING PROFIT</b>	6	1,782,281	2,449,116
Interest receivable and similar income		1,402	8,231
		1,783,683	2,457,347
Interest payable and similar expenses	7	252,474	274,222
<b>PROFIT BEFORE TAXATION</b>		1,531,209	2,183,125
Tax on profit	8	285,589	481,865
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,245,620	1,701,260
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		1,245,620	1,701,260
Profit attributable to: Owners of the parent		1,245,620	1,701,260
Total comprehensive income attributable to: Owners of the parent		1,245,620	1,701,260

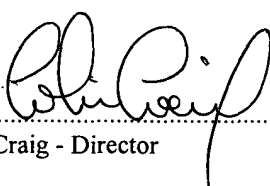
The notes form part of these financial statements

**CRAIG OF CAMPBELTOWN LIMITED (REGISTERED NUMBER: SC033868)**

**CONSOLIDATED BALANCE SHEET  
31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	11	554,228	591,422
Tangible assets	12	16,921,097	13,763,901
Investments	13	5,000	5,000
		<u>17,480,325</u>	<u>14,360,323</u>
<b>CURRENT ASSETS</b>			
Stocks	14	233,206	214,729
Debtors	15	1,476,480	1,224,902
Cash at bank and in hand		1,944,438	2,101,069
		<u>3,654,124</u>	<u>3,540,700</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	<u>5,663,325</u>	<u>4,773,104</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,009,201)</u>	<u>(1,232,404)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,471,124</u>	<u>13,127,919</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(6,326,762)	(4,959,323)
<b>PROVISIONS FOR LIABILITIES</b>	21	<u>(470,974)</u>	<u>(561,800)</u>
<b>NET ASSETS</b>		<u><u>8,673,388</u></u>	<u><u>7,606,796</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	2,625	2,625
Capital redemption reserve	23	875	875
Retained earnings	23	8,669,888	7,603,296
<b>SHAREHOLDERS' FUNDS</b>		<u><u>8,673,388</u></u>	<u><u>7,606,796</u></u>

The financial statements were approved by the Board of Directors on 12/9/18 and were signed on its behalf by:

  
C R Craig - Director

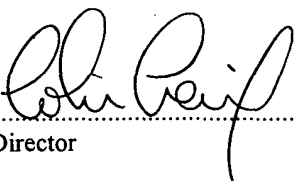
The notes form part of these financial statements

**CRAIG OF CAMPBELTOWN LIMITED (REGISTERED NUMBER: SC033868)**

**COMPANY BALANCE SHEET  
31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	11	-	-
Tangible assets	12	8,064,879	8,570,847
Investments	13	2,775,126	2,775,126
		<u>10,840,005</u>	<u>11,345,973</u>
<b>CURRENT ASSETS</b>			
Stocks	14	120,260	114,625
Debtors	15	1,609,511	792,805
Cash at bank		1,868,644	1,976,948
		<u>3,598,415</u>	<u>2,884,378</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	3,282,126	3,544,591
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>316,289</u>	<u>(660,213)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>11,156,294</u>	<u>10,685,760</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(2,576,363)	(3,034,976)
<b>PROVISIONS FOR LIABILITIES</b>	21	(111,783)	(213,933)
<b>NET ASSETS</b>		<u>8,468,148</u>	<u>7,436,851</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	2,625	2,625
Capital redemption reserve	23	875	875
Retained earnings	23	8,464,648	7,433,351
<b>SHAREHOLDERS' FUNDS</b>		<u>8,468,148</u>	<u>7,436,851</u>
Company's profit for the financial year		<u>1,210,325</u>	<u>1,672,201</u>

The financial statements were approved by the Board of Directors on 12/9/18 and were signed on its behalf by:

  
C R Craig - Director

The notes form part of these financial statements

**CRAIG OF CAMPBELTOWN LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2016</b>	2,625	6,018,088	875	6,021,588
<b>Changes in equity</b>				
Dividends	-	(116,052)	-	(116,052)
Total comprehensive income	-	1,701,260	-	1,701,260
<b>Balance at 31 December 2016</b>	2,625	7,603,296	875	7,606,796
<b>Changes in equity</b>				
Dividends	-	(179,028)	-	(179,028)
Total comprehensive income	-	1,245,620	-	1,245,620
<b>Balance at 31 December 2017</b>	2,625	8,669,888	875	8,673,388

The notes form part of these financial statements

**CRAIG OF CAMPBELTOWN LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2016</b>	2,625	5,877,202	875	5,880,702
<b>Changes in equity</b>				
Dividends	-	(116,052)	-	(116,052)
Total comprehensive income	-	1,672,201	-	1,672,201
<b>Balance at 31 December 2016</b>	<u>2,625</u>	<u>7,433,351</u>	<u>875</u>	<u>7,436,851</u>
<b>Changes in equity</b>				
Dividends	-	(179,028)	-	(179,028)
Total comprehensive income	-	1,210,325	-	1,210,325
<b>Balance at 31 December 2017</b>	<u>2,625</u>	<u>8,464,648</u>	<u>875</u>	<u>8,468,148</u>

The notes form part of these financial statements

**CRAIG OF CAMPBELTOWN LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	5,530,020	4,931,234
Interest paid		(7,531)	(34,054)
Interest element of hire purchase payments paid		(244,943)	(240,168)
Tax paid		(532,489)	(238,945)
Net cash from operating activities		<u>4,745,057</u>	<u>4,418,067</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(30,000)	-
Purchase of tangible fixed assets		(6,806,706)	(5,254,825)
Purchase of fixed asset investments		-	(2,140,701)
Sale of tangible fixed assets		251,812	1,577,467
Interest received		1,402	407,217
Net cash from investing activities		<u>(6,583,492)</u>	<u>(5,402,611)</u>
<b>Cash flows from financing activities</b>			
New hire purchase and finance leases		5,160,958	3,779,943
Capital repayments in year		(3,492,144)	(2,814,367)
Amount withdrawn by directors		(134,731)	(4,651)
New bank loans received		350,000	-
Bank loan repayments		(23,251)	(19,646)
Equity dividends paid		(179,028)	(116,052)
Net cash from financing activities		<u>1,681,804</u>	<u>825,227</u>
<b>Decrease in cash and cash equivalents</b>		<u>(156,631)</u>	<u>(159,317)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	2,101,069	2,260,386
<b>Cash and cash equivalents at end of year</b>	2	<u><u>1,944,438</u></u>	<u><u>2,101,069</u></u>

The notes form part of these financial statements

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	2017	2016
	£	£
Profit before taxation	1,531,209	2,183,125
Depreciation charges	3,533,829	2,903,810
Profit on disposal of fixed assets	(50,915)	(351,072)
Government grants	(18,022)	(18,022)
Finance costs	252,474	274,222
Finance income	(1,402)	(8,231)
	<u>5,247,173</u>	<u>4,983,832</u>
Increase in stocks	(18,477)	(37,383)
Increase in trade and other debtors	(251,578)	(62,400)
Increase in trade and other creditors	552,902	47,185
	<u>5,530,020</u>	<u>4,931,234</u>
<b>Cash generated from operations</b>		

**2. CASH AND CASH EQUIVALENTS**

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

**Year ended 31 December 2017**

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>1,944,438</u>	<u>2,101,069</u>

**Year ended 31 December 2016**

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>2,101,069</u>	<u>2,260,386</u>

The notes form part of these financial statements

## **CRAIG OF CAMPBELTOWN LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **1. STATUTORY INFORMATION**

Craig of Campbeltown Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

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

#### **2. STATEMENT OF COMPLIANCE**

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.

#### **3. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

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

##### **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.

##### **Intangible assets**

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017

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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
Short leasehold	- over the term of the lease
Plant and machinery	- 10% to 50% of net book value or cost, 15% to 33% of net book value or cost and at variable rates on straight line
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.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Current and deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**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.

## CRAIG OF CAMPBELTOWN LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

#### 3. ACCOUNTING POLICIES - continued

##### 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.

##### 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. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	11,134,446	8,754,497
Social security costs	964,044	732,873
Other pension costs	204,829	135,801
	<u>12,303,319</u>	<u>9,623,171</u>

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

	2017	2016
Office and Administration Staff	37	35
Drivers, Mechanics and Support Staff	482	393
	<u>519</u>	<u>428</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 194 (2016 - 108).

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**5. EMPLOYEES AND DIRECTORS - continued**

	2017	2016
	£	£
Directors' remuneration	114,089	26,120
Directors' pension contributions to money purchase schemes	23,454	9,000

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

	2017	2016
Money purchase schemes	2	1

**6. OPERATING PROFIT**

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

	2017	2016
	£	£
Hire of plant and machinery	156,993	18,534
Other operating leases	401,725	379,547
Depreciation - owned assets	909,275	876,675
Depreciation - assets on hire purchase contracts	2,539,338	1,856,619
Profit on disposal of fixed assets	(50,915)	(351,072)
Goodwill amortisation	67,194	170,516
Auditors' remuneration	28,075	28,075

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017	2016
	£	£
Bank loan interest	7,531	5,978
Other interest payable	-	28,076
Hire purchase	244,943	240,168
	252,474	274,222

# CRAIG OF CAMPBELTOWN LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

### 8. TAXATION

#### Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	402,838	479,153
Under provision in prior years	(26,423)	(2,082)
Total current tax	376,415	477,071
Deferred tax	(90,826)	4,794
Tax on profit	285,589	481,865

#### Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	1,531,209	2,183,125
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	294,758	436,625
Effects of:		
Expenses not deductible for tax purposes	11,275	3,379
Depreciation in excess of capital allowances	71,974	39,149
Adjustments to tax charge in respect of previous periods	(13,058)	(2,082)
Deferred tax	(75,817)	4,794
Reconciling items	(3,543)	-
Total tax charge	285,589	481,865

### 9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

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.

### 10. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Final	179,028	116,052

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**11. INTANGIBLE FIXED ASSETS**

**Group**

Goodwill  
£

**COST**

At 1 January 2017

1,805,118

Additions

30,000

At 31 December 2017

1,835,118

**AMORTISATION**

At 1 January 2017

1,213,696

Amortisation for year

67,194

At 31 December 2017

1,280,890

**NET BOOK VALUE**

At 31 December 2017

554,228

At 31 December 2016

591,422

**Company**

Goodwill  
£

**COST**

At 1 January 2017  
and 31 December 2017

843,180

**AMORTISATION**

At 1 January 2017  
and 31 December 2017

843,180

**NET BOOK VALUE**

At 31 December 2017

-

At 31 December 2016

-

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**12. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold property £</b>	<b>Short leasehold £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>					
At 1 January 2017	1,173,312	116,310	2,284,185	27,528,364	31,102,171
Additions	433,888	-	247,932	6,124,886	6,806,706
Disposals	-	-	(170,784)	(1,074,484)	(1,245,268)
At 31 December 2017	1,607,200	116,310	2,361,333	32,578,766	36,663,609
<b>DEPRECIATION</b>					
At 1 January 2017	189,692	45,618	1,354,720	15,748,240	17,338,270
Charge for year	32,828	16,279	265,809	3,133,697	3,448,613
Eliminated on disposal	-	-	(66,172)	(978,199)	(1,044,371)
At 31 December 2017	222,520	61,897	1,554,357	17,903,738	19,742,512
<b>NET BOOK VALUE</b>					
At 31 December 2017	1,384,680	54,413	806,976	14,675,028	16,921,097
At 31 December 2016	983,620	70,692	929,465	11,780,124	13,763,901

The net book amount of motor vehicles, plant and equipment includes £9,440,073 (2016 - £9,880,405) in respect of assets held under finance leases and hire purchase contracts.

Freehold properties are included at cost less depreciation.

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**12. TANGIBLE FIXED ASSETS - continued**

<b>Company</b>	<b>Freehold property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 January 2017	849,799	1,643,560	19,114,730	21,608,089
Additions	433,888	40,562	1,246,345	1,720,795
Disposals	-	(170,784)	(678,012)	(848,796)
At 31 December 2017	1,283,687	1,513,338	19,683,063	22,480,088
<b>DEPRECIATION</b>				
At 1 January 2017	163,169	1,071,001	11,803,072	13,037,242
Charge for year	19,887	115,699	1,965,717	2,101,303
Eliminated on disposal	-	(66,172)	(657,164)	(723,336)
At 31 December 2017	183,056	1,120,528	13,111,625	14,415,209
<b>NET BOOK VALUE</b>				
At 31 December 2017	1,100,631	392,810	6,571,438	8,064,879
At 31 December 2016	686,630	572,559	7,311,658	8,570,847

The net book amount of motor vehicles, plant and equipment includes £5,685,683 (2016: £6,156,084) in respect of assets held under finance leases and hire purchase contracts.

Freehold properties are included at cost less depreciation.

**13. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Unlisted investments £</b>
<b>COST</b>	
At 1 January 2017 and 31 December 2017	5,000
<b>NET BOOK VALUE</b>	
At 31 December 2017	5,000
At 31 December 2016	5,000

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**13. FIXED ASSET INVESTMENTS - continued**

<b>Company</b>	<b>Shares in group undertakings £</b>	<b>Unlisted investments £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 January 2017 and 31 December 2017	<u>3,001,769</u>	<u>5,000</u>	<u>3,006,769</u>
<b>PROVISIONS</b>			
At 1 January 2017 and 31 December 2017	<u>231,643</u>	<u>-</u>	<u>231,643</u>
<b>NET BOOK VALUE</b>			
At 31 December 2017	<u>2,770,126</u>	<u>5,000</u>	<u>2,775,126</u>
At 31 December 2016	<u>2,770,126</u>	<u>5,000</u>	<u>2,775,126</u>

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**

Registered office:

Nature of business: Dormant

Class of shares:

Ordinary

%  
holding  
100.00

**Glasgow Citybus Limited**

Registered office:

Nature of business: Dormant

Class of shares:

Ordinary

%  
holding  
100.00

**Oban and District Buses Limited**

Registered office:

Nature of business: Dormant

Class of shares:

Ordinary

%  
holding  
100.00

**Fairline Coaches Limited**

Registered office:

Nature of business: Coach operators

Class of shares:

Ordinary

%  
holding  
100.00



**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**13. FIXED ASSET INVESTMENTS - continued**

**Borders Buses Ltd**

Registered office:

Nature of business: Passenger Transport

Class of shares:	%
Ordinary	holding 100.00

**14. STOCKS**

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Fuel stock	<u>233,206</u>	<u>214,729</u>	<u>120,260</u>	<u>114,625</u>

**15. DEBTORS**

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	777,912	658,568	393,973	360,531
Amounts owed by group undertakings	-	-	779,605	-
Other debtors	173,954	126,952	160,928	105,431
Prepayments and accrued income	<u>390,548</u>	<u>307,111</u>	<u>215,939</u>	<u>269,572</u>
	<u>1,342,414</u>	<u>1,092,631</u>	<u>1,550,445</u>	<u>735,534</u>
Amounts falling due after more than one year:				
Trade debtors	59,066	57,271	59,066	57,271
Amounts owed by group undertakings	<u>75,000</u>	<u>75,000</u>	-	-
	<u>134,066</u>	<u>132,271</u>	<u>59,066</u>	<u>57,271</u>
Aggregate amounts	<u>1,476,480</u>	<u>1,224,902</u>	<u>1,609,511</u>	<u>792,805</u>

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 18)	50,906	20,314	30,130	-
Hire purchase contracts (see note 19)	3,195,481	2,615,971	1,561,840	1,712,265
Trade creditors	1,137,214	879,068	849,731	722,214
Amounts owed to group undertakings	75,000	75,000	-	153,820
Tax	200,341	356,415	202,805	258,476
Social security and other taxes	297,299	186,679	170,073	135,938
Other creditors	22,338	19,129	22,338	19,129
Directors' loan accounts	75,845	210,576	75,845	210,576
Accrued expenses	590,879	391,930	351,342	314,151
Deferred grants	18,022	18,022	18,022	18,022
	<u>5,663,325</u>	<u>4,773,104</u>	<u>3,282,126</u>	<u>3,544,591</u>

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

	<b>Group</b>		<b>Company</b>	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 18)	457,191	161,034	314,848	-
Hire purchase contracts (see note 19)	5,866,567	4,777,263	2,258,511	3,013,950
Deferred grants	3,004	21,026	3,004	21,026
	<u>6,326,762</u>	<u>4,959,323</u>	<u>2,576,363</u>	<u>3,034,976</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>50,906</u>	<u>20,314</u>	<u>30,130</u>	<u>-</u>
Amounts falling due between one and two years:				
Bank loans	<u>51,600</u>	<u>20,932</u>	<u>30,130</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>159,106</u>	<u>66,695</u>	<u>90,390</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>246,485</u>	<u>73,407</u>	<u>194,328</u>	<u>-</u>

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**19. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	3,195,481	2,615,971
Between one and five years	5,866,567	4,777,263
	<u>9,062,048</u>	<u>7,393,234</u>

**Company**

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	1,561,840	1,712,265
Between one and five years	2,258,511	3,013,950
	<u>3,820,351</u>	<u>4,726,215</u>

**Group**

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	2,972,969	-
Between one and five years	5,415,349	341,327
In more than five years	-	666,670
	<u>8,388,318</u>	<u>1,007,997</u>

**Company**

	Non-cancellable operating leases	
	2017	2016
	£	£
Between one and five years	74,427	305,327
In more than five years	555,270	666,670
	<u>629,697</u>	<u>971,997</u>

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	508,097	181,348	-	-
Hire purchase contracts	9,062,048	7,393,234	3,820,351	4,726,215
	<u>9,570,145</u>	<u>7,574,582</u>	<u>3,820,351</u>	<u>4,726,215</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.

**21. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	2017	2016	2017	2016
	£	£	£	£
Deferred tax	<u>470,974</u>	<u>561,800</u>	<u>111,783</u>	<u>213,933</u>

**Group**

	Deferred tax £
Balance at 1 January 2017	561,800
Credit to Statement of Comprehensive Income during year	(90,826)
Balance at 31 December 2017	<u>470,974</u>

**Company**

	Deferred tax £
Balance at 1 January 2017	213,933
Credit to Statement of Comprehensive Income during year	(102,150)
Balance at 31 December 2017	<u>111,783</u>

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**22. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
2,624	Ordinary	£1	2,624	2,624
1	A Ordinary	£1	1	1
			<u>2,625</u>	<u>2,625</u>

**23. RESERVES**

**Group**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2017	7,603,296	875	7,604,171
Profit for the year	1,245,620	-	1,245,620
Dividends	(179,028)	-	(179,028)
At 31 December 2017	<u>8,669,888</u>	<u>875</u>	<u>8,670,763</u>

**Company**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2017	7,433,351	875	7,434,226
Profit for the year	1,210,325	-	1,210,325
Dividends	(179,028)	-	(179,028)
At 31 December 2017	<u>8,464,648</u>	<u>875</u>	<u>8,465,523</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 £51,236 (2016 - £22,073) were due to the fund. The balances are included within other creditors and were fully paid in January 2018.

**CRAIG OF CAMPBELTOWN LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**25. 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.

During the year dividends amounting to £148,692 (2016 - £116,052) were paid to C R Craig. At the balance sheet date, a balance of £75,845 (2016 - £210,576) was payable to C R Craig.

**26. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is C R Craig.