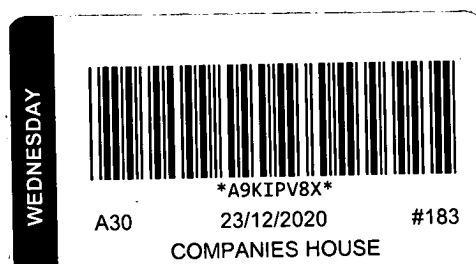


REGISTERED NUMBER: 06445349 (England and Wales)

Companies House

BORDERS BUSES LTD
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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BORDERS BUSES LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTOR:	Colin Robert Craig
SECRETARY:	Colin Robert Craig
REGISTERED OFFICE:	North Road Industrial Estate North Road Berwick Upon Tweed Northumberland TD15 1UN
REGISTERED NUMBER:	06445349 (England and Wales)
INDEPENDENT AUDITORS :	Milne Craig Chartered accountants Statutory auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
BANKERS:	Bank of Scotland 61 Hide Hill Berwick Upon Tweed Northumberland TD15 1EN

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The director presents his strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

Throughout 2019 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.

2020 will see further significant investment in fleet and personnel and, where opportunities arise, route coverage. Continuing uncertainties over operating costs and key lines of income 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 result achieved on ordinary trading activities before taxation to be satisfactory and that the group has sufficient resources to meet its forecast requirements in 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks affecting the company 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 company is exposed.

On the 24 March 2020, Scotland entered lockdown in response to the COVID-19 pandemic. In line with the Scottish Government edicts, the company suspended certain services and reduced services in other areas on this date and made use of the various governments support schemes which were available to companies in the transport industry. The company is following the relevant government guidance and will keep the situation under constant review.

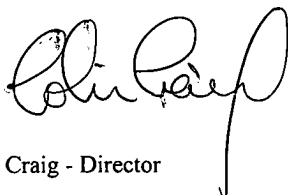
FINANCIAL INSTRUMENTS

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

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

- a) In respect of bank balances, the liquidity risk is managed by maintaining balances and effective use of available resources.
- b) 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.
- c) Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts as they fall due.

ON BEHALF OF THE BOARD:



Colin Robert Craig - Director

10 October 2020

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2019**

The director presents his report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of passenger transport.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

DIRECTOR

Colin Robert Craig held office during the whole of the period from 1 January 2019 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and 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 company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



Colin Robert Craig - Director

10 October 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BORDERS BUSES LTD

Opinion

We have audited the financial statements of Borders Buses Ltd (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BORDERS BUSES LTD

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 Director.

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

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

Responsibilities of director

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, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Kirsty Mackie 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

10 December 2020

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
TURNOVER	4	9,952,572	9,645,773
Cost of sales		<u>(8,970,999)</u>	<u>(8,576,333)</u>
GROSS PROFIT		981,573	1,069,440
Administrative expenses		<u>(1,145,892)</u>	<u>(772,579)</u>
		(164,319)	296,861
Other operating income		<u>1,813</u>	<u>20,669</u>
OPERATING (LOSS)/PROFIT		(162,506)	317,530
Interest payable and similar expenses	6	<u>(90,656)</u>	<u>(94,946)</u>
(LOSS)/PROFIT BEFORE TAXATION	7	(253,162)	222,584
Tax on (loss)/profit	8	<u>206,673</u>	<u>(14,113)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(46,489)</u></u>	<u><u>208,471</u></u>

The notes form part of these financial statements

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
(LOSS)/PROFIT FOR THE YEAR		(46,489)	208,471
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u><u>(46,489)</u></u>	<u><u>208,471</u></u>

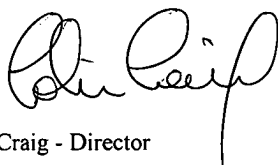
The notes form part of these financial statements

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**BALANCE SHEET
31 DECEMBER 2019**

	Notes	2019	2018
		£	£
FIXED ASSETS			
Intangible assets	9	16,667	20,000
Tangible assets	10	166,277	6,749,433
		<u>182,944</u>	<u>6,769,433</u>
CURRENT ASSETS			
Stocks	11	126,827	115,503
Debtors	12	2,496,194	495,510
Cash at bank and in hand		142,973	88,989
		<u>2,765,994</u>	<u>700,002</u>
CREDITORS			
Amounts falling due within one year	13	890,288	2,922,059
NET CURRENT ASSETS/(LIABILITIES)		<u>1,875,706</u>	<u>(2,222,057)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,058,650	4,547,376
CREDITORS			
Amounts falling due after more than one year	14	-	(2,183,589)
PROVISIONS FOR LIABILITIES	18	(22,695)	(281,343)
NET ASSETS		<u><u>2,035,955</u></u>	<u><u>2,082,444</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	10,000	10,000
Retained earnings	20	2,025,955	2,072,444
SHAREHOLDERS' FUNDS		<u><u>2,035,955</u></u>	<u><u>2,082,444</u></u>

The financial statements were approved by the director and authorised for issue on 10 October 2020 and were signed by:



Colin Robert Craig - Director

The notes form part of these financial statements

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	10,000	1,863,973	1,873,973
Changes in equity			
Total comprehensive income	-	208,471	208,471
Balance at 31 December 2018	10,000	2,072,444	2,082,444
Changes in equity			
Total comprehensive loss	-	(46,489)	(46,489)
Balance at 31 December 2019	10,000	2,025,955	2,035,955

The notes form part of these financial statements

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. STATUTORY INFORMATION

Borders Buses Limited is a private company, limited by shares, registered in England. The Company's registered number is 06445349 and registered office address is North Road Industrial Estate, North Road, Berwick Upon Tweed, Northumberland, TD15 1UN.

The nature of the Company's operations and its principal activities in the year under review was that of passenger transport.

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.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. ACCOUNTING POLICIES - continued

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Consideration is given to the point at which the Company is entitled to receive the income, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

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

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

The company'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 years.

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.

- | | |
|---------------------|--|
| Short leasehold | - in accordance with the property |
| Plant and machinery | - 15% to 50% of net book value or cost |
| Motor vehicles | - 10% to 50% 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.

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. ACCOUNTING POLICIES - continued

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

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

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. ACCOUNTING POLICIES - continued

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

4. TURNOVER

The turnover and loss (2018 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019 £	2018 £
Fares and contracts	9,952,572	9,645,773
	<u>9,952,572</u>	<u>9,645,773</u>

5. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	4,667,908	4,503,387
Social security costs	395,998	414,515
Other pension costs	106,778	97,036
	<u>5,170,684</u>	<u>5,014,938</u>

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. EMPLOYEES AND DIRECTORS - continued

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

	2019	2018
Office and administration staff	5	7
Drivers, mechanics and support staff	200	187
	<u>205</u>	<u>194</u>

	2019 £	2018 £
Director's remuneration	<u>-</u>	<u>-</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Hire purchase	<u>90,656</u>	<u>94,946</u>

7. (LOSS)/PROFIT BEFORE TAXATION

The loss (2018 - profit) is stated after charging/(crediting):

	2019 £	2018 £
Hire of motor vehicles	10,356	20,423
Other operating leases	143,475	158,400
Depreciation - owned assets	469,780	493,872
Depreciation - assets on hire purchase contracts	701,727	650,076
(Profit)/loss on disposal of fixed assets	(3,772)	2,125
Goodwill amortisation	13,333	13,136
Auditors remuneration	<u>4,500</u>	<u>4,500</u>

8. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	51,975	54,131
Deferred tax	<u>(258,648)</u>	<u>(40,018)</u>
Tax on (loss)/profit	<u>(206,673)</u>	<u>14,113</u>

UK corporation tax has been charged at 19% (2018 - 19%).

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. TAXATION - continued

Reconciliation of total tax (credit)/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:

	2019 £	2018 £
(Loss)/profit before tax	<u>(253,162)</u>	<u>222,584</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(48,101)	42,291
Effects of:		
Expenses not deductible for tax purposes	4,021	4,921
Adjustments to tax charge in respect of previous periods	-	(33,826)
Deferred tax rate changes	33,100	727
Deferred tax		
Group relief claimed	<u>(195,693)</u>	<u>-</u>
Total tax (credit)/charge	<u><u>(206,673)</u></u>	<u><u>14,113</u></u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2019	218,064
Additions	<u>10,000</u>
At 31 December 2019	<u>228,064</u>
AMORTISATION	
At 1 January 2019	198,064
Amortisation for year	<u>13,333</u>
At 31 December 2019	<u>211,397</u>
NET BOOK VALUE	
At 31 December 2019	<u>16,667</u>
At 31 December 2018	<u><u>20,000</u></u>

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2019	116,310	603,068	10,915,775	11,635,153
Additions	-	26,550	1,381,446	1,407,996
Disposals	-	-	(629,550)	(629,550)
Impairments	-	-	(372,654)	(372,654)
Reclassification/transfer	-	-	(11,237,753)	(11,237,753)
At 31 December 2019	116,310	629,618	57,264	803,192
DEPRECIATION				
At 1 January 2019	74,663	413,197	4,397,860	4,885,720
Charge for year	7,828	109,500	1,054,179	1,171,507
Eliminated on disposal	-	-	(144,572)	(144,572)
Reclassification/transfer	-	-	(5,275,740)	(5,275,740)
At 31 December 2019	82,491	522,697	31,727	636,915
NET BOOK VALUE				
At 31 December 2019	33,819	106,921	25,537	166,277
At 31 December 2018	41,647	189,871	6,517,915	6,749,433

The net book value of tangible fixed assets includes £0 (2018 - £5,000,206) in respect of assets held under hire purchase contracts.

11. STOCKS

	2019 £	2018 £
Fuel and parts stock	126,827	115,503

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	279,467	357,934
Amounts owed by group undertakings	2,073,692	-
Other debtors	1,650	2,752
Prepayments and accrued income	141,385	134,824
	2,496,194	495,510

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Hire purchase contracts (see note 15)	-	1,237,987
Trade creditors	450,918	447,133
Amounts owed to group undertakings	-	831,163
Corporation tax	52,166	24,158
Social security and other taxes	121,863	117,637
Accrued expenses	238,566	263,981
Deferred government grants	26,775	-
	<u>890,288</u>	<u>2,922,059</u>

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

	2019	2018
	£	£
Hire purchase contracts (see note 15)	-	2,183,589
	<u>-</u>	<u>2,183,589</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	-	1,237,987
Between one and five years	-	2,183,589
	<u>-</u>	<u>3,421,576</u>

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	70,700	83,200
Between one and five years	206,950	237,100
In more than five years	111,000	148,000
	<u>388,650</u>	<u>468,300</u>

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Hire purchase contracts	<u>-</u>	<u>3,421,576</u>

Hire purchase contracts are secured over the assets to which they relate.

17. FINANCIAL INSTRUMENTS

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

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>2,765,994</u>	<u>700,002</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>890,288</u>	<u>5,105,648</u>

18. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax	<u>22,695</u>	<u>281,343</u>
		Deferred tax £
Balance at 1 January 2019		281,343
Credit to Income Statement during year		<u>(258,648)</u>
Balance at 31 December 2019		<u>22,695</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

BORDERS BUSES LTD (REGISTERED NUMBER: 06445349)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. RESERVES

	Retained earnings £
At 1 January 2019	2,072,444
Deficit for the year	(46,489)
	<hr/>
At 31 December 2019	2,025,955
	<hr/>

Retained earnings

Includes all current and prior year retained profits and losses less dividends.

21. PENSION COMMITMENTS

The company operates a defined contribution scheme for some of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date unpaid contributions of £26,021 (2018 - £20,113) were due to the fund. The balances are included within other creditors and were fully paid in January 2020.

22. ULTIMATE PARENT COMPANY

The parent undertaking is Craig of Campbeltown Limited, a company registered in Scotland which has its registered office at Benmhor, Saddell Street, Campbeltown, Argyll.

23. 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.

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £nil (2018 - £nil).

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is C R Craig by virtue of his shareholding in the parent company.