

REGISTERED NUMBER: SC095682 (Scotland)

Companies House

**FAIRLINE COACHES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



COMPANIES HOUSE  
**21 DEC 2020**  
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**FAIRLINE COACHES LIMITED**

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

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Balance Sheet</b>	<b>2</b>
<b>Notes to the Financial Statements</b>	<b>3 to 10</b>

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**FAIRLINE COACHES LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

<b>DIRECTOR:</b>	Colin Robert Craig
<b>SECRETARY:</b>	Colin Robert Craig
<b>REGISTERED OFFICE:</b>	Benmhor Campbeltown Argyll PA28 6DN
<b>REGISTERED NUMBER:</b>	SC095682 (Scotland)
<b>INDEPENDENT AUDITORS :</b>	Milne Craig Chartered accountants Statutory auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA

**FAIRLINE COACHES LIMITED (REGISTERED NUMBER: SC095682)**

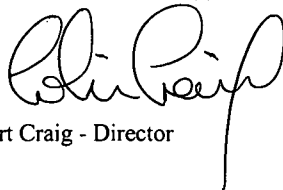
**BALANCE SHEET  
31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Intangible assets	5	38,832	90,556
Tangible assets	6	-	1,344,993
		<u>38,832</u>	<u>1,435,549</u>
<b>CURRENT ASSETS</b>			
Stocks	7	27,375	29,373
Debtors	8	259,403	179,867
Cash at bank and in hand		31,251	38,728
		<u>318,029</u>	<u>247,968</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	63,382	549,920
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>254,647</u>	<u>(301,952)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>293,479</u>	<u>1,133,597</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	-	(572,222)
<b>PROVISIONS FOR LIABILITIES</b>	12	-	(15,535)
<b>NET ASSETS</b>		<u><u>293,479</u></u>	<u><u>545,840</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		10,000	10,000
Capital redemption reserve		10,000	10,000
Retained earnings		273,479	525,840
<b>SHAREHOLDERS' FUNDS</b>		<u><u>293,479</u></u>	<u><u>545,840</u></u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

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



Colin Robert Craig - Director

The notes form part of these financial statements

## **FAIRLINE COACHES LIMITED**

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

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

Fairline Coaches Limited is a private company, limited by shares, registered in Scotland. The Company's registered number is SC095682 and registered office address is Benmhor, Campbeltown, Argyll, PA28 6DN.

The company is principally engaged in the operation of coaches in Glasgow and West of Scotland areas.

#### **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" including the provisions of Section 1A "Small Entities" 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.

##### **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.

## FAIRLINE COACHES LIMITED

### 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 coach hire, passenger fares and local authority and regional transport partnership contracts for the provision of passenger services. All revenue is recognised as and when it is due in respect of the services provided or performed.

##### **Rental income**

Rental income is included in the profit and loss account in the period which it falls due.

##### **Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2018, is being amortised evenly over its estimated useful life of 29 months.

##### **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.

##### **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% - 50% straight line              |
| 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.

**FAIRLINE COACHES LIMITED**

**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.

## **FAIRLINE COACHES LIMITED**

### **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.



# FAIRLINE COACHES LIMITED

## 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. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 24 (2018 - 25).

### 5. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 January 2019	
and 31 December 2019	125,000
<b>AMORTISATION</b>	
At 1 January 2019	34,444
Charge for year	51,724
At 31 December 2019	86,168
<b>NET BOOK VALUE</b>	
At 31 December 2019	38,832
At 31 December 2018	90,556

**FAIRLINE COACHES LIMITED**

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

**6. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2019	323,513	227,301	2,098,651	2,649,465
Additions	-	1,200	767,003	768,203
Disposals	-	(9,283)	(257,483)	(266,766)
Reclassification/transfer	(323,513)	(219,218)	(2,608,171)	(3,150,902)
At 31 December 2019	-	-	-	-
<b>DEPRECIATION</b>				
At 1 January 2019	52,405	151,131	1,100,936	1,304,472
Charge for year	12,941	36,787	260,331	310,059
Eliminated on disposal	-	(9,283)	(257,483)	(266,766)
Reclassification/transfer	(65,346)	(178,635)	(1,103,784)	(1,347,765)
At 31 December 2019	-	-	-	-
<b>NET BOOK VALUE</b>				
At 31 December 2019	-	-	-	-
At 31 December 2018	271,108	76,170	997,715	1,344,993

The net book value of tangible fixed assets includes £0 (2018 - £945,227) in respect of assets held under hire purchase contracts.

**7. STOCKS**

	2019 £	2018 £
Finished goods	27,375	29,373

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade debtors	102,200	107,834
Amounts owed by group undertakings	97,205	-
Other debtors	2,846	59,729
Prepayments and accrued income	57,152	12,304
	259,403	179,867

**FAIRLINE COACHES LIMITED**

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

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

	2019	2018
	£	£
Bank loans and overdrafts	-	21,402
Hire purchase contracts	-	252,195
Trade creditors	32,780	25,065
Amounts owed to group undertakings	-	115,047
Corporation tax	1	40,709
Social security and other taxes	8,096	9,677
Accrued expenses	22,505	85,825
	<u>63,382</u>	<u>549,920</u>

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

	2019	2018
	£	£
Bank loans - 1-2 years	-	22,152
Bank loans - 2-5 years	-	71,225
Bank loans	-	25,402
Hire purchase contracts	-	453,443
	<u>-</u>	<u>572,222</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans	-	25,402
	<u>-</u>	<u>25,402</u>

**11. SECURED DEBTS**

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank loans	-	140,181
Hire purchase contracts	-	705,638
	<u>-</u>	<u>845,819</u>

**12. PROVISIONS FOR LIABILITIES**

	2019	2018
	£	£
Deferred tax	-	15,535
	<u>-</u>	<u>15,535</u>

**FAIRLINE COACHES LIMITED**

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

**12. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 January 2019	15,535
Credit to Statement of Income and Retained Earnings during year	(15,535)
	<hr/>
Balance at 31 December 2019	-
	<hr/> <hr/>

**13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Kirsty Mackie BAcc CA (Senior Statutory Auditor)  
for and on behalf of Milne Craig

**14. 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 £1,525 (2018 - £1,098) were due to the fund. The balances are included within other creditors and were fully paid in January 2020.

**15. 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.

**16. ULTIMATE CONTROLLING PARTY**

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