

BORDERS BUSES LTD
FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023

Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

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FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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BORDERS BUSES LTD
COMPANY INFORMATION
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023

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)**BALANCE SHEET
31 MARCH 2023**

	Notes	2023 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	5		1		2
Tangible assets	6		<u>514,236</u>		<u>373,513</u>
			514,237		373,515
CURRENT ASSETS					
Stocks	7	88,608		126,118	
Debtors	8	1,047,749		3,001,748	
Cash at bank and in hand		<u>479,725</u>		<u>323,029</u>	
		1,616,082		3,450,895	
CREDITORS					
Amounts falling due within one year	9	<u>805,807</u>		<u>929,900</u>	
NET CURRENT ASSETS			<u>810,275</u>		<u>2,520,995</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,324,512		2,894,510
PROVISIONS FOR LIABILITIES	13		<u>121,861</u>		<u>83,730</u>
NET ASSETS			<u>1,202,651</u>		<u>2,810,780</u>
CAPITAL AND RESERVES					
Called up share capital	14		10,000		10,000
Retained earnings	15		<u>1,192,651</u>		<u>2,800,780</u>
SHAREHOLDERS' FUNDS			<u>1,202,651</u>		<u>2,810,780</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 30 October 2023 and were signed by:

Colin Robert Craig - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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" 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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.

- | | |
|---------------------|--|
| Short leasehold | - in accordance with the property |
| Plant and machinery | - 15% to 50% of net book value or cost |
| Motor vehicles | - 4-10% straight line |

Government grants

Government grants received in relation to the Covid 19 pandemic have been recognised in the period to which the related revenue expenditure has been incurred. The company has benefited from the Coronavirus Job Retention Scheme and Covid-19 Support Grant - Restart amounting to £3,586,033 (2021 - £2,661,145).

Stocks

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

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

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023

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 period was 184 (2021 - 245) .

5. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2022	
and 31 March 2023	<u>228,064</u>
AMORTISATION	
At 1 January 2022	228,062
Amortisation for period	<u>1</u>
At 31 March 2023	<u>228,063</u>
NET BOOK VALUE	
At 31 March 2023	<u>1</u>
At 31 December 2021	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023

6. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2022	116,310	673,131	344,379	1,133,820
Additions	-	271,093	-	271,093
Disposals	-	(8,728)	-	(8,728)
At 31 March 2023	<u>116,310</u>	<u>935,496</u>	<u>344,379</u>	<u>1,396,185</u>
DEPRECIATION				
At 1 January 2022	98,148	593,728	68,431	760,307
Charge for period	9,785	60,845	59,388	130,018
Eliminated on disposal	-	(8,376)	-	(8,376)
At 31 March 2023	<u>107,933</u>	<u>646,197</u>	<u>127,819</u>	<u>881,949</u>
NET BOOK VALUE				
At 31 March 2023	<u>8,377</u>	<u>289,299</u>	<u>216,560</u>	<u>514,236</u>
At 31 December 2021	<u>18,162</u>	<u>79,403</u>	<u>275,948</u>	<u>373,513</u>

7. STOCKS

	2023 £	2021 £
Fuel and parts stock	<u>88,608</u>	<u>126,118</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2021 £
Trade debtors	543,454	394,157
Amounts owed by group undertakings	380,130	2,224,989
Other debtors	10,692	5,818
Prepayments and accrued income	<u>113,473</u>	<u>376,784</u>
	<u>1,047,749</u>	<u>3,001,748</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2021 £
Trade creditors	455,630	158,908
Social security and other taxes	95,920	177,870
Accrued expenses	247,957	578,947
Deferred government grants	<u>6,300</u>	<u>14,175</u>
	<u>805,807</u>	<u>929,900</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2021
	£	£
Within one year	45,633	56,100
Between one and five years	153,533	-
In more than five years	-	222,000
	<u>199,166</u>	<u>278,100</u>

11. SECURED DEBTS

Bank loans are secured over debentures granted by Borders Buses Ltd over the entire assets held by the company.

12. FINANCIAL INSTRUMENTS

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

	2023	2021
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,923,584	2,619,146
Cash and cash equivalents	<u>479,725</u>	<u>323,029</u>
	<u>3,516,782</u>	<u>2,942,175</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>455,630</u>	<u>158,908</u>

13. PROVISIONS FOR LIABILITIES

	2023	2021
	£	£
Deferred tax	<u>121,861</u>	<u>83,730</u>
		Deferred tax
		£
Balance at 1 January 2022		83,730
Originating and reversal of timing differences		<u>38,131</u>
Balance at 31 March 2023		<u>121,861</u>

Deferred taxation provided for in the financial statements is set out below:

	2023	2021
	£	£
Accelerated capital allowances	124,566	86,415
Other timing differences	<u>(2,705)</u>	<u>(2,685)</u>
	<u>121,861</u>	<u>83,730</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 31 MARCH 2023**

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2021 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

15. RESERVES

	Retained earnings £
At 1 January 2022	2,800,780
Profit for the period	391,871
Dividends	<u>(2,000,000)</u>
At 31 March 2023	<u>1,192,651</u>

Retained earnings

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

16. 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

17. CONTINGENT LIABILITIES

An all monies Debenture has been granted by Borders Buses Limited over the whole assets of the company, in favour of Bank of Scotland.

18. 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 £141,972 (2021 - £157,755).

19. ULTIMATE CONTROLLING PARTY

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.