

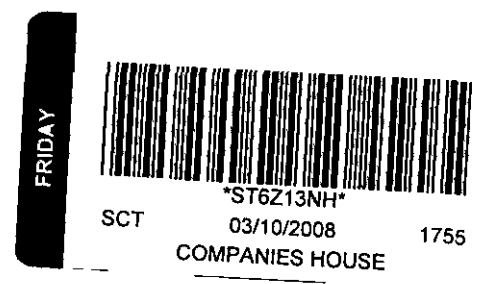


NorthLink Ferries Limited

**Directors' report and financial
statements**

Registered number (SC027370)

31 March 2008



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2008

Principal activities

The principal activity of the company during the year was the operation of ferry services to Orkney and Shetland. These are designated as lifeline ferry services for which the company is in receipt of Grant income from the Scottish Ministers under a Public Service Contract. The current contract commenced on 6 July 2006 and runs until 30 June 2012.

Business review

The profit and loss account on page 5 presents a profit for the year after taxation of £947,000. The results for the year reflect a full year of trading compared to the previous period which ran from 6 July 2006 to 31 March 2007. The company was dormant prior to 6 July 2006.

The directors consider that it has been a successful year of operation.

The company receives a contract grant from the Scottish Government to operate the Northern Isles services, and has operated within the grant received for the period to 31 March 2008.

The operating performance of the ferry service is monitored by the Scottish Government under the terms of the contract for the provision of the lifeline service against measures for reliability and punctuality (allowing for weather and safety related disruptions), the availability of on board services, services at the port terminals, and the welfare of livestock carried. During the year to 31 March 2008, the company achieved reliability and punctuality levels of 99.9% and 98.9% respectively, and a 100% record was achieved on the other targets.

Revenue during the year was higher than anticipated, due in part to growth in some activities but also as the impact of the Highlands and Islands Air Discount Scheme has not been as significant as anticipated.

The company is committed to high standards of animal welfare in the transport of animals for farmers and crofters in the Northern Isles. To this end, the company, with the support of the Scottish Government has been constructing new lairage facilities in Aberdeen, and working with local industry representatives to design new livestock transport containers.

The Company has continued to develop the inbound tour groups operations along with local tourism business operators. Increased travel is booked for the summer of 2008 and a very positive forward order book has also been developed for 2009.

On 24 April 2008, Northlink (Crewing) Guernsey Limited was incorporated. This company is a wholly owned subsidiary of Northlink Ferries Limited and will provide crewing services. The company will commence trading on 1 July 2008.

Charitable donations

The company made no charitable or political donations during the period. However the company continues the practice of the previous operator in supporting a wide range of local organisations through travel related sponsorship. During the year the value of travel related sponsorship was £56,000 (nine months from July 2006 to March 2007 £42,000).

Directors' report (continued)

Proposed dividend

The directors do not recommend the payment of a dividend

Directors

The directors who held office during the year were as follows

AM Lynch
Dr HH Mills CB
WL Sinclair
Prof PK Timms CBE
Dr R Sinclair (appointed 8 May 2008)

Employees

The company is a non discriminatory employer operating an Equal Opportunities Policy which aims to eliminate unfair discrimination, harassment, victimisation and bullying. The company is committed to ensuring that all individuals are treated fairly, with respect and are valued irrespective of disability, race, gender, sexual preference, marital status, nationality, religion, employment status, age or membership or non membership of a trade union.

Creditors

It is the policy of the company to pay its suppliers within contractual and invoiced terms.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to re appoint KPMG LLP as auditors of all companies within the David MacBrayne Group will be put to the members at the David MacBrayne Limited Annual General Meeting.

By order of the board


Prof PK Timms
Chairman

Holmsgarth Terminal
Holmsgarth Road
Lerwick
ZE1 0PR

30 June 2008

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions



37 Albyn Place
Aberdeen
AB10 1JB
United Kingdom

Independent auditors' report to the members of NorthLink Ferries Limited

We have audited the financial statements of NorthLink Ferries Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

30 June 2008

Profit and loss account
 for the year ended 31 March 2008

| | <i>Note</i> | 2008 £000 | 2007 £000 |
|--|-------------|----------------------|----------------------|
| Turnover | 2 | 49,832 | 36,756 |
| Cost of sales | | (45,639) | (32,595) |
| | | <hr/> | <hr/> |
| Gross profit | | 4,193 | 4,161 |
| Administrative expenses | | (3,458) | (3,352) |
| | | <hr/> | <hr/> |
| Operating profit | | 735 | 809 |
| Interest receivable and similar income | 6 | 358 | 152 |
| Interest payable and similar charges | 7 | (141) | (108) |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | 3 5 | 952 | 853 |
| Tax on profit on ordinary activities | 8 | (5) | (6) |
| | | <hr/> | <hr/> |
| Profit for the financial year | 18 | 947 | 847 |
| | | <hr/> | <hr/> |

All results are derived from continuing operations

There were no recognised gains or losses other than the results for the financial years reported above

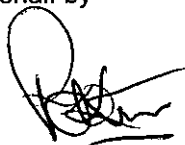
The comparative period relates to trading for the nine month period from 6 July 2006 to 31 March 2007

Balance sheet

at 31 March 2008

| | Note | 2008 £000 | 2007 £000 |
|---|------|--------------|--------------|
| Fixed assets | | | |
| Tangible assets | 9 | 3,277 | 1,397 |
| Intangible assets | 10 | 333 | 402 |
| | | <u>3,610</u> | <u>1,799</u> |
| Current assets | | | |
| Stocks | 11 | 624 | 387 |
| Debtors | 12 | 2,138 | 1,737 |
| Cash at bank and in hand | | 5,252 | 5,620 |
| | | <u>8,014</u> | <u>7,744</u> |
| Creditors amounts falling due within one year | 13 | (5,476) | (4,873) |
| Net current assets | | <u>2,538</u> | <u>2,871</u> |
| Total assets less current liabilities | | <u>6,148</u> | <u>4,670</u> |
| Creditors amounts falling due after more than one year | 14 | (1,000) | (2,200) |
| Provisions for liabilities | 15 | (400) | (400) |
| Accruals and deferred income | 16 | (2,880) | (1,149) |
| Net assets | | <u>1,868</u> | <u>921</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 74 | 74 |
| Profit and loss account | 18 | 1,794 | 847 |
| Shareholders' funds | 19 | <u>1,868</u> | <u>921</u> |

These financial statements were approved by the board of directors on 30 June 2008 and were signed on its behalf by



Prof PK Timms
Chairman

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of David MacBrayne Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of David MacBrayne Limited, within which this company is included, can be obtained from the address given in note 23

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Grant funded assets

The company purchases certain assets for which it receives a grant equal to the purchase price from the Scottish Ministers These grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate

Maintenance and repair costs

Routine maintenance and repair costs, as well as vessel overhaul costs, are charged to the profit and loss account in the financial year in which the work is performed Repairs to meet statutory or classification requirements are met by the vessel owners and recharged to the operator by increased charter hire charges Where any Group company is involved in providing ferry services under contract, at contract end, independent vessel surveys are carried out to establish the work required The agreed dilapidation costs are charged to profit and loss account at the end of the contract period

Post retirement benefits

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in independently administered funds The amount charged to the profit and loss account represents the contributions payable by the company to the scheme in respect of the accounting year

Stocks

Stocks are stated at the lower of cost and net realisable value In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads

Notes (continued)

1 Accounting policies (continued)

Taxation

The company has elected into the Tonnage Tax regime available to shipping organisations. Tonnage tax is levied wholly on the net tonnage of the vessels operated by the company. Accordingly, the amount of tonnage tax payable is not affected by the amount of accounting profits or losses.

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Intangible fixed assets and amortisation

Intangible assets include purchased goodwill and bid costs.

Purchased goodwill is capitalised at cost and amortised over the expected useful life. Bid costs represent costs incurred under the Northern Isles ferry services tender and these costs are amortised over the period of the contract, being 6 years.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| | |
|---------------------|-----------------------|
| Buildings | 20 years |
| Vessels | 8 years |
| Plant and equipment | 3 years |
| Computer equipment | between 3 and 6 years |

Classification of financial instruments issued by the Company

Financial instruments issued by the company are treated as equity (ie forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

2 Analysis of turnover

Turnover represents the amount (excluding value added tax) derived from the operation of ferry services and also includes grant income received from the Scottish Government. Transportation income is recognised at point of departure and all other income is recognised at point of sale of the goods or services.

Analysis of turnover

| | 2008 £000 | 2007 £000 |
|-----------------------------|---------------|---------------|
| Operation of ferry services | 21,777 | 14,863 |
| Grant income | 27,986 | 21,808 |
| Sundry income | 69 | 85 |
| | <u>49,832</u> | <u>36,756</u> |

3 Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging (crediting)

| | 2008 £000 | 2007 £000 |
|--|--------------|--------------|
| Amortisation of intangible assets | 69 | 411 |
| Depreciation written off tangible fixed assets | 455 | 224 |
| Amortisation of capital grants | (279) | (170) |
| Operating lease rentals | 34 | 13 |
| plant | | |
| property | 621 | 537 |
| vessels | 9,459 | 8,537 |
| | <u>2008</u> | <u>2007</u> |
| | <u>£000</u> | <u>£000</u> |
| <i>Auditors' remuneration</i> | | |
| Audit of these financial statements | 30 | 30 |

Amounts receivable by the company's auditor in respect of services to the company other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, David MacBrayne Limited.

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

| | Number of employees | |
|-------------------------------|---------------------|-----------|
| | 2008 | 2007 |
| Management and administration | 23 | 24 |
| Operations | 31 | 29 |
| | <u>54</u> | <u>53</u> |

The aggregate payroll costs of these persons were as follows

| | 2008 £000 | 2007 £000 |
|-------------------------|--------------|--------------|
| Wages and salaries | 1,227 | 849 |
| Social security costs | 115 | 75 |
| Pension costs (note 21) | 24 | 13 |
| | <u>1,366</u> | <u>937</u> |

5 Remuneration of directors

One of the directors received remuneration for services to the company during the year. This amounted to £10,500 (2007: *£nil*)

6 Interest receivable and similar income

| | 2008 £000 | 2007 £000 |
|--------------------------|--------------|--------------|
| Bank interest receivable | <u>358</u> | <u>152</u> |

7 Interest payable and similar charges

| | 2008 £000 | 2007 £000 |
|---------------------------------------|--------------|--------------|
| Amounts payable to group undertakings | <u>141</u> | <u>108</u> |

8 Taxation

Analysis of charge for year

| | 2008 £000 | 2007 £000 |
|--|--------------|--------------|
| <i>UK corporation tax</i> | | |
| Current tax on income for the year being total current tax | <u>5</u> | <u>6</u> |
| Tax on profit on ordinary activities | <u>5</u> | <u>6</u> |

Notes (continued)

8 Taxation (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than (2007 lower than) the standard rate of corporation tax in the UK, 30% (2007 30%). The differences are explained below

| | 2008 £000 | 2007 £000 |
|--|--------------|--------------|
| <i>Current tax reconciliation</i> | | |
| Profit on ordinary activities before tax | 952 | 853 |
| | <hr/> | <hr/> |
| Current tax at 30% | 286 | 256 |
| | <hr/> | <hr/> |
| <i>Effects of</i> | | |
| Tonnage tax | (281) | (250) |
| | <hr/> | <hr/> |
| Total current tax charge (see above) | 5 | 6 |
| | <hr/> | <hr/> |

Factors affecting future tax charges

The company has elected into the Tonnage Tax regime available to shipping organisations, and has been under that regime for the total period of trading this financial year. The company will continue to be under the Tonnage Tax regime for the foreseeable future, and there are no other taxation charges for the current year. Tonnage tax is levied wholly on the net tonnage of the vessels operated by the company. Accordingly, the amount of tonnage tax payable is not affected by the amount of accounting profits or losses.

9 Tangible fixed assets

| | Assets under construction £000 | Vessels £000 | Plant and equipment £000 | Computer equipment £000 | Total £000 |
|-----------------------|--------------------------------------|-----------------|--------------------------------|-------------------------------|---------------|
| <i>Cost</i> | | | | | |
| As at 1 April 2007 | 371 | 442 | 597 | 211 | 1,621 |
| Additions | 1,976 | | 341 | 21 | 2,338 |
| Disposals | | | (1) | (4) | (5) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| As at 31 March 2008 | 2,347 | 442 | 937 | 228 | 3,954 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Depreciation</i> | | | | | |
| As at 1 April 2007 | | 43 | 149 | 32 | 224 |
| Depreciation charge | | 115 | 269 | 71 | 455 |
| Disposals | | | | (2) | (2) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| As at 31 March 2008 | | 158 | 418 | 101 | 677 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | | | |
| As at 31 March 2008 | 2,347 | 284 | 519 | 127 | 3,277 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| As at 1 April 2007 | 371 | 399 | 448 | 179 | 1,397 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Included in the gross book value of assets under construction is £1,956,000 in respect of new lairage facilities and £391,000 in respect of a new reservations system.

Notes (continued)

10 Intangible assets

| | Purchased goodwill £000 | Bid costs £000 | Total £000 |
|-----------------------|-------------------------------|----------------------|---------------|
| <i>Cost</i> | | | |
| As at 1 April 2007 | 350 | 463 | 813 |
| Additions | | | |
| As at 31 March 2008 | 350 | 463 | 813 |
| <i>Amortisation</i> | | | |
| As at 1 April 2007 | 350 | 61 | 411 |
| Charge for year | | 69 | 69 |
| As at 31 March 2008 | 350 | 130 | 480 |
| <i>Net book value</i> | | | |
| As at 31 March 2008 | | 333 | 333 |
| As at 1 April 2007 | | 402 | 402 |

Bid costs represent bid costs incurred under the Northern Isles ferry services tender. These costs are amortised over the 6 year period of the contract.

11 Stocks

| | 2008 £000 | 2007 £000 |
|-------------------------------------|--------------|--------------|
| On board fuel stocks | 450 | 244 |
| Finished goods and goods for resale | 174 | 143 |
| | 624 | 387 |

12 Debtors

| | 2008 £000 | 2007 £000 |
|-------------------------------|--------------|--------------|
| Trade debtors | 1,216 | 1,058 |
| Other debtors and prepayments | 922 | 679 |
| | 2,138 | 1,737 |

Included within trade debtors is £18,000 (2007 £13,000) owed from the Scottish Government.

Included within other debtors and prepayments is £nil (2007 £332,000) owed from the Scottish Government.

Notes (continued)

13 Creditors' amounts falling due within one year

| | 2008 £000 | 2007 £000 |
|------------------------------------|--------------|--------------|
| Trade creditors | 2,821 | 3,102 |
| Amounts owed to group undertakings | 293 | 271 |
| Deferred income | 1,066 | 1,351 |
| Other creditors and accruals | 1,296 | 149 |
| | <u>5,476</u> | <u>4,873</u> |

Included within other creditors and accruals is £137,000 (2007 *£nil*) owed to the Scottish Government

14 Creditors' amounts falling due after more than one year

| | 2008 £000 | 2007 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | <u>1,000</u> | <u>2,200</u> |

Amounts owed to group undertakings include a loan of £1,000,000

Interest is payable on this loan at a rate of 6% per annum

15 Provisions for liabilities

| | £000 |
|------------------------------|------------|
| At beginning and end of year | <u>400</u> |

The above provision is wholly in respect of employment related legal claims. The timing of payment for this provision is currently uncertain but is expected to be within the next five years.

16 Accruals and deferred income

| | Capital based grants £000 |
|----------------------|---------------------------------|
| At beginning of year | 1,149 |
| New grants in year | 2,010 |
| Amortisation | (279) |
| At end of year | <u>2,880</u> |

Notes (continued)

17 Called up share capital

| | 2008 £000 | 2007 £000 |
|---|--------------|--------------|
| Authorised, allotted, called up and fully paid | | |
| 74,496 ordinary shares of £1 each (classified in shareholders' funds) | 74 | 74 |

18 Profit and loss account

| | 2008 £000 |
|--|--------------|
| At beginning of year | 847 |
| Profit for the year being retained profit for the year | 947 |
| At end of year | 1,794 |

19 Reconciliation of movements in shareholders' funds

| | 2008 £000 | 2007 £000 |
|--|--------------|--------------|
| Profit for the financial year being net addition to shareholders' funds | 947 | 847 |
| Opening shareholders' funds | 921 | 74 |
| Closing shareholders' funds | 1,868 | 921 |

20 Commitments

Annual commitments under non cancellable operating leases are as follows

| | 2008 Land and buildings £000 | 2008 Vessels £000 | 2007 Land and buildings £000 | 2007 Vessels £000 |
|---|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
| Operating leases which expire 2 5 years | 658 | 9,548 | 7 | 9,593 |

21 Pension scheme

The company operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the company to the scheme and amounted to £24,000 (2007 £13,000)

Notes (continued)

22 Related party disclosures

The company is controlled by David MacBrayne Limited, its immediate parent company, which is in turn wholly owned by the Scottish Ministers. The company has taken advantage of the exemption contained in FRS 8 and has not disclosed transactions or balances with entities which form part of the group which is consolidated (note 23).

Details of transactions with the Scottish Ministers during the year and the amounts due as at 31 March 2008 are as follows:

| | Transactions during the year £000 | Amounts due from (to) at 31 March 2008 £000 |
|----------------------------|--|--|
| Grant Income | 27,986 | (285) |
| Capital grants | 2,010 | 148 |
| National concession scheme | 451 | 18 |
| | <hr/> | <hr/> |

23 Ultimate parent company

The company is a subsidiary undertaking of David MacBrayne Limited which is in turn wholly owned by the Scottish Ministers.

The largest group in which the results of the company are consolidated is that headed by David MacBrayne Limited. The consolidated accounts of this company are available to the public and may be obtained from The Ferry Terminal, Gourock. No other group accounts include the results of the company.

24 Post balance sheet event

On 24 April 2008, Northlink (Crewing) Guernsey Limited was incorporated. Northlink Ferries Limited owns 100% of the ordinary share capital and the cost of the investment was £2. The company will commence trading on 1 July 2008 and will provide crewing services.