DAVID MACBRAYNE HR (UK) LIMITED SC282760
DIRECTORS' REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

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Directors' Report

The Directors present their Directors' Report and financial statements for the year ended 31 March 2026.

Principal activity and business review

The principal activity of the Company is the provision of human resources, payroll and crewing services to the David MacBrayne Group of companies.

The Company made a profit before tax for the year of £39,000 (2025: £35,000). No dividend was paid in the year to the parent company David MacBrayne Limited (2025: £NIL).

Key areas of the performance and development of the business include best practices in relation to human resources strategy and policy and procedures to ensure compliance with relevant legislation.

The key performance indicator for the company is to achieve a small profit each financial year.

Directors and their interests

The Directors who held office during the year and up to the date of this report were as follows:

E Østergaard
D J Mackison

None of the Directors had any disclosable interest in the shares of the Company.

Financial instruments

The Company enters no complex financial instruments.

Disclosure of information to Auditor

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 auditor is 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 auditor is aware of that information.

Small Companies Act

The company has taken advantage of the exemptions available to small companies under the Companies Act 2006 and, accordingly, these financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Auditor

A resolution to re-appoint KPMG LLP as auditor of the Company will be put to the members at the Annual General Meeting.

On behalf of the Board



Erik Østergaard
Chairman
18 September 2026

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), including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Independent Auditor's Report to the members of David MacBrayne HR (UK) Limited

Opinion

We have audited the financial statements of David MacBrayne HR (UK) Limited ("the Company") for the year ended 31 March 2026 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (''fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet profit targets, our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that company management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenues consist entirely of routine, non-complex transactions which are subject to systematic processing and do not require significant judgements.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unrelated accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or loss of legal ability to operate. We identified the following areas as those most likely to have such an effect: health and safety and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 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.



Michael Wilkie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

319 St Vincent Street
Glasgow
G2 5AS

21 September 2026

Income Statement
for the year ended 31 March 2026

	Note	**2026 £000**	2025 £000
Revenue	2	**4,705**	3,988
Cost of sales		**(4,404)**	(3,185)
Gross profit		**301**	803
Administrative expenses		**(277)**	(791)
Operating profit		**24**	12
Interest receivable	3	**15**	23
Profit before taxation	3	**39**	35
Tax	5	**(19)**	(29)
Profit for the financial year		**20**	6

All results relate to continuing operations.

There has been no other comprehensive income for the year.

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position as at 31 March 2026

	Note	**2026 £000**	2025 £000
Current assets			
Debtors	6	**668**	750
Cash at bank and in hand		**551**	150
Deferred tax	7	**11**	11
		1,230	911
Liabilities			
Amounts falling due within one year	8	**(1,141)**	(842)
Net current assets		**89**	69
Capital and reserves			
Called up share capital	9	**-**	-
Retained Earnings		**69**	63
Profit and Loss		**20**	6
Shareholder's funds		**89**	69

These financial statements have been prepared in accordance with the provisions applicable to the small companies' regime and were approved by the Board of Directors on 1 September 2026 and signed on its behalf on 18 September 2026 by:



E Østergaard, Chairman



D J Mackison, Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity

	Called Up Share Capital £000	Profit and Loss Account £000	Total Equity £000
Balance at 1 April 2024	-	63	63
Total comprehensive income for the year			
Profit for the year	-	6	6
Total comprehensive income for the year	-	6	6
Balance at 31 March 2025	**-**	**69**	**69**

	Called Up Share Capital £000	Profit and Loss Account £000	Total Equity £000
Balance at 1 April 2025	-	69	69
Total comprehensive income for the year			
Profit for the year	-	20	20
Total comprehensive income for the year	-	20	20
Balance at 31 March 2026	**-**	**89**	**89**

The accompanying notes are an integral part of these financial statements.

Notes on the financial statements

1. Accounting policies

David MacBrayne HR (UK) Limited is a company incorporated and domiciled in the UK, with a registered address of The Ferry Terminal, Gourock, PA19 1QP.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:-

- A Cash Flow Statement and related notes
- Disclosure in respect of capital management
- The effects of new but not yet effective IFRSs
- Disclosures in respect of the compensation of key Management Personnel.

As the consolidated financial statements of David MacBrayne Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:-

- the disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided.

(a) Basis of preparation
These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 [("Adopted IFRSs")] but makes amendments where necessary in order to comply with Companies Act 2006 and has set out above where advantage of the FRS 101 disclosure exemptions has been taken.

Going concern

The company has recorded a profit after tax in the current financial year, and the company's balance sheet shows that it has net current assets of £89,000 as at 31 March 2026. The Directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

The principal activity of the wider Group, to which the Company provides human resources services, is the delivery of the Clyde and Hebrides Ferry Services (CHFS) contract through CalMac Ferries Limited (CFL). On 25 September 2025, the Group signed the 10.5-year Clyde & Hebrides Ferry Services Arrangement (CHFS3).

Having reviewed the Group's forecasts and liquidity projections, the Directors are satisfied that the Company will remain adequately funded and that the Group will continue to provide CHFS services for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

(b) Revenue
Accounting policy for revenue is described in note 2.

(c) Taxation
The charge for taxation is based upon the result for the year end, where appropriate, takes into account tax deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

(d) Pensions
The Company participates in the CalMac Pension Fund which provides benefits based on final pensionable salary.

Accordingly, as required by FRS 101: Retirement Benefits, the Company accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The Company also operates a stakeholder pension scheme for auto enrolment purposes.

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held with the bank.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity 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.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2. Revenue

The Company recognises revenue when it transfers control of service to the customer.

			2026 **£000**	2025 £000
Intra Group	-	management fees	**4,705**	3,988
			4,705	3,988

Revenue represents the net value of human resource services invoiced excluding VAT. There are no contract assets or liabilities associated with these contracts at the balance sheet date. Receivables are disclosed within note 6.

3. Profit before tax

The Profit is stated after charging/(crediting):

			2026 **£000**	2025 £000
Auditor's remuneration	-	audit of these financial statements	**43**	43
	-	other services relating to tax	**1**	7
	-	advisory	**-**	2
Agency staff costs	-		**16**	-
Interest receivable	-	bank	**(15)**	(23)

4. Employee information

Staff costs

The aggregate payroll costs were as follows:

	2026 **£000**	2025 £000
Wages and salaries	**2,178**	1,875
Social security costs	**309**	221
Other pension costs	**529**	550
	3,016	2,646

Employee numbers

The average number of persons employed by the Company during the year was 46 (2025: 42).

Directors' remuneration

The remuneration of directors that provided qualifying services to the Company is shown below. As these directors are remunerated for their work on David MacBrayne Limited Group, it has not been possible to apportion remuneration specifically in respect of services to this company.

	2026 **£000**	2025 £000
Directors' remuneration	**316**	368
Employer's Pension Contribution	-	31

The aggregated remuneration of the highest paid Director was £278,000 (2025: £222,000). All Directors of the company had their remuneration paid by another company within the David MacBrayne Limited group in both the current and previous year.

Number of Directors

	2026	2025
Retirement benefits are accruing to the following number of Directors under:		
Defined benefit schemes	**-**	-

5. Taxation

	2026 £000	2025 £000
Current tax		
UK corporation tax on profit for the period	**19**	22
Adjustments in respect of prior periods	**-**	9
Total current tax charge	**19**	31
Deferred tax		
Origination and reversal of temporary difference	**-**	(2)
Total deferred tax charge	**-**	(2)
Total tax charge	**19**	29

The tax charge on profit for the year varied from the standard rate of UK corporation tax as follows:

	2026 £000	2025 £000
Profit for the period before tax	**39**	35
UK corporation tax at statutory rate of 25% (2025: 25%)	**10**	9
Adjustments in respect of prior periods	-	9
Expenses not deductible for tax purposes	**9**	11
Total tax charge	**19**	29

6. Debtors

	2026 £000	2025 £000
Trade & Other Debtors	**668**	236
Amounts owed by group undertakings	**-**	514
	668	750

7. Deferred tax

The main components of deferred tax at 25% (2025: 25%) are:

	2026 £000	2025 £000
Short term temporary differences	**(11)**	(11)
Movement in provision:		
Provision at start of period	**(11)**	(9)
Deferred Tax charged in the income statement	**-**	(2)
Provision at the end of the period	**(11)**	(11)

8. Liabilities: amounts falling due within one year

	2026	2025
	£000	£000
Trade creditors	**561**	503
Audit & Tax Fees	**54**	48
PAYE	**150**	142
Other creditors and accruals	**76**	118
Amounts owed to group undertakings	**281**	-
Corporation tax	**19**	31
	1,141	842

9. Called up share capital

	2026	2025
	£000	£000
Allotted, called up and fully paid		
1 Ordinary Share of £1	**-**	-

The authorised share issue of the company is 1,000 Ordinary shares of £1 each

10. Pension arrangements

A large number of the Company's employees are members of the CalMac Pension Fund which is a multi-employer defined benefit scheme (the 'Scheme' or the 'CalMac Scheme'). The Company is a participating employer in the CalMac Scheme, which is operated by Caledonian Maritime Assets Limited ('CMAL'), a company also wholly owned by Scottish Ministers. As the Trustees of the CalMac Scheme are unable to identify the Company's share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis, and as CMAL is legally considered to be the sponsoring employer for the Scheme, and is responsible for any deficit repair obligations in relation to the Scheme, the Company is accounting for the Scheme in its financial statements as if the Scheme was a defined contribution scheme.

The latest full triennial actuarial valuation of the CalMac Scheme as at 6 April 2024, carried out by an independent actuary, showed that the scheme had liabilities of £252.9m, assets of £290.6m and, consequently, a surplus of £37.7m.

Under the Government's Pension Auto Enrolment legislation, employers must automatically enrol into a 'qualifying pension scheme' all qualifying employees not already in a pension scheme as well as all new starters. The legislation also dictates that those who have opted out must be reviewed and enrolled again every three years.

The Peoples Pension is the provider for a stakeholder pension scheme for auto enrolment purposes. New employees can still choose to opt out of this new scheme and enrol in the existing final salary scheme at appropriate times during the year. Employees can only be in one scheme at any given time.

11. Related party transactions

Under FRS 101, the Company is exempt from the requirement to disclose related party transactions with Group undertakings as it is a wholly owned subsidiary of a parent undertaking which prepares and publishes consolidated financial statements.

No other transactions with related parties were undertaken that are required to be disclosed under FRS 101.

12. Ultimate parent company

The Company is a wholly owned subsidiary of David MacBrayne Limited, which is wholly owned by the Scottish Ministers, who are regarded as the ultimate controlling party. The Group in which the Company's results are consolidated is that headed by David MacBrayne Limited, which is incorporated in the United Kingdom. No other Group financial statements include the Company's results.

The consolidated financial statements are available to the public and copies may be obtained from the parent company's registered office at the Ferry Terminal, Gourock, PA19 1QP and are also available on the parent Company's website.

Corporate information

Registered office	The Ferry Terminal Gourock PA19 1QP
Auditor	KPMG LLP
Solicitor	Pinsent Masons
Banker	The Royal Bank of Scotland plc
Principal insurer	The North of England Protecting & Indemnity Association
Website	Parent company: www.david-macbrayne.co.uk