CALMAC FERRIES LIMITED SC302282
STRATEGIC REPORT, DIRECTORS' REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Contents

Part A
Strategic Report

A1. Directors Report

This has been another challenging year for our service – one shaped by the realities of an ageing fleet and increasing maintenance costs. These pressures have tested the resilience of our operations and the commitment of our people. Yet, through focused effort and purposeful leadership, we have continued to deliver for our customers and communities while laying the foundations for a more sustainable and reliable future.

One of our main priorities this year was on securing the new Clyde & Hebrides Ferry Services contract from 1st October 2025 (commonly referred to as CHFS3), a critical milestone that underpins the continuity and future development of lifeline ferry services. To this end, we set out with clear objectives: enhance operational resilience, and improve the customer experience. We are pleased to report that progress against these aims has been encouraging and tangible across multiple areas of the business.

A major strategic initiative this year was the establishment of an Enhanced Engagement Model, designed to inject greater resilience and operational expertise at a local level. Central to this model was the creation of six newly defined regions, each led by area managers and deputy area managers, and embedded within local communities. This structural shift has not only improved day-to-day responsiveness but also deepened our relationships with the communities we serve – a cornerstone of effective, empathetic public service delivery. This model spearheads a reinvigorated approach to service delivery and customer operations and marks the start of a journey we expect will lead to us being 'best in class' in the maritime sector.

Plans to renew the fleet, owned by Caledonian Maritime Assets Ltd (CMAL), continued at pace. We welcomed the arrival of MV Glen Sannox, the first of six major vessels joining the fleet by early 2027. This brought increased capacity and reliability to Arran's service. We also bid a fond farewell to MV Hebridean Isles, acknowledging almost four decades of tremendous service across virtually the whole network. Looking ahead, we are excited to introduce more new vessels, including MV Isle of Islay and MV Loch Indaal in the coming year, which will further strengthen our network's resilience and capacity.

Meanwhile, the charter of MV Alfred proved to be a vital support during the prolonged unavailability of MV Caledonian Isles, which has been undergoing major repairs. This flexible approach – combining long-term fleet investment with tactical solutions that provide relief in the here and now – reflects our commitment to being responsive to meeting the needs of communities and customers in a difficult environment.

While operational challenges remain, so too does our determination. We are grateful for the continued patience and support of our customers and stakeholders, and we remain focused on delivering a service that is resilient, responsive, and fit for the future.

A2. Background

CalMac Ferries Limited is the UK's largest ferry operator, operating 35 vessels delivering services across 30 routes, to 55 ports and harbours as at 31 March 2025. We provide an everyday lifeline service to west coast communities, and for tourism, we play a critical role in enabling its development, which is hugely important for the area's economy.

A3. Strategic Priorities

CFL provides transport and infrastructure services to communities, supporting the Transport Scotland vision to provide sustainable, inclusive, safe and accessible transport systems which help deliver a **Healthier**, **Fairer** and more **Prosperous** Scotland for communities, businesses and visitors, while making a commercial return to our shareholder, the Scottish Ministers.

Our strategic priorities are:

- Be safe, always – safety in all we do;
- Be customer led – putting customers at the centre;
- Be a sustainable organisation – trusted to deliver through a sustainable operation and service;
- Be the best for our people – with people at the heart of what we do;
- Be socially and environmentally responsible – ensuring life and communities thrive.

CFL's key initiatives during 2024 to deliver this strategy are:

- Deliver CHFS 2 Contract Extension
- Enhance Operational Resilience
- Deliver Customer Service Excellence
- Put People First

Deliver CHFS Contract Extension

In 2024, we secured an extension of the Clyde and Hebrides Ferry Services (CHFS) contract until 30 September 2025. This enabled continued service delivery and supported development of an Enhancement and Change Plan (ECP) in collaboration with Transport Scotland. The ECP forms the foundation of our transformation programme, setting the stage for long-term service improvements and improved transparency.

Key achievements under the ECP include:

- Introduction of six regional areas led by dedicated management teams (Enhanced Engagement Model).
- Rollout of Regional Performance Scorecards.
- Enhanced community engagement and consultation.
- Improvements to the eBooking system, including deck space optimisation.
- Ongoing customer satisfaction tracking.
- Formation of integrated transport partnerships to improve journey connectivity.

One of our other priorities this year was to secure the new CHFS contract from 1 October 2025. The decision to directly award the contract to CalMac Ferries Ltd was announced by the Minister on 8 May 2025. This critical milestone underpins the continuity and future development of lifeline ferry services.

Enhance Operational Resilience

Introduction of new vessels to the fleet

Working closely with our vessel owners, CMAL, we successfully delivered MV Glen Sannox to passenger service between Troon and Brodick in January 2025, the first large vessel to join our fleet in over a decade. We've continued to work with CMAL and Ferguson Marine Port Glasgow to ensure a smooth initial few months in service. MV Glen Sannox's arrival marks the first of six major new vessels to join our fleet by 2027. This will see over half of our major fleet renewed, and in retaining other vessels we will have a permanent resilience vessel in the fleet in the near future.

We anticipate the delivery of MV Isle of Islay within the calendar year and MV Loch Indaal in early 2026, followed by MV Glen Rosa, MV Lochmor, and MV Claymore during 2026/27.

Additionally, our collaboration with CMAL has supported the Small Vessel Replacement Programme, with Phase 1 now awarded to a build yard and Phase 2 in active development. Between 2027 and 2029, seven new small vessels will join our fleet – meaning in total over a third of our fleet is renewed in the next four years, which will improve service reliability and reduce technical issues typical of an ageing fleet.

Improvements to Performance Reporting

Internal and external performance reporting saw substantial improvements this year. Internally, updates to our eBooking data marts have enhanced data accuracy and expanded accessibility via Power BI dashboards to frontline staff.

Externally, we increased transparency by publishing 29 Route Performance Reports, 6 Regional Reports, and 11 Island Performance Reports monthly, providing valuable insights into key service metrics. These are freely available on our website.

Improved Maintenance Management and Planning

A new Maintenance Change Management system was implemented to streamline New Vessel Maintenance Build planning. Adjustments in long-term yard contracts now reflect requirements for vessel introductions. We introduced a critical supplier audit framework, enhancing our quality management partnerships and ensuring stronger preventative maintenance planning.

Condition Assessment Programme

We continued to develop the Condition Assessment Programme, delivering enhanced surveys to evaluate age-related degradation. This proactive approach informs our preventative maintenance plans and reduces unplanned vessel downtime. Procurement of a Vibration Analysis Solution is underway to improve mechanical equipment monitoring.

Safety

We embedded Fleet Management and Harbour Standards across operations, reinforcing our commitment to safety. Improved internal investigation capabilities have allowed us to manage complex safety incidents effectively, with external expertise brought in where necessary.

Deliver Customer Service Excellence

eBooking and Customer Website

Following the successful conclusion of the Digital Refresh Project, we redesigned our digital platform and launched a new CalMac app. These developments mark a key milestone in our evolution into a digital-first organisation.

The eBooking platform remains central to our digital strategy while continuing to support traditional service channels. We have introduced a range of enhancements based on customer and colleague feedback and we are working with our technology partner to ensure that the system evolves in line with changing user expectations.

Digital engagement has seen strong and sustained growth. Between 1st April 2024 and 31st March 2025, our platforms welcomed over 4.58 million active users – a 23% increase year-on-year. These users generated nearly 12 million sessions (up 25%) and contributed to a 20% increase in ticket revenue, reaching £33.16 million. Transactions grew by 17%, with a total of 682,995 bookings completed.

The newly launched CalMac app has also made an immediate impact. Between November 2024 and March 2025, it registered 28,331 Android and 44,828 Apple active users. The introduction of push notifications for updates on favourite routes has significantly improved real-time communication and customer convenience.

Our approach to customer service excellence is anchored in meaningful engagement, insight-driven improvements, and a steadily advancing digital infrastructure. With strong growth across digital platforms, higher satisfaction scores, and operational innovations, CalMac is better equipped than ever to deliver consistent, high-quality service to all customers.

Deck Space Management

There are many factors which impact on the day-to-day management of deck space, relating to the eBooking system functionality and performance, vehicle dimensions and bookings data quality, and processes around customer behaviour. We have put in place an ongoing rolling review of vessel capacities to best represent these in the booking system and align with the patterns of demand seen across the network, including planning for new vessels coming into service.

A program of deck space optimisation has been initiated, bringing together areas of activity within the business which are all working towards a more accurate capacity management system and addressing customer needs. This includes mezzanine deck deployment optimisation and a review of terms and conditions around block bookings.

Enhanced Customer Communications

We refined our disruption communication strategy, offering up-to-date, route-specific updates and narrative-based customer summaries. The addition of impacted bookings visibility on service status pages enhanced transparency.

Our digital communications are continuously reviewed for clarity and relevance, with customer and colleague feedback shaping improvements. We have introduced clearer disruption messaging on our social media channels, with accessibility-friendly imagery.

Customer Standards and Training

We began embedding our updated Customer Promise—to be reliable, easy to deal with, and show we care—across the organisation. Updated Customer Standards, using the CARE model (Connect, Assess, Respond, Enjoy), are guiding frontline behaviours.

Centre of Excellence

We launched our Centre of Excellence (CoE) to support customer service training and operational consistency. Three training campuses were established in Gourock, Oban, and Stornoway, with 74 new Port Assistants and over 80 other staff trained across eBooking and customer service. Phase 1 of the CoE has set the foundation for long-term improvement and will eventually see all staff trained to the 'CalMac standard', ensuring customers have the same great experience wherever they are on the network.

Insight-driven action model

In April 2024, we deployed a customer experience measurement platform, internally known as RADAR (Real-time Analysis of Data and Actionable Reporting). This platform underpins our commitment to evidence-based decision making and represents a significant step forward in our approach to understanding and improving the customer experience.

RADAR facilitates real-time measurement and reporting of customer feedback across the network. Results are made available via self-serve dashboards at a granular level for each vessel, port location, and operational area. This transparency enables the business to pinpoint the key drivers behind customer sentiment metrics such as Overall Satisfaction with the Service CalMac Provides, Trust, and Ease of Travel. The platform empowers local teams by encouraging ownership of insights and enabling the delivery of timely, targeted interventions.

Our Insight into Action ecosystem ensures that the voice of the customer translates directly into service improvement. Through structured weekly and monthly review processes, feedback is analysed and acted upon in collaboration with operational stakeholders and those responsible for customer-facing delivery. Actions are tracked, with progress communicated both internally and externally, reinforcing our commitment to accountability and continuous improvement.

Crucially, the Insight into Action model is most effective when implemented alongside other transformation programmes, including the Enhanced Engagement Model, improvements in eBooking, and customer-focused communications.

The impact of this integrated approach is already evident. For example, Overall Satisfaction (OSAT) among island-based respondents increased from 66.7% in August 2024 to 75% in March 2025, representing a 12% improvement over that period. This uplift highlights the positive outcomes that can be achieved through robust insight, targeted action, and collaborative delivery.

Retail Update

Retail revenue reached £8.9 million, below the expected £10.8 million. This was due to several vessel disruptions, such as the lengthy absence of MV Caledonian Isles, the retirement of MV Hebridean Isles, and the reduction of passenger numbers on MV Isle of Mull. However, customer satisfaction scores rose, with strong performance from MV Loch Seaforth, MV Finlaggan, MV Hebrides, and MV Isle of Arran. Along with the new MV Glen Sannox also contributing positively. We awarded our coffee supply contract to Matthew Algie, enhancing our onboard offer.

Brand Engagement

Our brand reputation score increased to 73.3%, supported by strategic marketing campaigns and partnerships with local tourism bodies. Attending global travel trade events enhances economic growth by fostering networking opportunities, increasing brand visibility, and facilitating knowledge sharing, which leads to new business and collaboration. Additionally, these events promote destinations, boost tourism, and encourage cultural exchange, all contributing to overall economic development. The rollout of accessible branding and signage—including RNIB-compliant designs on MV Glen Sannox—continues across the fleet and ports.

Communities

Taking on board feedback from communities across the network and recognising the need to be more responsive to local needs, we have restructured our Operations team so there are now six areas. Each area has an Area Manager and Deputy Area Manager, quadrupling the management team in operations. The Area Managers provide a direct link between communities and others at CalMac, and initial feedback has been positive in terms of the accessibility of these individuals. The change, part of our Enhanced Engagement Model, is still being fully embedded.
We have improved our communications with communities relating to all aspects of service delivery. This includes aiming to provide comprehensive rationale to our decision-making during disruption, conducting more robust consultation in timetable planning, and publishing performance reports which cover actual reliability.

People First

Employee Relations and Wellbeing

We maintain positive engagement with all four recognised trade unions, with a 4% pay deal agreed in October 2024. An enhanced Employee Assistance Programme (including the Wisdom AI wellbeing app) which supports colleagues' mental and physical health, is accessible to all. This Programme is informed by our Wellbeing Survey, where we use feedback from our people to enhance the offering.

Learning and Development

Our Learning and Development team supports a blended training approach, offering digital and in-person options across regulatory, operational, and leadership topics. Over 100 Mental Health First Aiders have been trained, and we deliver ongoing line manager training, including Mental Health Awareness.
We continue to invest in early careers through:

- Seagoing Apprenticeship Programmes
- Cadet sponsorship
- Expansion of shore-based apprenticeships
- Engagement campaigns to attract diverse talent into maritime careers.

This programme of activity also creates opportunities for local employment in the communities we exist to serve.

We also introduced management training via the Centre of Excellence and strengthened succession planning and external coaching for top talent.

Commitment to Fair Work

As a Living Wage employer, we lead the industry with a favourable Gender Pay Gap for shore roles and transparent workforce practices:

- No zero-hours contracts
- Collective bargaining rights for all union-represented groups
- Monthly People Steering Group engagement

A4. CHFS Contract Performance

CHFS Service Statics

Our performance is measured in two ways: contractual reliability and actual reliability.

The contractual statistics we report are based on the agreed timetable issued 21 days prior to the sailing day but excludes weather-related disruption, in line with how performance is assessed under our service agreement. However, we know that for the communities we serve, and the customers who rely on us, it's not just about what counts contractually - it's about the full picture.

That's why we also track and report actual reliability, which includes the growing impact of weather-related disruption - something that is becoming more frequent and more severe across the west coast.

By sharing both sets of figures, we aim to provide greater transparency, acknowledge the real-life impact of disruption, and give a clearer sense of how we're performing under increasingly challenging operating conditions.
The table below outlines contractual and actual reliability, as well as the number of sailings we operated in the last three years.

Fiscal Year Name	Contractual Reliability %	Actual Reliability %	Contractual Punctuality %	Actual Punctuality %	Operated Sailings
FY 2023	98.7%	95.2%	99.6%	96.6%	169,929
FY 2024	98.0%	92.6%	99.4%	96.2%	165,786
FY 2025	98.5%	92.7%	99.3%	95.4%	161,013

We operated 161,013 sailings during 2025 - meaning we achieved contractual reliability of 98.5% and punctuality levels of 99.3%, while our actual reliability was 92.7% and punctuality 95.4%.

CHFS Carryings

We carried over 5.0 million passengers, and 1.4 million cars, a slight decrease of 2.0% and 1.7% on prior year carryings.

We also transported 81,995 commercial vehicle metres in the year, which reflect an increase of 3.1% on prior year.

Fiscal Year	Passengers	Cars	Commercial (mtrs)	Coaches
FY 2023	5,020,637	1,441,649	80,768	7,469
FY 2024	5,117,761	1,464,755	79,551	7,737
FY 2025	5,016,458	1,440,179	81,995	7,566
Prior Year Growth/(Decline)	(2.0%)	(1.7%)	3.1%	(2.2%)

Overall Satisfaction with the Service CalMac Provides (OSAT) 83.8% (Target: 86%)

We have now moved to measuring OSAT in line with industry best practice. OSAT is 'How satisfied are you with the overall service CalMac has provided?', calculated from responses to our Post Journey email surveys performed by our customers using the QR codes in Ports and on Vessels.

The other headline Customer KPI we measure as part of the business plan is Trust. Trust is 'How much do you trust CalMac to deliver the service it offers?' Like OSAT, this measurement comes from customer responses to post journey email surveys and QR codes, the result for the year was 75.7%.

Themes within our customer feedback results have focused on how we are handling disruption and dissatisfaction from service changes including how we communicate these changes. Feedback includes the following:

- Arran services operating from Troon and the introduction of the MV Glen Sannox featured particularly in feedback from our Clyde area.
- Throughout the network frustration around vessel reliability particularly relating to technical reasons, extended waits for long overdue new vessels and having to move vessels from routes to provide service to others also featured in feedback.
- Lack of booking availability features in feedback from our other surveys. Our frontline staff continue to receive positive recognition from our customers for their friendliness and helpfulness with many being perceived to have 'gone the extra mile' to assist customers

We track and report performance of these customer satisfaction results by operational area and for island communities.

A5. Financial Performance

The Company recorded a profit before tax of £5.7m (2024: £2.9m), principally from operating the Clyde and Hebrides Ferry Service (CHFS 2) contract.

The Company paid no dividend to the Shareholder during this financial year (2024: nil).

Financial Performance Key Performance Indicators

Income Statement	2025	2024
Farebox Revenue Growth	8.9%	0.6%
Gross Profit %	11.0%	12.1%
Operating Profit %	1.7%	1.0%
Balance Sheet		
Current Ratio	1.17	1.11
Quick Ratio	1.01	1.02
Days Payable Outstanding	22	22
% Suppliers paid within 30 days	94.6%	95.0%

A6. Environment

CalMac Ferries is committed to supporting the aims of the Scottish Government to provide a wealthier and fairer, smarter, healthier, safer, stronger and greener Scotland. We operate under the requirements of our ISO 14001:2015 Environmental Management System which identifies and mitigates the environmental risk of our operations. Our environmental performance is managed by the Environmental Team with support across the organisation.

CalMac's business plan sets out three main objectives with the aim of providing the best and most resilient service possible. There is a strong focus within the plan on our customers, our colleagues, and our communities. Aligning this focus with our commitment to the environment, we have developed the following vision for the Environmental Plan:

To be a responsible and forward-thinking ferry operator, and to contribute to improvement of life wherever we sail. To navigate through these environmentally challenging times and become a company which has achieved progress, and innovated successfully, towards creating a more sustainable future.

To deliver on this vision, CalMac has identified five tangible goals, with climate change mitigation being the driving force behind the development of these goals:

1. Provide a more environmentally sustainable service
2. Reduce scope 2 and 3 emissions by 2% year on year
3. Foster economic growth of our island communities, and support their journey to carbon neutrality
4. Increase our recycling rate to consistently exceed 70% and reduce our landfill rate to 5% by 2028
5. Actively contribute to biosecurity and conservation in the areas we operate

Each Goal has a set of actions which are embedded throughout the business, with defined targets set and progress closely monitored.

Emissions

2025 has seen our total Greenhouse Gas emissions decrease by 0.15% compared to the previous year. However, this is still lower than the baseline year at 17.5%. Comparable analysis from the previous year shows that Scope 1 and 2 emissions have decreased by 0.3%, however Scope 3 emissions have increased by over 30%.

Waste

Total waste arisings have decreased by 2% from the previous year and recycling rates have slightly decreased from 60% to 57%. Landfill rates remained static at 30%. To help increase our recycling rate, we have established a new PPE and uniform recycling scheme at the mainland ports which has already seen nearly 2 tonnes of waste being recycled and diverted from landfill. We continue to investigate new methods to recycle waste including specialist areas such as IT equipment.

Biodiversity

To protect biodiversity, we continue our CalMac Marine Awareness Programme working with ORCA, Joint Nature Conservation Committee (JNCC) and Royal Society for the Protection of Birds (RSPB) to undertake marine biodiversity monitoring activities and passenger engagement onboard our vessels. In 2024, ORCA recording 12 different marine species and spotted 815 individual animals over 27 surveys over 5 different CalMac routes. With this we are in the process of achieving Predator Free Certification from RSBP which will help protect vulnerable islands from invasive predators. It is anticipated that this certification will be achieved by summer 2025.

A7. Section 172 Statement

In line with the requirements of S172 of the Companies Act 2006, the Directors present details of their duty to promote the success of the Company for the benefit of stakeholders. We have identified our key stakeholders, the issues that matter most to them and the engagement activities conducted during the year, with a summary of key discussions and decisions taken by the Board where stakeholder views were taken into consideration.

Stakeholder: Customers
Key Issues: Regular and reliable ferry service with minimal disruption to improve customer experience and support island residents, and customers' business and leisure travel expectations. Communities having the opportunity to contribute directly on priority issues relating to service provision.
Engagement Activities: Customer Steering Group We hold regular Customer Steering Group meetings for our colleagues and customers to collaborate on key customer focused issues and improve where possible. Meetings focus on core operational issues/impacts, to seek feedback and identify ways to improve our service. Communication We continually review our customer communications and regularly assess the impact of these communications to identify where we can improve. Our primary focus this year has been to pro-actively communicate with our customers to prepare them for their journey. Through cross departmental collaboration and actions driven via customer led insight, our teams aim to provide timely, accurate and quality information that aligns with our customers and colleagues needs. Community Engagement We have continued to grow our consultations with communities, holding face-to-face community drop-in sessions, launching our voice of the customer feedback monitoring and attending key community forums. Inviting our customers to contribute directly on priority issues has allowed for more meaningful engagement and understanding of the challenges our customers face, utilising data-based decision making for improvements to the customer experience.

Stakeholder: Client (Transport Scotland)
Key Issues: Transport Scotland's vision is that island transport connectivity should enable sustainable, inclusive, safe and accessible movement of people, goods and services to support island communities The key issues in relation to the CHFS contract are: • Service Resilience and Performance • Community Engagement • Affordability • Long term infrastructure strategy for vessels and ports
Engagement Activities: Monthly Contract Meetings We attend monthly CHFS contract meetings with Transport Scotland, and provide detailed KPIs and performance metrics, in relation to contractual performance and service reliability. Community Engagement Our Community engagement strategy supports Transport Scotland in meaningful community engagement, including regular timetable matters, as well as more significant changes driven by vessel changes and/or harbour infrastructure projects. By working in collaboration with Transport Scotland, we ensure that community feedback and concerns are incorporated into our service planning and delivery. Financial Monitoring & Planning Meetings We lead a monthly meeting to discuss both financial performance monitoring and both medium and long-term financial planning to align with the delivery of core services, our Change Plan, and the programme of new vessels to the fleet. Enhancement & Change plan The Enhancement & Change Plan is CalMac's commitment to meeting the challenge set by the Cabinet Secretary for Transport and represents a significant step towards improving the quality and reliability of our ferry services. It is made up of initiatives managed across the business and our objective is clear: to improve every journey. We provide a quarterly update to Transport Scotland. Tripartite Network Planning Forum We chair this group. The purpose of the Tripartite Network Planning Forum is to provide a structured forum for strategic decision-making, coordination, and oversight regarding the future development, enhancement, and management of the network. The group will address long-term plans and strategies as depicted in the Strategic Network Plan and associated frameworks, including CHFS2 and CHFS3. The group meets quarterly. Network Strategy Group/Project Steering Committees We are an active participant in the Ferry Division's monthly Network Strategy Group and Project Steering Committees, to support Transport Scotland in their strategic decision-making and contributing to their long-term strategy and goals. Prioritisation Group

We are a participant in this group and the purpose of the meeting is to discuss the prioritisation of external projects that have had escalations to Transport Scotland. The group meets monthly.

Stakeholder: Suppliers

Key Issues:

International Conflicts
We continue to work closely with our key suppliers to determine the impact of any on-going conflicts on our supply chain. We engage regularly and risks have been highlighted, including price increases and potential continuity of supply issues which we have been effectively managing.

Prompt Payment
Suppliers expect to be paid promptly after goods or services have been provided. We adopt processes in line with the Scottish Government Prompt Payment policy.

Engagement Activities:

Supplier relationship Management (SRM)
We continue to develop and improve our SRM programme. Processes and procedures have been continuously improved to enable this work stream, which supports the delivery of high-quality goods and services.

Supplier Score-carding
All critical suppliers are scored across essential criteria for quality, cost, sustainability, and service. This continues to be an established part of our business-as-usual processes, with buy in from our internal stakeholders and supply chain.

Routes to Market
Where appropriate, the Competitive Procedure with Negotiation (CPN) is used as the route to market. In our regulated procurement environment, this continues to support engagement with suppliers during the procurement process to enable the award of robust, commercially viable contracts that have delivered high quality goods and services.

Stakeholder: Employees

Key Issues:

Career Development & Training
Employee Diversity & Inclusion
Employee Voice & Trust
Competitive, Market Aligned Pay and Reward

Engagement Activities:

Talent Management & Succession Planning, Statutory Training, Safety at Work
We continue to invest in the development of our staff, supporting developmental training and career development plans across the organisation as identified through our Talent Management and Succession Planning processes. This is above our core programmes of statutory training, to ensure our staff maintain essential safety at work and professional certifications to support service delivery.
We will focus on creating career paths for roles within the organisation to support both employee career progression and management of the talent pipeline.

Employee Wellbeing
Our Wellbeing Committee and our Women's Network also provides a forum for employees to share views and contribute positively to company initiatives.

Occupational Health
To support the positive health of our people we work with an Occupational Health provider, an industry leading Employee Assistance Programme and a dedicated Absence Reporting Helpline offering support when needed. In addition, we have a network of Mental Health First Aiders who can support our colleagues across the organisation.

Women's Network
We have signed up to the Maritime UK Diversity Pledge and the Women's Network re-launch date was 6 August 2025 which will commence an action group, a network designed for colleagues to share, network and support one another to thrive, develop and progress careers in the industry.

Employee Voice
We recognise four trade unions, Nautilus International, RMT, Unite and TSSA, for collective bargaining purposes and engage positively with them on all issues affecting our people.

Employee Surveys
We conduct employee surveys to understand the organisational performance and culture, identifying areas of success as well as identifying key areas requiring further action.

Stakeholder: Communities
Key Issues: Service Reliability and Fleet Availability Fleet deployment across many communities, to maintain a breadth of core lifeline service across the network during periods of disruption.
Engagement Activities: Community Group Meetings We attend and support over 25 Ferry Committees and other community group meetings across the network. By ensuring our focus and attention to these group meetings we have seen positive improvements, particularly with regards to open, honest, and transparent discussions. Ferry Stakeholder Group Meetings Ferry stakeholder group meetings have continued twice-yearly with representation at each of the three geographical Scottish Government meetings where we have worked closely with Transport Scotland, CMAL, Hitrans and relevant local councils. Ferry Communities Board The Ferries Community Board has continued to provide a very valuable link across the network. Through the Community Board we have been able to seek opinion and viewpoints on strategic matters impacting our contract and our service. The board have played an influential part in helping us to shape our business. Enhanced Engagement Model During this year, we have introduced a new operational community support model with each area engaging with a single point of contact within CalMac who understands the customer needs and can represent the customer internally in CalMac.

Stakeholder: Scottish Ministers (Ultimate Controlling Party)
Key Issues: Financial Performance, including the strength of our Balance Sheet. Understanding and supporting delivery of our strategy and operations. Strong relationships, with open communication channels to the Board.
Engagement Activities: Annual Report The Annual report provides details of financial performance, as well as progress against key priorities, with clear and transparent messaging. DML Board meetings are held throughout the year with our Sponsor (Shareholder representative) in attendance. Meetings take place between the Shareholder and the Chair as required during the year.

Board discussions and decisions taken during 2024-25, where stakeholder views were considered and informed the decision.

Financial Planning

Financial Planning, funding allocation and dividend policy decisions. In line with our agreed policies this year's plan was approved by the Board following a comprehensive review of our strategic priorities and risks. We regularly review how we are performing against plan and report monthly and year to date financial results compared with the Board approved plan. This is in addition to reviewing the financial forecast outlook for the year. There is a process in place to assess this performance and the opportunity to take decisions to ensure that funding is allocated appropriately and to address any emerging financial risks, e.g. fleet maintenance driven by the increasing average age of vessels.

During the annual planning process and as part of our regular strategy reviews, we review funding requirements. This ensures that our financial planning supports delivery of our strategy and meet shareholder expectations by paying dividends when appropriate. Our strategy is ambitious but will position CFL well for CHFS3 which is underpinned by the delivery of commitments to our stakeholders.

Enhanced Engagement Model

The Board approved an Enhanced Engagement Model with additional Area Managers and Deputy Area Managers across the network to provide the following frontline operations improvements:

- Health & Safety – address lack of time and resource for frontline operations staff to allow consistent application of and adherence to core processes and procedures across ports & harbours
- Stakeholder Communication – increasing the number of Area Managers from 4 to 6 to allow greater focus on communication with communities and to improve the quality of this communication.

- eBooking implementation – renewed and improved training for frontline staff in combination with greater management support to improve the service to customers and ensure this system was fully embedded within the business.
- Culture – this model was designed to support frontline staff and assist them in carrying out their duties as well as demonstrate that the business was listening to and addressing the concerns of stakeholders.

On behalf of the Board

E Østergaard
Chairman
11 December 2025

Part B
Governance

B1. Directors' Report

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	
R L Drummond	Resigned 12 July 2024
D Mackison	Appointed 12 February 2025
T Ingram	
G Macrae	
S O'Connor	Resigned 25 July 2024
D Beaton	
K Ryan	
L Conway	Appointed 3 November 2025
J Nolan	Appointed 3 November 2025

None of the Directors had any beneficial interest in the share capital of the Company at any time during the year.

The Company's sole Shareholder is David MacBrayne Limited, which is wholly owned by the Scottish Ministers.

Employees

The Company has a policy of equal opportunities and non-discrimination in all aspects of employment.

The Company is committed to equality of opportunity for all its employees and customers, and to treating every member of staff and every customer with dignity and respect.

It is the Company's policy to ensure that all staff are able to work in an environment free from discrimination, harassment and bullying.

As a Company we fully subscribe to the Government's Race Equality Scheme, Disability Scheme, Gender Equality Scheme and the Modern Slavery Statement. As a Company, we continue to develop structures and systems to ensure that equal opportunities become an integral part of our thinking and behaviour. Our Modern Slavery Statement is reviewed annually by the Board and published on our website.

Our policy for pay and conditions for our employees is to continue to provide a fair and appropriate employment package to all employees regardless of age, hours of work or type of employment contract. We are an accredited living wage employer and do not use zero hours contracts. Our salary packages are enhanced by wider pay and benefits which exceed statutory minimums, including generous pension schemes, maternity and sickness pay, holiday entitlement and an employee bonus scheme. This provides our workforce with an overall employment package that helps to ensure a good work-life balance, supports the Scottish Government's social drivers, enables us to recruit and retain staff in a competitive labour market and supports the welfare of our people.

We publish our Gender Pay Gap annually and work proactively to encourage increased diversity in what is traditionally a very male dominated workforce.

All of these measures are kept under regular review with a view to identifying where improvements can be made.

Employee consultation

The Company is committed to effective employee communications, which it maintains through all staff notices, the staff newsletter and briefing sessions.

The Company also provides further engagement through active participation with our Trade Unions. Most employees are formally represented by Trade Unions recognised for collective bargaining purposes. A system of consultative committees is well established.

Through either the formal negotiating or consultative process, or a combination of both, employees at all levels, directly or through their representatives, are provided with information on matters concerning them and are encouraged to be involved in the activities of the Company.

Policy of employment of people with disabilities

It is the Company's policy to consider applications for employment from people with disabilities on the same basis as other potential employees, subject to the nature and extent of disability and the degree of physical fitness demanded of the position. Ability and aptitude are the determining factors in the selection, training, career development and promotion of all employees with disabilities. If any employee becomes disabled during his/her period of employment, the Group will, where possible, retain the employee for duties commensurate with the employee's abilities following the disablement.

Employment Recruitment

Recruitment campaigns undertaken by the Company were carried out based on fair and open competition and selection on merit. The companies' recruitment/selection records are subject to regular scrutiny by internal auditors. We are signed up to the Good Recruitment Charter and Partnership for Change.

Investing in Developing Our People

We are committed to continually developing our people to ensure they have the skills they need to be effective in their current and future roles. Our training portfolio delivers mandatory training to all staff as required, as well as developmental training. In addition to our officer cadet sponsorship programme, we continue to be a leading employer of maritime modern apprenticeships in deck, engine, and hospitality.

Whilst we have always prioritised Health and Safety learning and development for our staff, we have continued this year to place a particular focus on wellbeing and mental health training. In partnership with RMT and Scottish Trade Union Learning, we have continued to provide training to support our 100 staff from across the organisation in their role as Mental Health First Aiders.

Performance Management

Our performance management framework consists of a cycle of objective setting, personal development planning, mid-year reviews and end of year appraisals. Objectives are set to support achievement of our business plan. A key part of the process is to discuss behaviours and ensure that our staff are operating in accordance with our core competencies and values. Managers are trained in how to manage performance effectively as part of our Management and Leadership Academy Framework, with further support provided through online guidance notes, toolkits and coaching.

Adoption of going concern basis

The principal contract for CalMac Ferries Ltd is the delivery of the Clyde and Hebrides Ferry Services (CHFS), for which a subsidy is received from Transport Scotland via Public Service Contract. The existing CHFS contract has been extended for a further 12 months to 30 September 2025. At date of signing, the Transport Minister announced that Scottish Government will explore awarding the next contract to operate the Clyde and Hebrides Ferry Services to CalMac Ferries Ltd. A due diligence process is ongoing to establish the feasibility of a direct award using the "Teckal exemption" in accordance with the Public Contracts Scotland Regulations 2015.

The Directors have assessed that these accounts are prepared on a going concern basis, however highlighting a material uncertainty, due to the timing of the direct award decision and the future provision of CHFS services from 1 October 2025.

For the purposes of the Directors' assessment of the Group and Company's going concern position, the Directors have prepared Group and Company cash flow forecasts for a period of 18 months from the date of approval of these financial statements that reflect the current assumptions with respect of the main trading entity CalMac Ferries continuing to provide CHFS ferry services from October 2025, limited passenger carrying growth, a continuance of cost inflation, all of which are impacting demand. Cashflows also include the increasing cost of vessel maintenance over the 18 months.

Taking these factors into consideration, the Directors have assessed that CalMac Ferries Ltd will have sufficient funds to meet all their liabilities for the period of at least 12 months from the date of signing of this report.

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/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

E Østergaard
Chairman

11 December 2025

B2. Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The Directors are responsible for preparing the Strategic Report, 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.

Part C
Financial Statements

C1. Independent Auditor's Report to the members of CalMac Ferries Limited

Opinion

We have audited the financial statements of CalMac Ferries Limited ("the Company") for the year ended 31 March 2025 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 2025 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.
- Reading Board minutes.
- 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, with the exception of CFHS2 revenue, 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.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 15, 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

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

319 St Vincent Street
Glasgow
G2 5AS

11 December 2025

C2. Income Statement for the year ended 31 March 2025

	Note	**2025 £000**	2024 £000
Revenue	2	**329,401**	295,791
Cost of sales		**(293,205)**	(259,863)
Gross profit		**36,196**	35,928
Administrative expenditure		**(30,737)**	(32,834)
Operating Profit		**5,459**	3,094
Interest receivable	3	**608**	447
Interest payable	3	**(677)**	(657)
Investment Income		**350**	-
Gain on disposal of Non-current Asset		**-**	64
Profit before taxation	3	**5,740**	2,948
Tax on profit	5	**(561)**	(526)
Profit for the financial year		**5,179**	2,422

All results are derived from continuing operations.

Statement of Comprehensive Income for the year ended 31 March 2025

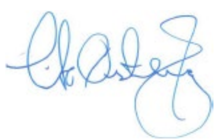
	2025 £000	2024 £000
Profit for the year	**5,179**	2,422
Other comprehensive income, net of tax	**-**	-
Total comprehensive income attributable to equity holders of the company	**5,179**	2,422

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

C3. Statement of Financial Position as at 31 March 2025

	Note	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment	6	**10,833**	10,282
Deferred Tax	8	**586**	548
		11,419	10,830
Current assets			
Inventory	9	**9,230**	4,650
Contract assets	2	**1,515**	-
Debtors and prepayments	10	**18,621**	19,864
Cash at bank and in hand		**39,488**	31,515
		68,854	56,029
Liabilities			
Contract liabilities	2	**(9,473)**	(9,876)
Trade & other payables	11	**(33,572)**	(26,428)
Short term lease liability	12	**(15,923)**	(14,262)
Net current assets		**9,886**	5,463
Non-current liabilities			
Long term lease liability	12	**(611)**	(778)
Net assets		**20,694**	15,515
Capital and reserves			
Called up share capital	13	**-**	-
Retained Earnings		**15,515**	13,093
Profit for the year		**5,179**	2,422
Shareholder's funds		**20,694**	15,515

These financial statements were approved by the Board of Directors 3 December 2025 and signed on 11 December 2025 on its behalf by:



E Østergaard, Chairman

The accompanying notes are an integral part of these financial statements

C4. Statement of changes in equity

	Called Up Share Capital £000	Income Statement £000	Total Equity £000
Balance at 1 April 2023	-	13,093	13,093
Total comprehensive income for the year			
Profit for the year	-	2,422	2,422
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	2,422	2,422
Balance at 31 March 2024	**-**	**15,515**	**15,515**

	Called Up Share Capital £000	Income Statement £000	Total Equity £000
Balance at 1 April 2024	-	15,515	15,515
Total comprehensive income for the year			
Profit for the year	-	5,179	5,179
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	5,179	5,179
Balance at 31 March 2025	**-**	**20,694**	**20,694**

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

C5. Notes on the financial statements

1. Accounting policies

CalMac Ferries Limited is a company incorporated and domiciled in the UK, with a registered address of The Ferry Terminal, Gourock, PA19 1QP.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 EU ("Adopted IFRS") 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
- comparative period reconciliations for tangible non-current assets
- disclosures in respect of transactions with wholly owned subsidiaries of David MacBrayne Limited
- disclosure in respect of capital management
- the effects of new but not yet effective IFRS
- 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 IFRS") 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.

Going concern

The Directors have prepared the financial statements on a going concern basis and consider this appropriate for the following reasons.

The principal activity of the Company is the delivery of the Clyde and Hebrides Ferry Services (CHFS) contract for which funding is received from Transport Scotland. The Board signed the 10-year Clyde & Hebrides Ferry Services contract (CHFS3) on 25 September 2025 (Note 17). The directors are therefore satisfied that the Group will continue to provide CHFS services for the foreseeable future.

The Directors have prepared cash flow forecasts to March 2027 which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements (the going concern assessment period).

The directors' cash flow forecasts reflect current assumptions with respect to passenger demand and cost pressures, including the increasing cost of vessel maintenance. In preparing their assessment of going concern, the directors have considered severe but plausible downside scenarios which could affect the forecasts. These include changes in delivery dates for new vessels, reduced fare and retail income, increased vessel maintenance costs, increased staff absence and performance penalties.

Taking these factors into consideration the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

(b) Property, Plant and equipment
Gross book values of all tangible assets are stated at cost. No depreciation is charged until the asset comes into use.

(c) Depreciation
Depreciation is provided on tangible assets by equal annual instalments calculated to write off the cost (taking account of anticipated residual values) over their estimated useful lives as follows:

Vehicles & Equipment	3 years

(d) Leases
At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

The lease liability is measured at amortised cost using the effective interest method.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the Statement of Financial Position.

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(e) Investments
Fixed asset investments are carried at cost.

(f) Financial instruments
(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Classification and subsequent measurement

(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.

Investments in joint ventures and subsidiaries are carried at cost less impairment.

Cash and cash equivalents

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

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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.

(ii) Derivative financial instruments and hedging

Derivative financial instruments
Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Valuation of financial instruments
In those circumstances where IAS 39 requires financial instruments to be recognised in the statement of financial position at fair value, the Company's valuation strategies for derivative and other financial instruments utilise as far as possible quoted prices in an active trading market.

(iv) Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as twelve-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Twelve-month ECLs are the portion of ECLs that result from default events that are possible within the twelve months after the reporting date, or a shorter period if the expected life of the instrument is less than twelve months.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive.) ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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.

(g) Inventories
Retail inventories are stated at the lower of cost and net realisable value. Inventories in relation to fuels, lubricants and consumable stores are stated at cost. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the relevant inventory and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

(h) Maintenance and repair costs
Routine maintenance and repair costs, as well as vessel overhaul costs, are charged to the income statement in the financial period in which the work is performed. Where the Company provides ferry services under a fixed-term contract, at contract end, independent vessel surveys are carried out to establish any work required.

(i) Revenue
The accounting policy for revenue is described in note 2.

(j) Taxation
The Company is included within a Group election into tonnage tax effective from commencement of trading. However, certain activities within the Company are liable to corporation tax. Accordingly, the charge for taxation is based partly on ship tonnage and partly on the result for the period and, where appropriate, considers tax deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

(k) Pensions
The Company is a participating employer in the CalMac Pension Fund, which is a defined benefit scheme operated by Caledonian Maritime Assets Limited. As set out in note 16, for the purposes of FRS 101, pension contributions are accounted for as if the scheme was defined contribution.

2. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a product or service to a customer.

Nature of goods and services

The following is a description of principal activities from which the Company generates its revenues.

Revenue from passengers comprises ticket sales for individuals, vehicle ferry passage and associated retail operation.

The Company operates the Clyde and Hebrides ferry service contract on behalf of the Scottish Government, for which it receives subsidy revenue. The CHFS 2 contract was awarded to the Group with a start date of 1 October 2016 and runs for eight years and has recently been extended for one further year. CalMac Ferries Limited will continue to operate Clyde and Hebrides ferry services. The contract provides the Company with revenue to subsidise the life-line services provided.

Products and Services	Nature, timing of satisfaction of performance obligations and significant payment terms.

Fares	The Company recognises revenue when the sailing associated with the ticket sold occurs. The amount is equal to the value of the ticket price. Receipts for advanced tickets are recognised with reference to the time of travel with the deferred element maintained on the statement of financial position within contract liabilities.
Contracts with Government	The CHFS 2 contract is paid on a straight-line basis, monthly in arrears over the contract year. The Company recognises revenue as the services under the contract are provided. This is deemed to be over time over the length of each contract year and is based on a cost-plus method. If the Company has recognised revenue for which payment has not been received, the entitlement to consideration is recognised as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. Where there is variable consideration, and other constraints to the assessment of the transaction price, the total forecast value is restricted to that amount to which a subsequent reversal is not highly probable. This includes performance deductions and profit-sharing arrangements.

Disaggregation of revenue

In the following table, revenue is disaggregated by service line and timing of revenue recognition.

	2025	2024
	£000	£000
Fares and other associated services	**88,276**	79,794
Government contract – transferred over time	**240,532**	215,455
Inter Group – management fees	**593**	542
Total	**329,401**	295,791

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2025	2024
	£000	£000
Contract assets	**1,515**	-
Contract liabilities	**(9,473)**	(9,876)
Trade receivables	**1,864**	4,662

The contract assets relate to the Company's rights to consideration for services delivered but not billed at 31 March on the CHFS 2 contract. The contract liabilities relate to revenue associated with advance tickets purchased by customers for future sailings.

Significant changes in the contract assets and contract liabilities balances during the year are as follows

	2025 Contract assets £000	2024 Contract assets £000	**2025 Contract liabilities £000**	2024 Contract liabilities £000
Revenue recognised that was included in the contract liability balance at the beginning of the year	**-**	-	**7,737**	7,122
Increases due to cash received, excluding amounts recognised as revenue during the period	**-**	-	**(9,473)**	(7,737)
Increases as a result of changes in the measure of progress	**1,515**	-	**-**	(2,139)

Transaction price allocated to the remaining performance obligations.

3. Profit before tax

The profit is stated after charging/(crediting):			2025 £000	2024 £000
Auditor’s remuneration	-	audit of these financial statements	**110**	141
	-	other services relating to taxation	**18**	17
	-	all other services	**-**	-
Depreciation of tangible non-current assets			**18,483**	17,638
Harbour access charges	-	Caledonian Maritime Assets Limited	**17,501**	17,096
	-	other	**22,826**	21,352
Agency staff costs			**98,813**	90,366
Finance lease costs	-	land and buildings	**781**	576
	-	ships and motor vehicles	**19,218**	17,215
Gain on disposal of Non-current Asset			**-**	64
Interest receivable	-	bank	**(608)**	(447)
Interest payable	-	bank	**-**	(1)
	-	Finance interest expense	**677**	657

4. Employee information

Staff costs (including Directors)	2025 £000	2024 £000
Wages and salaries	**31,367**	28,713
Social security costs	**4,420**	5,237
Other pension costs	**6,855**	5,929
	42,642	39,879

Directors' remuneration	2025 £000	2024 £000
Directors’ Remuneration	**420**	260
Employer’s Pension Contribution	**31**	52

The aggregated remuneration of the highest paid Director was £222,000 (2024: £186,000). All Directors had their remuneration paid by another company within the David MacBrayne Limited group in both the current and prior year.

Number of Directors

	2025	2024
Retirement benefits are accruing to the following number of Directors under:		
Defined benefit schemes	**-**	1

Employee numbers
The average number of people employed by the Company, including Directors, during the year was 799 (2024: 731).

Category	2025	2024
Head Office	371	347
Port	427	383
Vessel	1	1
	799	731

5. Taxation

Current tax	**2025 £000**	2024 £000
UK corporation tax profit for the year	**607**	474
Adjustments in respect of prior year	**(7)**	(83)
Total current tax charge	**600**	391
Deferred tax		
Adjustment in respect of prior year	**3**	27
Origination and reversal of temporary differences	**(42)**	108
Total deferred tax charge	**(39)**	135
Total tax charge	**561**	526

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

	2025 £000	2024 £000
Profit for the period before tax	**5,740**	2,948
UK corporation tax rate of 25% (2024: 25%)	**1,435**	737
Tonnage tax	**(903)**	9
Capital Items Expensed	**21**	12
Adjustments in respect of prior year	**(7)**	(83)
Adjustments in respect of prior year – deferred tax	**3**	27
Non-deductible expenses	**3**	-
Group relief surrendered	**-**	(176)
Other differences	**9**	-
Total tax charge	**561**	526

6. Property, Plant & Equipment

	Buildings £000	Leasehold Improvements £000	Vessels £000	Vehicles & Equipment £000	Total £000
Cost					
At 1 April 2024	2,852	1,330	91,166	1,503	96,851
Additions in the year	-	-	-	16	16
Lease modification during year	343	-	18,675	-	19,018
At 31 March 2025	**3,195**	**1,330**	**109,841**	**1,519**	**115,885**
Depreciation and impairment					
At 1 April 2024	2,058	462	82,864	1,185	86,569
Charge for the year	787	29	17,476	191	18,483
At 31 March 2025	**2,845**	**491**	**100,340**	**1,376**	**105,052**
Net book value at 31 March 2025	**350**	**839**	**9,501**	**143**	**10,833**
Net book value at 31 March 2024	794	868	8,302	318	10,282

Property, plant and equipment includes right-of-use assets with carrying amounts as follows:

Right of use assets

	Buildings £000	Vessels £000	Vehicles & Equipment £000	Total £000
Cost				
At 1 April 2024	2,852	91,166	1,228	95,246
Additions in the year	-	-	16	16
Lease modification during year	343	18,675	-	19,018
At 31 March 2025	**3,195**	**109,841**	**1,244**	**114,280**
Depreciation and impairment				
At 1 April 2024	2,058	82,864	909	85,831
Charge for the year	787	17,476	191	18,454
At 31 March 2025	**2,845**	**100,340**	**1,100**	**104,285**
Net book value at 31 March 2025	**350**	**9,501**	**144**	**9,995**
Net book value at 31 March 2024	794	8,302	319	9,415

The lease modification relates to the 12 month extension of the bareboat charter as a consequence of the extension of the CHFS contract.

7. Investments

	£000
At 1 April 2024 and 31 March 2025	**-**

The Company owns the whole of the issued share capital of Caledonian MacBrayne Crewing (Guernsey) Limited, which is registered in Guernsey, and undertakes the Company's offshore crewing arrangements. Registered office address: PO Box 112, St Martins House, Le Bordage, St Peter Port, Guernsey, GY1 4EA

8. Deferred tax assets and liabilities

The main components of deferred tax at 25% (2024: 25%) are:

	Assets 2025 £000	**Liabilities 2025 £000**	Assets 2024 £000	Liabilities 2024 £000	**Net 2025 £000**	Net 2024 £000
Tangible assets	**529**	**-**	495	-	**529**	495
Other	**57**	**-**	53	-	**57**	53
	586	**-**	548	-	**586**	548

Movement in deferred tax during the year

	1 April 2024 £000	Recognised in income £000	**31 March 2025 £000**
Tangible assets	495	34	**529**
Other	53	4	**57**
	548	38	**586**

Movement in deferred tax during the previous year

	1 April 2023 £000	Recognised in income £000	31 March 2024 £000
Tangible assets	455	40	495
Other	228	(175)	53
	683	(135)	548

9. Inventory

	2025 £000	2024 £000
Fuels and lubricants	**781**	860
Consumable inventories	**8,234**	3,550
Retail inventories	**215**	240
	9,230	4,650

Fuels and lubricants, consumable inventories and retail inventories recognised in Cost of Sales £27.4m (2024: £31.8m).

Non-retail inventories are held for the operating requirements of the Company and not for resale. Of the retail inventories held, £nil was expected to be recovered after more than twelve months in both this and the previous year.

10. Debtors and prepayments

	2025 £000	2024 £000
Trade receivables	**1,864**	4,662
Other receivables	**9,676**	10,394
Prepayments and accrued income	**7,081**	4,808
	18,621	19,864

11. Liabilities: Trade & other payables

	2025 £000	2024 £000
Trade payables	**8,375**	6,860
Other payables and accruals	**23,922**	18,322
Corporation tax	**288**	475
Amounts due to group undertakings	**987**	771
	33,572	26,428

12. Leases

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (see note 6).

The following amounts have been recognised in Income Statement for which the Group is a lessee.

	2025 £000	2024 £000
Interest expense on lease liabilities	**677**	657

No short-term leases were recognised in the Income Statement in the year.

Amounts recognised in statement of cash flows

	2025 £000	2024 £000
Total cash outflow for leases	**17,019**	17,094

	Vessels £000	**Property £000**	**Vehicles & plant £000**	**Total £000**
IFRS16 – lease liability				
Within 1 year	15,562	284	77	15,923
1 - 2 years	-	123	48	171
2 - 3 years	-	135	20	155
3 - 4 years	-	262	23	285
4 - 5 years	-	-	-	-
	15,562	**804**	**168**	**16,534**

13. Share capital

	2025 £000	2024 £000
Allotted issued and fully paid		
1 Ordinary Share of £1 each	**-**	-

The authorised share issue of the company is 100 Ordinary shares of £1 each

14. 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 deficit of £37.7m.

A number of the Company's employees participate in one of the Merchant Navy Pension Funds which are industry-wide defined contribution schemes. Contributions to these schemes are accounted for on a defined contribution basis.

The Merchant Navy Officers' Pension Fund (MNOPF) is closed to new members and the actuarial valuation carried out at 31 March 2024 showed a gross deficit of £11m at the valuation date and that the market value of the assets of £1,956m covered 99% of the value of the liabilities. The Company could still be required to make contributions against any deficit.

As the Trustees of the MNOPF are unable to identify the Company's share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis, the Company, which is a participating employer in the MNOPF, is accounting for the Scheme in its financial statements as if the Scheme was a defined contributions scheme. Future contributions are expected to continue at a rate of 20%.

In March 2016, the MNOPF Scheme closed to future accrual. Employees who were members of the scheme transferred to the Ensign Retirement Plan, an industry-wide defined contribution scheme.

The Directors also consider that any liability the Company has in relation to MNOPF will ultimately be funded by Scottish Ministers.

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.

The amounts charged to the Income Statement in respect of employer contributions to Pension Schemes are:

	2025	2024
	£000	£000
CalMac Pension Fund	**6,502**	5,627
Ensign	**13**	13
Other schemes	**340**	289
	6,855	5,929
Contributions to be paid to pension schemes included in liabilities	**566**	566

15. Related party transactions

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

Details of transactions with other related parties are as follows:

	2025	2024
	£000	£000
Transactions during the year – receivable/(payable):		
Scottish Ministers		
- revenue subsidy	**229,780**	196,794
- other subsidy/grant	**10,752**	18,661
- consultancy services	**393**	801
Caledonian Maritime Assets Limited		
- vessel leasing charges	**(19,144)**	(17,020)
- harbour services	**(11,176)**	(14,741)
- vessel new build, modifications and other costs	**10,419**	10,879
- ferry travel costs	**13**	15

Amounts due at end of year – receivable/(payable):	**2025** **£000**	2024 £000
Scottish Ministers		
- revenue subsidy	**1,515**	(2,139)
- other subsidy/grant	**-**	6,485
- recharge of consultancy agreements	**9**	-
Caledonian Maritime Assets Limited		
- harbour services	**(236)**	(1,355)
- vessel new build, modifications and other costs	**1,406**	3,994
- ferry travel costs	**-**	2

During the year, the Company acted as agent for Caledonian Maritime Assets Limited in relation to certain elements of new vessel builds. The associated funds were paid to third parties and recovered from Caledonian Maritime Assets Limited.

16. Ultimate parent company and related undertakings

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 Company's other related undertaking is its subsidiary as disclosed in note 7.

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.

17. Post balance sheet event

On 23 September 2025, the Board signed the 10-year Clyde & Hebrides Ferry Services contract (CHFS3) and associated agreements with the Scottish Ministers. The CHFS3 suite of documents includes; Shareholders' Agreement, Grant Agreement, Framework Agreement and Memorandum of Understanding, set out the key services levels, governance and roles and responsibilities. The agreements became effective on 1 October 2025.

At the end of the CHFS2 Contract on 30 September 2025, CFL released a provision held for vessel degradation associated with the requirement for vessel surveys at the end of the CHFS2 Bareboat Charter. It was agreed on 5 May 2025 between CFL, CMAL and Transport Scotland that the vessel surveys were not required.

C6. Corporate information

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