The Yorkshire Traction Company Limited

Fιnancιal statements for the year ended 30 Aprιl 2013

Regιstered number 02065401

The directors present their report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 30 April 2013

Business review and principal activities
The Yorkshire Traction Company Limited operates a fleet of 216 buses and employs 567 people, operating in and around South Yorkshire and adjacent areas, additionally the Company acts as a Holding Company

The results of the Company for the year ended 30 April 2013 show a pre-tax profit of £2,011,000 (2012 loss £1,065,000) and turnover of £22,141,000 (2012 £22,106,000) The Company has net assets of £2,014,000 (2012 £1,173,000)

Business environment
The Company operates predominantly local bus services, carrying around 48,800 passengers a day These services are mainly operated on a commercial basis in a largely deregulated market We also operate tendered services, including school contracts, on behalf of local authorities and other public bodies The Company benefits from being part of the UK Bus (regional operations) Division of Stagecoach Group plc, a nationwide public transport operator

The Company operates in a competitive environment and differentiates itself from its competitors by

- Improving operational and engineering facilities,
- Focusing on recruitment and retention of drivers,
- Investment in new vehicles, and
- Strong focus on technology and innovation

Strategy
The Company's overriding objective is to achieve attractive and sustainable rates of growth and returns through organic growth, supplemented by targeted acquisitions where appropriate

There are several elements to the Company's strategy for growth They are

- Continued focus on value-for-money ticket offerings,
- Investment in new vehicles to maximise our customers' experience,
- Commitment to excellent customer service,
- Strong focus on the safety and security of passengers and staff, and
- Consistent excellent operational performance

Training and development
We have consistently sought to recruit and retain the best employees in the markets in which we operate

The Company invests significantly to ensure that our staff are properly trained and able to offer the best customer service The Company, under guidance from central UK Bus (regional operations) management, operates staff development, graduate trainee and apprentice engineer programmes

Future outlook

The current financial year to 30 April 2014 has started well and trading is broadly in line with our expectations The Company does, however, face strong headwinds in light of the ongoing economic situation and the effect of government spending cuts imposed on local authorities

We believe our value fares, continued innovation, investment in our fleet, commitment to staff training and continuous monitoring of operational efficiency will enable us to maximise our performance in the future

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks The management and reporting of risk is undertaken at group level, rather than at an individual business unit level The principal risks and uncertainties of Stagecoach Group plc, which includes those of the Company, are discussed in the Group's 2013 annual report (paragraph 2 3 6 of the Operating and Financial Review), which does not form part of this report

Key performance indicators ("KPIs")

The directors of Stagecoach Group plc manage the group's performance on a divisional basis For this reason, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company The development, performance and position of the UK Bus (regional operations) Division of Stagecoach Group plc, which includes the Company, is discussed in the Operating and Financial Review (paragraph 2 3 7) of the Group's 2013 annual report which does not form part of this report

Financial risk management

The Company's activities expose it to a variety of financial risks including the effects of changes in interest rates, credit risk and commodity prices The effects of changes in interest rates and commodity prices are managed at a group level by a central Group treasury function The Company has implemented policies, which require appropriate credit checks to be performed on potential customers before sales are made All credit checks are performed centrally by Stagecoach Services Limited, a fellow group company

Results and dividends

The profit on ordinary activities after taxation for the year ended 30 April 2013 was £2,411,000 (2012 loss £437,000) It is recommended that this amount be appropriated as follows

	2013	2012
	£000	£000
Profit/(loss) for the financial year	**2,411**	(437)
Interim dividend paid to parent company	**(2,500)**	-
Loss transferred to the profit and loss account	**(89)**	(437)

Directors

The directors who held office during the year under review and up to the date of approval of these financial statements were

Mr L B Warneford (resigned 26/04/2013)
Mr C Brown
Mr R G Andrew
Mr R Montgomery
Mr S Greer
Mr M J Vaux
Mr P Lynch
Mr G Nolan (appointed 02/05/2013)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for the maintenance and integrity of the Company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Donations

Donations to charitable organisations amounted to £5,300 (2012 £900) The Company does not make political contributions and accordingly there were no payments for political purposes during the year (2012 £Nil)

Disabled persons

The Company recognises its obligations to give disabled people full and fair consideration for all vacancies within the statutory medical requirements which have to be met for certain grades of staff Wherever reasonable and practicable, the Company will retain newly disabled employees and at the same time provide fair opportunities for the career development of disabled people

Employee involvement

The Company is committed to employee participation and uses a variety of methods to inform, consult and involve its employees Employees participate directly in the success of the business through the Stagecoach Group's bonus and other remuneration schemes and are encouraged to invest through participation in share option schemes

Supplier payment policy

It is the Company's policy to settle the terms of payment with suppliers when agreeing each transaction or series of transactions, to ensure suppliers are aware of these terms and to abide by them Responsibility for the payment of suppliers rests with Stagecoach Services Limited, a fellow group company, hence trade creditors outstanding at the year end represented Nil days' purchases (2012 Nil days)

Fixed assets

In the opinion of the directors there is no material difference between the book and current open market value of interests in land and buildings

Independent auditors and disclosure of information to auditors

In the case of each of the persons who were directors of the Company at the date when this report was approved

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information

A resolution to re-appoint PricewaterhouseCoopers LLP, as auditors to the Company will be proposed at the next Annual General Meeting

Other

The Company maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against its directors The Company has indemnified each of its directors and other officers of the Company against certain liabilities that may be incurred as a result of their offices

By order of the Board

M J Vaux
Company Secretary

Daw Bank
Stockport
Cheshire
SK3 ODU

16 September 2013

Independent auditors' report to the members of The Yorkshire Traction Company Limited:

We have audited the financial statements of The Yorkshire Traction Company Limited for the year ended 30 April 2013 which comprise the Profit and loss account, the Balance sheet, the Note of historical cost profit and losses and the Reconciliation of movements in shareholders' funds and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditors' report to the members of The Yorkshire Traction Company Limited (continued)

For the year ended 30 April 2013

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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

Graham McGregor (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

16 September 2013

Profit and loss account

For the year ended 30 April 2013

	Note	2013 £000	2012 £000
Turnover	2	**22,141**	22,106
Cost of sales		**(23,647)**	(23,331)
Other operating income	3	**105**	141
Operating loss		**(1,401)**	(1,084)
Income from fixed asset investment	4	**3,500**	-
Loss on sale of land & buildings		**(6)**	-
Finance (charge)/income (net)	5	**(82)**	19
Profit/(loss) on ordinary activities before taxation	6	**2,011**	(1,065)
Tax on profit/(loss) on ordinary activities	10	**400**	628
Profit/(loss) for the year	18	**2,411**	(437)

The results for the year arise wholly from continuing operations

The Company has no gains and losses other than the profit/(loss) above and therefore no separate statement of total recognised gains and losses has been presented

The accompanying notes form an integral part of this profit and loss account

Balance sheet
As at 30 April 2013

	Note	2013 £000	2012 £000
Fixed assets			
Tangible assets	11(a)	**14,224**	14,435
Investments	11(b)	**3,782**	3,782
		18,006	18,217
Current assets			
Stocks	12	**99**	112
Debtors	13	**6,152**	2,820
Cash at bank and in hand		**290**	366
		6,541	3,298
Creditors amounts falling due within one year	14	**(19,865)**	(16,990)
Net current liabilities		**(13,324)**	(13,692)
Total assets less current liabilities		**4,682**	4,525
Creditors: amounts falling due after more than one year	14	**(2,030)**	(2,752)
Provisions for liabilities and charges	16	**(638)**	(600)
Net assets		**2,014**	1,173
Capital and reserves			
Called up share capital	17	**1,016**	86
Revaluation reserve	18	**248**	257
Capital redemption reserve	18	**14**	14
Contribution reserve	18	**69**	69
Profit and loss account	18	**667**	747
Total shareholders' funds		**2,014**	1,173

The financial statements on pages 8 to 25 were approved by the board of Directors on 16 September 2013 and were signed on its behalf by

C Brown
Director

The accompanying notes form an integral part of this balance sheet

Additional statements

At 30 April 2013

Note of historical cost profits and losses	2013 £000	2012 £000
Reported profit/(loss) on ordinary activities before taxation	2,011	(1,065)
Realisation of property revaluation gains of previous years	1	-
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	8	75
Historical cost profit/(loss) on ordinary activities before taxation	2,028	(990)
Historical cost loss for the year retained after taxation and dividends	(72)	(362)

Reconciliation of movement in shareholders' funds	2013 £000	2012 £000
Profit/(loss) for the year	2,411	(437)
Credit in respect of equity settled share based payments	-	6
Net proceeds of issue of ordinary share capital (note 17)	930	-
Dividends paid (note 8)	(2,500)	-
Net increase/(decrease) in shareholders' funds	841	(431)
Opening shareholders' funds	1,173	1,604
Closing shareholders' funds	2,014	1,173

The accompanying notes form an integral part of this reconciliation

Notes to the financial statements
For the year ended 30 April 2013

1 Accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are

a) Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain fixed assets (note 1m) and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The Company is not required to prepare a cash flow statement under FRS 1 (revised), because it is a wholly owned subsidiary of Stagecoach Group plc, which prepares consolidated financial statements which are publicly available

The Company is a wholly-owned subsidiary of Stagecoach Group plc and is included in the consolidated financial statements of Stagecoach Group plc which are publicly available Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006

At 30 April 2013, the Company had net current liabilities of £13,324,000 The directors have received confirmation of continuing financial support from the ultimate holding company Accordingly, the financial statements have been prepared on the going concern basis

b) Tangible fixed assets

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use Land and buildings and other fixed assets are shown at cost, net of depreciation and any provision for impairment as set out in note 11

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its estimated useful life, as follows

Leasehold land and buildings	10 to 50 years
Public service vehicles (PSVs), depending on type	7 to 16 years
Other Plant & equipment & furniture & fittings	3 to 10 years

c) Fixed asset investments

Fixed asset investments are shown at cost less any provision for impairment

d) Stocks

Stocks of parts and consumables are stated at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items Cost is determined using the first-in, first-out ("FIFO") method for fuel stocks and average cost method for all other stocks

1 Accounting policies (continued)

e) Taxation

In accordance with FRS 16, Corporation tax is provided on taxable profits at the current rate Tax charges and credits are accounted for through the same primary statement (either the profit and loss account or the statement of total recognised gains and losses) as the related pre tax-item

In accordance with FRS 19, full provision is made for deferred tax on a non-discounted basis

Tax, current and deferred is calculated using tax rates and laws enacted or substantively enacted at the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

f) Turnover

Turnover represents fare revenue receivable in respect of the year The directors regard the Company's business activities, which are carried out wholly in the United Kingdom, as being of one class

g) Other operating income

Revenues incidental to the Company's principal activity are reported as other operating income, and are recognised in the profit and loss account in the period in which they are earned

Rentals under operating leases are recognised on a straight line basis, over the lease term The Company's accounts fall within the scope of The Finance and Leasing Association Statement of Recommended Practice (FLA SORP) and have been prepared in accordance with the provisions thereof

h) Hire purchase and lease obligations

Assets acquired under hire purchase contracts and finance leases are recorded in the balance sheet as an asset (at the equivalent of the purchase price) and as an obligation to pay future hire purchase capital instalments or finance lease rentals Assets held under hire purchase arrangements are depreciated over their useful life

1 Accounting policies (continued)

h) Hire purchase and lease obligations (continued)

Obligations from hire purchase contracts and finance leases within creditors represent the total of the capital payments outstanding at the balance sheet date Future finance charges are not included

The interest element of hire purchase and finance lease obligations are charged to the profit and loss account over the period of the hire purchase or finance lease

Rentals under operating leases are charged on a straight-line basis over the lease term

i) Pension costs and other post retirement benefits

The company operates both a defined benefit and a defined contribution scheme

The Stagecoach Group Pension Scheme is a defined benefit scheme For the purposes of FRS 17, the contributions paid by the Company are accounted for as if the scheme were a defined contribution scheme, as the Company is unable to identify its share of the underlying assets and liabilities in the scheme

Additionally, the company contributes to a defined contribution scheme for certain employees For defined contribution schemes, the Company pays contributions to a separately administered pensions scheme Once the contributions have been paid, the Company has no further payment obligations The Company's contributions to a defined contribution scheme are charged to the profit and loss account in the period to which the contributions relate

j) Grants

Bus service operators grant is credited to operating costs Other grants are credited to the profit and loss account as the expenditure is expensed

k) Dividends

Dividends on ordinary shares are recorded in the financial statements in the year in which they are approved by the shareholders, or in the case of interim dividends, on the year in which they are paid

l) Investment income

Income from shares in subsidiary undertakings represents dividends, including accruals relating to the current year and prior years, provided that the Company has approved the dividend

m) Revaluation of properties

The properties were last revalued at 31 December 2005 and the valuations have not been subsequently updated

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves

1 Accounting policies (continued)

n) Share based payments

Certain of the Company's employees are granted equity settled share based payments by the parent company The Company has applied the optional exemption contained within FRS 20, which allows it to apply the standard only to share options granted after the 7 November 2002 that have not vested by 1 May 2005

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period Fair value for equity-settled share based payments is estimated by use of the Black-Scholes pricing model

At each balance sheet date, before vesting, the cumulative expense is calculated based on management's best estimate of the number of equity instruments that will ultimately vest taking into consideration the likelihood of achieving non-market based vesting conditions The movement in the cumulative expense is recognised in the profit and loss account, with a corresponding entry in reserves

2 Turnover

The turnover and profit/(loss) on ordinary activities before taxation were derived wholly from the Company's principal activity within the United Kingdom

3 Other operating income

	2013	2012
	£000	£000
Advertising income	**50**	39
Property rental income	**18**	20
Other miscellaneous revenue	**37**	82
	105	141

4 Investment income

	2013	2012
	£000	£000
Dividend received from subsidiary undertaking	**3,500**	-

5 Finance (charges)/income (net)

	2013	2012
	£000	£000
Hire purchase and finance lease interest payable	(84)	(103)
Bank interest receivable	11	122
Bank interest payable	(9)	-
	(82)	19

6 Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities before taxation for the year is stated after charging/(crediting)

	2013	2012
	£000	£000
Depreciation of tangible fixed assets		
- owned	1,121	1,282
- held under hire purchase and finance leases agreements	512	507
Loss/(Gain) on disposal of tangible fixed assets other than properties	42	(39)
Operating lease rentals		
- land & buildings	235	264
- PSV's	179	73
- plant & machinery	91	94

No auditors' fees have been settled directly by the Company Audit fees of £2,340 (2012 £8,271) were paid by a fellow subsidiary undertaking on behalf of the Company in respect of audit work performed in the UK

7 Directors remuneration

	2013	2012
	£000	£000
Emoluments of directors	161	108

The above details of directors' emoluments include an apportionment of the emoluments of Mr L B Warneford, Mr C Brown, Mr R G Andrew, Mr S Greer and Mr R Montgomery which are paid by a fellow subsidiary, Stagecoach Holdings Limited £85,414 (2012 £45,759) of their total emoluments received are apportioned to their services as directors of The Yorkshire Traction Company Limited

None of the emoluments of Mr M J Vaux are directly attributable to the Company

7 Directors remuneration (continued)

The number of directors who were members of pension schemes during the year was as follows

	2013 Number	2012 Number
Defined benefit scheme	**6**	6
Defined contribution scheme	**1**	1
	7	7

The number of directors who exercised share options during the year was as follows

	2013 Number	2012 Number
Share option scheme	**6**	-

8 Dividends

	2013 £000	2012 £000
Interim dividend paid to parent company £2 46 per ordinary share (2012 £Nil per ordinary share)	**2,500**	-

9 Staff costs

Staff costs:	2013 £000	2012 £000
Wages and salaries	**10,617**	10,512
Social security costs	**991**	876
Other pension costs (see note 19)	**485**	620
Share based payment expense - equity settled (see note 21)	**-**	6
Share based payment expense - cash settled (see note 21)	**30**	14
	12,123	12,028

9 Staff costs (continued)

The average monthly number of persons employed by the Company (including executive directors) during the year was

	2013 Number	2012 Number
Operations	**449**	496
Maintenance and Engineering	**82**	86
Administration and supervisory	**36**	36
	567	618

10 Tax on profit/(loss) on ordinary activities

a) Credit for the year

	2013 £000	2012 £000
Current tax		
Amounts receivable from fellow subsidiary in respect of group relief	**(485)**	(506)
Adjustments in respect of prior years	**47**	(121)
Total current tax	**(438)**	(627)
Deferred tax		
Origination and reversal of timing differences	**9**	32
Adjustments in respect of prior years	**29**	(33)
Total deferred tax (note 15)	**38**	(1)
Tax on profit/(loss) on ordinary activities	**(400)**	(628)

10 Tax on profit/(loss) on ordinary activities (continued)

b) Factors affecting the tax credit for the year

The tax assessed for the year is lower (2012 lower) than the standard rate of corporation tax in the UK of 23 92% (2012 25 84%) The differences are explained below	**2013 £000**	2012 £000
Profit/(loss) on ordinary activities before tax	**2,011**	(1,065)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 92% (2012 25 84%)	**481**	(275)
Effect of		
Non tax deductible expenditure and other permanent differences	**39**	43
Share based payments	**-**	6
Treatment of intercompany transactions	**(133)**	(194)
Non taxable/non deductible release of inter-company loan	**1**	-
Non taxable dividends received	**(837)**	-
Capital allowances more than depreciation	**(36)**	(86)
Adjustment to tax charge in respect of previous years	**47**	(121)
Current tax credit for year	**(438)**	(627)

c) Factors that may effect future tax charges

Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012 which was substantively enacted in July 2012 The relevant deferred tax balances have been re-measured accordingly Further changes to the UK Corporation tax rates were enacted as part of Finance Act 2013 on 2 July 2013 These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015 These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements The overall effect of these further changes, if applied to the deferred tax balance at the balance sheet date, would be to further reduce the deferred tax liability by an additional £83,386 from £639,289 to £555,903

11 Fixed assets

a) Tangible assets

The movement in the year is summarised below

	Leasehold Land & buildings £000	PSVs £000	Other plant & equipment & furniture & fittings £000	Total £000
Cost or valuation				
At beginning of year	4,527	19,115	1,756	25,398
Additions	66	1,733	37	1,836
Disposals	(30)	(2,834)	(23)	(2,887)
Intercompany transfers	(320)	2,433	34	2,147
At end of year	**4,243**	**20,447**	**1,804**	**26,494**
Accumulated depreciation				
At beginning of year	(621)	(9,269)	(1,073)	(10,963)
Charge for year	(156)	(1,270)	(207)	(1,633)
Disposals	12	2,723	21	2,756
Intercompany transfers	60	(2,458)	(32)	(2,430)
At end of year	**(705)**	**(10,274)**	**(1,291)**	**(12,270)**
Net book value				
At beginning of year	3,906	9,846	683	14,435
At end of year	**3,538**	**10,173**	**513**	**14,224**

The net book value of PSV assets leased under finance leases and hire purchase agreements which have been capitalised and included in the above is £4,771,000 (2012 £5,225,000) Depreciation of £512,000 (2012 £507,000) has been charged in the year in respect of PSV assets held under hire purchase or finance lease agreements

The Company's properties were re-valued at 31 December 2005 on the basis of existing use by Montagu Evans LLP, an independent firm of Chartered Surveyors

The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors in the United Kingdom If this and prior revaluations of land and buildings had not taken place, the historical cost and accumulated depreciation at 30 April 2013 would have been £3,146,000 and £790,000 respectively (2012 £3,429,000 and £783,000 respectively)

11 Fixed assets (continued)

b) Investments

	Interests in group undertakings Total £000
At beginning and end of year	**3,782**

The directors believe that the carrying value of the investments is supported by their underlying net assets

Interests in subsidiary undertakings

The subsidiary undertakings together with their principal business activities are as follows

Name of undertaking	Nature of business
Lincolnshire Road Car Company Limited	Provision of bus and coach services
The Barnsley & District Traction Company Limited	Dormant throughout the year
Strathtay Scottish Omnibuses Limited	Provision of bus and coach services
Andrews (Sheffield) Limited	Provision of bus services
The Mexborough & Swinton Traction Company Limited	Dormant throughout the year
Lincoln City Transport Limited	Dormant throughout the year
Yorkshire Terrier Limited	Dormant throughout the year
Tanport Limited	Dormant throughout the year
Basichour Limited	Dormant throughout the year

With the exception of the shareholding in Lincoln City Transport Limited, which is held by Lincolnshire Road Car Company Limited, all investments in subsidiary undertakings are held directly by the Company All of the above investments comprise 100% of the nominal value of issued shares

The above subsidiaries are registered in England and Wales with the exception of Strathtay Scottish Omnibuses Limited which is registered in Scotland

12 Stocks

	2013	2012
	£000	£000
Spares, consumables and fuel	99	112

In the opinion of the directors, the difference between the replacement cost of these stocks and their balance sheet value is not material

13 Debtors

	2013	2012
Amounts falling due within one year	£000	£000
Amounts owed by group undertakings	4,713	1,451
Intercompany group relief receivable	485	507
Prepayments and accrued income	954	862
	6,152	2,820

Amounts owed by group undertakings within one year accrue no interest and are repayable on demand

14 Creditors

	2013	2012
Amounts falling due within one year	£000	£000
Bank overdraft	4,684	-
Hire purchase and lease obligations (note 15)	768	735
Amounts owed to group undertakings	11,511	10,495
Other taxes and social security costs	265	336
Accruals and deferred income	2,637	5,424
	19,865	16,990
Amounts falling due after more than one year		
Hire purchase and lease obligations (note 15)	2,030	2,752

Amounts owed to group undertakings within one year accrue no interest and are repayable on demand

15 Obligations under hire purchase and finance lease agreements

Borrowings are repayable as follows

Amounts payable	2013 £000	2012 £000
- within one year	**768**	735
- between one and two years	**690**	733
- between two and five years	**1,340**	2,019
	2,798	3,487

16 Provisions for liabilities and charges

Deferred tax	2013 £000	2012 £000
Accelerated capital allowances	**657**	606
Other timing differences	**(19)**	(6)
Deferred tax liability	**638**	600

Deferred tax liability at beginning of year	**600**	601
Deferred tax charge/(credit) in profit and loss account for year (note 10)	**38**	(1)
Deferred tax liability at end of year	**638**	600

17 Called up share capital

	2013	2012
Allotted, called up and fully paid		
1,016,446 (2012 86,086) ordinary shares of £1 each	**1,016**	86

During the year 930,360 ordinary shares of £1 each were issued to Stagecoach Bus Holdings Limited for a consideration of £930,360

18 Reserves

The movement on reserves is summarised below

	Capital redemption reserve	Revaluation reserve	Profit & loss account	Contribution reserve
	£000	£000	£000	£000
At beginning of year	14	257	747	69
Profit for the year	-	-	2,411	-
Dividends	-	-	(2,500)	-
Revaluation reserve release	-	(9)	9	-
At end of year	**14**	**248**	**667**	**69**

19 Pensions

The Company accounts for pensions in accordance with FRS 17 "Retirement Benefits"

The Stagecoach Group Pension scheme is a defined benefit scheme The Company, together with a number of companies within the Group headed by Stagecoach Group plc, makes contributions to the Scheme For the purposes of FRS 17, the contributions paid by the Company are accounted for as if the scheme was a defined contribution scheme, as the Company is unable to identify its share of the underlying assets and liabilities in the scheme In the consolidated financial statements of Stagecoach Group plc, the scheme as a whole is accounted for as a defined benefit scheme The consolidated financial statements of Stagecoach Group plc provide further details of the scheme

The total contribution by the Company into the Stagecoach Group Pension Scheme for the year ended 30 April 2013 was £334,000 (2012 £484,000), being 8 55% (2012 11 85%) of pensionable salary, and are based on pension costs across the Group as a whole An actuarial valuation of the Stagecoach Group Pension Scheme was undertaken on 30 April 2011 and a surplus of £72 2 million was identified

Additionally, contributions of £151,000 (2012 £136,000) were made to a defined contribution scheme by the Company At 30 April 2013 there was a creditor of £35,000 (2012 £29,000) in relation to these contributions

20 Guarantees and other financial commitments

a) Lease commitments

Annual commitments under non-cancellable operating leases are as follows

	2013 Land and buildings £000	**2013 Other £000**	2012 Land and buildings £000	2012 Other £000
Expiry date				
- within one year	**3**	**12**	-	7
- between one and five years	**160**	**237**	202	246
- after five years	**65**	**-**	64	-
	228	**249**	266	253

b) Contingent liabilities

The Company, together with certain other group undertakings, is a member of a group for VAT purposes, and technically stands liable in the event of default by any other group undertaking

c) Cross guarantees

The company is subject to a cross corporate guarantee in relation to the Stagecoach Group plc banking arrangements with the Bank of Scotland There have been no instances where this guarantee has been called upon during the year and none are expected in the future

21 Share based payments

The Company operates a Buy as You Earn Scheme ("BAYE") and in the prior year operated a Save as you Earn Scheme ("SAYE")

All share options referred to relate to ordinary shares of Stagecoach Group plc, the ultimate parent company

Save as you Earn Scheme ("SAYE")

In the prior year the Company operated a Save as you Earn scheme ("SAYE") Share based payment charges of £Nil (2012 £6,100) were recognised in the profit and loss account in relation to the scheme

Buy as You Earn Scheme (BAYE)

BAYE enables eligible employees to purchase shares from their gross income The Company provides two matching shares for every share bought from the first £10 of monthly investment, subject to a maximum Company contribution of shares to the value of £20 per employee per month

21 Share based payments (continued)

Buy as You Earn Scheme (BAYE) (continued)

If the shares are held in trust for five years or more, no income tax and national insurance will be payable The matching shares will be forfeited if the corresponding partnership shares are removed from trust within three years of award

At 30 April 2013, there were 68 (2012 61) participants in the BAYE scheme who have cumulatively purchased 12,220 (2012 3,850) shares with the Company contributing 6,256 (2012 1,788) matching shares on a cumulative basis Dividends had been reinvested in a further 318 (2012 8) shares for these participants

Costs of £29,502 (2012 £14,384) have been recognised in the profit and loss account during the year in relation to the scheme

22 Related party transactions

The Company has taken advantage of the exemptions granted under FRS 8 by not disclosing details of sales and purchases with other members of the group headed by Stagecoach Group plc Details of amounts owed to and from group undertakings are disclosed in aggregate in note 13 and 14

The fellow group undertaking Scottish Citylink Coaches Limited is a 35% owned subsidiary of Stagecoach Group plc For the year ended 30 April 2013, The Yorkshire Traction Company Limited included costs of £152,000 (2012 £247,000) As at 30 April 2013, the Company has no receivables or payables (2012 £Nil) with Scottish Citylink Coaches Limited

23 Ultimate parent company

The Company's immediate parent company is Stagecoach Bus Holdings Limited, registered in Scotland (registered number SC176671) The Company's ultimate parent company is Stagecoach Group plc, registered in Scotland (registered number SC100764), which heads the only group into which the results of the Company are consolidated The financial statements of the ultimate parent company are available from the following address

Stagecoach Group plc
Group Headquarters
10 Dunkeld Road
Perth
PH1 5TW