

Company Registration No 03261587

FirstBus (South) Limited

Report and Financial Statements

31 March 2013

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FirstBus (South) Limited

Report and financial statements

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FirstBus (South) Limited

Directors' report

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2013

Principal activity and business review

The company acts as an intermediate investment holding company for several subsidiary undertakings which trade as bus operators and there will be no changes in the principal activity for the foreseeable future

The results for the financial year are given in the profit and loss account on page 5 which shows a loss for the financial year of £571,000 (2012 profit of £21 0m)

FirstGroup plc manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for understanding the development, performance or position of the business. The performance of the Group, which includes the company, is discussed in the Group's Annual Report which does not form part of this report and is publicly available.

The directors do not recommend payment of a dividend (2012 £21 0m)

Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from assets are not sufficient to fund obligations as they fall due.

Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the directors consider the only financial risks to be that the company's fixed asset investments and intercompany debtors are not recoverable and that the company is not able to pay its intercompany liabilities as they fall due.

Key management mitigate these risks by monitoring of the company's and its subsidiary investments' financial positions throughout the year.

The company does not manage its financial risk through the use of financial derivative instruments.

Going concern

At 31 March 2013 the company had net current liabilities of £38,338,000 and net assets of £29,715,000. The ultimate parent company FirstGroup plc, has provided the directors of the company with a letter confirming that repayments of amounts due to group undertakings will not be sought for a period of at least 12 months from the date of this report. The ultimate parent company has also confirmed in writing that it will make available such funds as may be required to enable the company to meet its obligations for a period of at least 12 months from the date of signing these financial statements. The directors have made enquiries and understand that the parent company has adequate resources to be able to provide this financial support.

Accordingly, after making appropriate enquiries and considering the current economic climate, the directors have formed the conclusion that there is a reasonable expectation that the company will continue in operational existence and has adequate resources for the foreseeable future.

FirstBus (South) Limited

Directors' report (continued)

Directors

The directors who held office throughout the year and to the date of this report (unless otherwise stated) were as follows

T O'Toole
N K Chevis
G G Park (resigned 19 April 2013)
G R Fearnley
D Liston
C Surch (appointed 1 September 2012)

Audit information

Each of the persons who is a director at the date of approval of this report confirms that

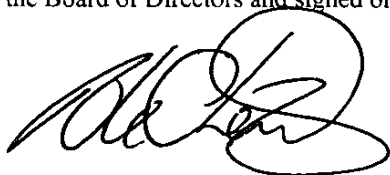
- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provision of S418 of the Companies Act 2006

Auditor

The company has passed an elective resolution dispensing with the requirement to appoint an auditor annually, Deloitte LLP have indicated their willingness to continue as auditor of the company and are therefore deemed to be reappointed for a further term

Approved by the Board of Directors and signed on its behalf by



N K Chevis
Director

19 December 2013

FirstBus (South) Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 elected to prepare 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FIRSTBUS (SOUTH) LIMITED

We have audited the financial statements of FirstBus (South) Limited for the year ended 31 March 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the reconciliation of movement in shareholder's funds and the related notes 1 to 15. 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).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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.

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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 March 2013 and of its loss 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.

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.



Mark Tolley (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
19 December 2013

FirstBus (South) Limited

Profit and Loss Account Year ended 31 March 2013

	Notes	2013 £'000	2012 £'000
Operating (loss)/result	2	-	-
Income from fixed asset investments	5	-	21,000
Impairment of intangible fixed asset investments	8	(571)	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(571)	21,000
Tax on (loss)/profit on ordinary activities	6	-	-
		<hr/>	<hr/>
(Loss)/profit for the financial year	12	(571)	21,000
		<hr/> <hr/>	<hr/> <hr/>

All activities relate to continuing operations

Statement of total recognised gains and losses Year ended 31 March 2013

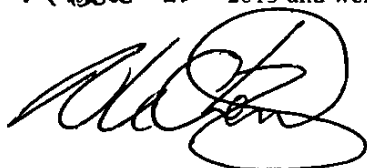
	2013 £'000	2012 £'000
(Loss)/profit for the financial year	(571)	21,000
Foreign exchange translation differences on investments	141	(625)
Foreign exchange translation differences on foreign currency borrowings	(141)	625
	<hr/>	<hr/>
Total recognised (losses)/gains for the year	(571)	21,000
	<hr/> <hr/>	<hr/> <hr/>

FirstBus (South) Limited

Balance Sheet 31 March 2012

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	8	68,053	68,483
Current assets			
Debtors	9	-	101,062
Creditors amounts falling due within one year	10	(38,338)	(139,259)
Net current liabilities		(38,338)	(38,197)
Total assets less current liabilities/ Net assets		<u>29,715</u>	<u>30,286</u>
Capital and reserves			
Called up share capital	11	10	10
Share premium account	12	30,270	30,270
Profit and loss account	12	(565)	6
Shareholder's funds		<u>29,715</u>	<u>30,286</u>

These financial statements (Company Registration Number 03261587) were approved and authorised for issue by the Board of Directors on ~~19 DECEMBER~~ 2013 and were signed on its behalf by



N K Chevis
Director

FirstBus (South) Limited

Reconciliation of movements in shareholder's funds Year ended 31 March 2013

	Notes	2013 £'000	2012 £'000
(Loss)/profit for the financial year		(571)	21,000
Dividends paid	7	-	(21,000)
Net movement to shareholder's funds		(571)	-
Opening shareholder's funds		30,286	30,286
Closing shareholder's funds		29,715	30,286

FirstBus (South) Limited

Notes to the financial statements Year ended 31 March 2013

1. Accounting policies

The accounting policies have been applied consistently throughout the current and preceding year

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards. The going concern basis has been applied as described in the going concern statement in the Directors' Report.

Group financial statements

Under the provisions of section 400 of the Companies Act 2006, and in accordance with paragraphs 21b and 21c of Financial Reporting Standard 2 'Accounting for subsidiary undertakings,' the company is exempt from preparing consolidated financial statements by virtue of the fact that the company is a subsidiary of FirstGroup plc which prepares group financial statements. The financial statements therefore present information about the company as an individual undertaking and not as a group.

Cash flow statement

The company is a wholly owned subsidiary of FirstGroup plc, a company registered in Scotland. Accordingly, the company has taken advantage of the exemption offered by Financial Reporting Standard 1 (Revised 1996) 'Cash flow statements' enabling it not to produce a cash flow statement as the parent company has included a consolidated cash flow statement within its Group financial statements which are publicly available.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The taxation liability is reduced wholly or in part by the surrender of losses by group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the surrendering undertaking.

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Exchange differences arising from the translation at the closing rate of investments in subsidiaries and associated undertakings are taken to reserves as are exchange differences arising on foreign currency borrowings which finance these investments.

Fixed asset investments

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

The directors performed an impairment review to assess whether there was any need for impairment to carrying amount of the investments. As a result of this valuation process the Company provided for a total impairment charge amounting to £571,000 (2012: nil) against the carrying value of its investment in one of its subsidiaries.

FirstBus (South) Limited

Notes to the financial statements Year ended 31 March 2013

2 Operating costs

The audit fees for the year of £1,000 (2012 £1,000) have been borne by other group companies. There have been no non-audit fees in the current and prior year borne by other group companies.

Operating costs also an impairment charge of £571,100 (2012 nil). Refer to note 8.

3. Employee numbers and costs

The company had no employees during the current and prior year and therefore no employee costs (2012 £nil).

4. Directors' remuneration

Remuneration received by the directors in relation to qualifying services for the current year was £nil (2012 £nil).

5. Income from fixed asset investments

	2013 £'000	2012 £'000
Dividend income from subsidiary undertakings	-	21,000

6. Tax on (loss)/profit on ordinary activities

There is no tax charge as there has been no taxable activity in either year. The standard rate of taxation in the UK is 24% (2012 26%).

7. Dividends

	2013 £'000	2012 £'000
Amounts recognised as distributions to equity holders in the period		
Final dividend for the year ended 2013 of £nil		
(2012 £2,100) per share	-	21,000

FirstBus (South) Limited

Notes to the financial statements Year ended 31 March 2013

8. Fixed asset investments

	£'000
Cost	
At 1 April 2012	68,483
Exchange rate difference	141
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At 31 March 2013	68,624
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Accumulated impairment losses	
At 1 April 2012	-
Impairment losses for the year	(571)
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At 31 March 2013	(571)
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Carrying value	
At 31 March 2013	68,053
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At 31 March 2012	68,483
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The principal subsidiary undertakings at the end of the year are

	Country of Incorporation	Principal Activity	Holding	%
CentreWest London Buses Limited	United Kingdom	Local bus operators	Ordinary	100
First Essex Buses Limited	United Kingdom	Local bus operators	Ordinary	100
First Beeline Buses Limited	United Kingdom	Local bus operators	Ordinary	100
First Bristol Limited	United Kingdom	Local bus operators	Ordinary	100
First Capital East Limited	United Kingdom	Local bus operators	Ordinary	100
First Capital North Limited	United Kingdom	Local bus operators	Ordinary	100
First Somerset and Avon Limited	United Kingdom	Local bus operators	Ordinary	100
First Cymru Buses Limited	United Kingdom	Local bus operators	Ordinary	100
First Eastern Counties Buses Limited	United Kingdom	Local bus operators	Ordinary	100
First Hampshire and Dorset Limited	United Kingdom	Local bus operators	Ordinary	100
First Midland Red Buses Limited	United Kingdom	Local bus operators	Ordinary	100
First Devon and Cornwall Limited	United Kingdom	Local bus operators	Ordinary	100
Northampton Transport Limited	United Kingdom	Local bus operators	Ordinary	100
Leicester CityBus Limited	United Kingdom	Local bus operators	Ordinary	94
Last Passive Limited	Republic of Ireland	Local bus operators	Ordinary	100

All shares held in subsidiary undertakings are ordinary shares, with the exception of Leicester CityBus Limited, where 100% of its redeemable preference shares, as well as 94% of its ordinary shares, are owned

On 9 April 2013, the Group announced the sale of five of its London bus depots (and associated assets, including plant and vehicles) to Metroline Limited, an existing London bus operator. The purchase of the business was completed on 22 June 2013 for a gross cash consideration of £57.5 million. In addition, on 9 April 2013 the Group announced the sale of a further three London bus depots to Transit Systems Group for a gross cash consideration of £21.3 million. The sale was completed on 22 June 2013. FirstBus (South) Limited has a direct interest in these sales via its investments in First Capital North Limited, CentreWest London Buses Limited and First Capital East Limited. As a result of these disposals the value of investments in subsidiary companies were reviewed and it was found that the investment in one of its holdings companies was impaired. It is unforeseeable that the company will be able to recover its investment and the directors have taken the decision to fully provide for this investment within the accounts.

FirstBus (South) Limited

Notes to the financial statements Year ended 31 March 2013

9. Debtors

	2013 £'000	2012 £'000
Amounts due within one year		
Amounts owed by group undertakings	-	101,062

Amounts owed by group undertakings are trading amounts which are non-interest bearing and repayable on demand

10. Creditors: Amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to group undertakings	38,338	139,259

Amounts owed to group undertakings are trading amounts which are non-interest bearing and repayable on demand

11 Called up share capital

	2012 £'000	2012 £'000
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10	10

12. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 April 2012	30,270	6
Loss for the financial year	-	(571)
At 31 March 2013	30,270	(565)

13. Commitments

The company had no capital or any other commitments at 31 March 2013 and 31 March 2012

14 Related party transactions

The company is taking advantage of the exemption under FRS 8 "Related Party Disclosures" for related party transactions with other wholly owned group companies. The ultimate parent company, FirstGroup plc, has prepared consolidated financial statements which include the results of the company and are available to the public.

FirstBus (South) Limited

Notes to the financial statements Year ended 31 March 2013

15. Ultimate parent company

The directors regard FirstGroup plc, a company incorporated in the United Kingdom and registered in Scotland, as the ultimate and immediate parent and controlling company, which is the smallest and largest group that includes the company's results and for which Group financial statements are prepared

Copies of the financial statements of FirstGroup plc can be obtained on request from Ground Floor, 50 Eastbourne Terrace, London, W2 6LG