

Company Registration No. 03261587

FirstBus (South) Limited

Annual Report and Financial Statements

For the year ended 31 March 2018



FirstBus (South) Limited

Annual Report and financial statements

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FirstBus (South) Limited

Strategic report

The directors have pleasure in submitting the strategic report for the year ended 31 March 2018.

Principal activity

FirstBus (South) Limited acts as an intermediate holding company. There have not been any significant changes in the Company's principal activity in the year under review and no significant change in the Company's principal activity is expected.

Business review

The results for the financial year are given in the income statement on page 7 which shows a profit for the financial year of £3,352,000 (2017: £4,503,000). The company has net assets of £43,859,000 as at 31 March 2018 (2017: £40,507,000).

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 (2017: £nil).

Principal risks and uncertainties and 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 financial risks to be the solvency of its investments and that the entity is not able to recover its intercompany receivables or pay its intercompany liabilities as they fall due.

Key management mitigate these risks by monitoring the company's financial position and those of its subsidiary investments throughout the year, coupled with consideration of relevant group forecasts and budgets for anticipated future performance.

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

Future developments

The directors expect the general level of activity to remain consistent in the forthcoming year.

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



N Chevis
Director

21/12/2018

8th Floor The Point
37 North Wharf Road
London
W2 1AF

FirstBus (South) Limited

Directors' report

The directors have pleasure in submitting the annual report and audited financial statements for the year ended 31 March 2018. Information in relation to the future developments, principal risks and their management is included in the Strategic Report, as permitted by section 414 C (11) of the Companies Act 2006.

Principal activity

The principal activity of the company is to act as a holding company. There will be no change in the activity of the company for the foreseeable future.

Results and dividends

The results for the financial year are given in the income statement on page 7 which shows a profit for the financial year of £3,352,000 (2017: £4,503,000). The company has net assets of £43,859,000 as at 31 March 2018 (2017: £40,507,000).

The directors do not recommend payment of a dividend (2017: £nil).

Tramlink incident at Sandilands Junction on 9 November 2016

Investigations into the incident are ongoing and it is uncertain when they will be concluded. No proceedings have been commenced and, as such, it is not possible to assess whether any financial penalties or related costs could be incurred.

The Rail Accident Investigation Branch issued its report in December 2017 with a further update issued in October 2018.

It is not anticipated that there will be any material impact on the investment in TOL held by FirstBus (South) Limited

Directors

The directors who held office throughout the year and to the date of this report, except as noted below, were as follows:

N Chevis

G Fearnley

M Gregory

J Bowen

D Alexander

T O'Toole (resigned 31 May 2018)

Going concern

At 31 March 2018, the company had net current liabilities of £23,959,000 and net assets of £43,859,000. 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' and officers' liability insurance

Directors' and officers' liability insurance is taken out by FirstGroup plc, the company's ultimate parent undertaking, for the benefit of the Directors and officers of the Company.

Directors' indemnity

Qualifying third party indemnity provisions (as defined in section 234 of the companies Act 2006) were in force during the year and up to and including the date of the Directors' report for the benefit of the Directors of the Company.

Auditor 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 Chevis
Director

..... 21/12/2018

FirstBus (South) Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the audited 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; 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

Opinion

In our opinion the financial statements of FirstBus (South) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of FirstBus (South) Limited for the year ended 31 March 2018 which comprises the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 13. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent Auditor's Report (continued)

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

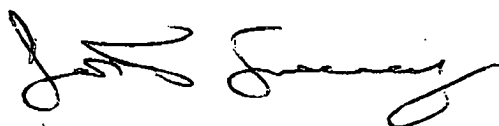
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 respect of these matters.

Use of our report

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.



David Sweeney CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom

21 December 2018

FirstBus (South) Limited

Income Statement Year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Operating loss		-	(141)
Income from fixed asset investments	6	3,352	4,644
Profit before taxation		3,352	4,503
Tax on profit	7	-	-
Profit for the financial year		3,352	4,503

All activities relate to continuing operations.

There are no recognised gains or losses other than those reflected in the income statement account for the current or preceding year. Accordingly, no separate statement of comprehensive income has been presented.

FirstBus (South) Limited

Statement of Financial Position As at 31 March 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Investments	8	67,818	67,818
Creditors: amounts falling due within one year	9	(23,959)	(27,311)
Net current liabilities		(23,959)	(27,311)
Net assets		43,859	40,507
Capital and reserves			
Called up share capital	10	10	10
Share premium account	10	30,270	30,270
Profit and loss account	10	13,579	10,227
Shareholder's funds		43,859	40,507

These financial statements of FirstBus (South) Limited (Company Registration Number 03261587) were approved and authorised for issue by the Board of Directors on 21.12.18 2018 and were signed on its behalf by:



N Chevis
Director

FirstBus (South) Limited

Statement of Changes in Equity As at 31 March 2018

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 2016	10	30,270	5,724	36,004
Profit for the financial year	-	-	4,503	4,503
Total comprehensive income	10	30,270	10,227	40,507
At 31 March 2017	10	30,270	10,227	40,507
Profit for the financial year	-	-	3,352	3,352
Total comprehensive income	10	30,270	13,579	43,859
At 31 March 2018	10	30,270	13,579	43,859

FirstBus (South) Limited

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies

The accounting policies are summarised below. They have all been applied consistently throughout the current and prior year.

General information and basis of accounting

FirstBus (South) Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 8th Floor The Point, 37 North Wharf Road, London, W2 1AF. FirstBus (South) Limited is a private Company limited by shares and is registered in England and Wales. The nature of the company's operations and its principal activity are set out in the Strategic Report on page 1.

The financial statements for the year ended 31 March 2018 include the results and financial position for the Company for the 53 weeks ended 31 March 2018 and the financial statement for the year ended 31 March 2017 include the results and financial position of the Company for the 52 weeks ended 25 March 2017.

The functional currency of FirstBus (South) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are also presented in pounds sterling.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis as described in the going concern statement in the Directors' Report on page 2 and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Under the provisions of section 400 of the Companies Act 2006, 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. These financial statements therefore present information about the company as an individual undertaking and not as a group.

FirstBus (South) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and intra-group transactions.

Taxation

Current tax, including 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.

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 income statement.

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.

Financial instruments

All financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are measured at transaction price (including transaction cost).

FirstBus (South) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2018

2. Critical accounting judgements and key sources of estimation uncertainty

Based on the nature of the business, the directors do not consider there to be any critical accounting judgements nor key sources of estimation uncertainty.

3. Operating loss

Fees for the audit of the financial statements for the year of £1,000 (2017: £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.

4. Employee numbers and costs

The company had no employees during the current and prior year and therefore no employee costs (2017: £nil).

5. Directors' remuneration

Remuneration received by the directors in relation to qualifying services for the current year was £nil (2017: £nil).

6. Income from fixed asset investments

	2018 £'000	2017 £'000
Dividend income from subsidiary undertakings	3,352	4,644

7. Tax on profit

There is no tax charge as there has been no taxable activity in either year, the income in the year relates to non-taxable dividends. The standard rate of taxation for the year is therefore nil rather than the UK standard rate 19% (2017: 20%). The UK Government has enacted legislation to further reduce the main rate of UK corporation tax to 17% with effect from 1 April 2020.

The actual tax charge for the current and previous year differed from the standard rate for the reasons set out in the following reconciliation:

	2018 £'000	2017 £'000
Profit before tax	3,352	4,503
Profit before tax multiplied by the standard rate of Corporation Tax in the UK of 19% (2017: 20%)	637	901
Factors affecting charge		
- Non-taxable expense	-	28
- Non-taxable dividend income	(637)	(929)
Total tax charge on profit	-	-

FirstBus (South) Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

8. Fixed asset investments

Cost	£'000
At 1 April 2017 and 31 March 2018	68,389
Accumulated impairment losses	
At 1 April 2017 and 31 March 2018	(571)
Carrying value	
At 31 March 2017 and 31 March 2018	67,818

The subsidiary undertakings at the end of the year are:

Subsidiaries incorporated in the United Kingdom:

Name	Address	Principal Activity	Holding	%
CCB Holdings Limited	1	Holding company	Ordinary	100
CCB TV Limited*	1	Dormant	Ordinary	100
CentreWest Limited	1	Holding company	Ordinary	100
CentreWest London Buses Limited*	1	Non trading	Ordinary	100
First Beeline Buses Limited*	2	Local bus operators	Ordinary	100
First Bus Central Services Limited*	3	Non trading	Ordinary	100
First Capital East Limited*	5	Non trading	Ordinary	100
First Capital North Limited*	1	Non Trading	Ordinary	100
First Essex Buses Limited	5	Local bus operators	Ordinary	100
First Cymru Buses Limited	4	Local bus operators	Ordinary	100
First Eastern Counties Buses Limited	5	Local bus operators	Ordinary	100
First Games Transport Limited	1	Local bus operators	Ordinary	100
First Hampshire and Dorset Limited*	2	Local bus operators	Ordinary	100
First Midland Red Buses Limited	5	Local bus operators	Ordinary	100
First Northern Ireland Limited	6	Local bus operators	Ordinary	100
First South West Limited	7	Local bus operators	Ordinary	100
First Travel Solutions Limited*	12	Coach contractors	Ordinary	100
First Wessex National Limited	3	Dormant	Ordinary	100
First West of England Limited	3	Local bus operators	Ordinary	100
Northampton Transport Limited	5	Non trading	Ordinary	100
Greyhound UK Limited	1	Non trading	Ordinary	100
Greyhound Limited	1	Dormant	Ordinary	100
Southampton CityBus Limited	8	Dormant	Ordinary	100
Skillplace Training Limited	4	Dormant	Ordinary	100
Airport Buses Limited*	5	Dormant	Ordinary	100
Airport Coaches Limited*	5	Dormant	Ordinary	100
Lynton Bus & Coach Limited*	5	Dormant	Ordinary	100
Lynton Company Services Limited*	5	Dormant	Ordinary	100
CentreWest ESOP Trustee (UK) Limited*	1	Dormant	Ordinary	100
First Student UK Limited*	1	Dormant	Ordinary	100
Tram Operations Limited*	9	Light rail transport	Ordinary	100
Halesworth Transit Limited*	5	Dormant	Ordinary	100
A E & F R Brewer Limited*	4	Dormant	Ordinary	100
Truronian Limited*	1	Non trading	Ordinary	100
Somerset Passenger Solutions Limited	11	Local bus operators	Ordinary	50
Careroute Limited*	8	Dormant	Ordinary	80
Hampshire Books Limited*	8	Dormant	Ordinary	100
LCB Engineering Limited*	5	Dormant	Ordinary	94
Leicester CityBus Limited	5	Dormant	Ordinary	94
Leicester City Bus Benefits Limited*	5	Dormant	Ordinary	94

FirstBus (South) Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

8. Fixed asset investments (continued)

Subsidiaries incorporated in the Republic of Ireland:

Name	Address	Principal Activity	Holding	%
Last Passive Limited	10	Local bus operators	Ordinary	100
Aeroporto Limited	10	Holding company	Ordinary	100

1 8th Floor The Point, 37 North Wharf Road, London, W2 1AF

2 Bus Depot, Empress Road, Southampton, Hampshire, SO14 0JW

3 Enterprise House, Easton Road, Bristol, BS5 0DZ

4 Heol Gwyrasydd, Penlan, Swansea, West Glamorgan, SA5 7BN

5 Bus Depot, Westway, Chelmsford, Essex, CM1 3AR

6 21 Arthur Street, Belfast, BT1 4GA

7 Union Street, Camborne, Cornwall, TR14 8HF

8 Empress Road, Southampton, Hampshire, SO14 0JW

9 Tramlink Depot, Coomber Way, Croydon, CR0 4TQ

10 25-28 North, Wall Quay, Dublin

11 Somerset Energy Innovation Centre Woodlands Business Park, Bristol Road, Bridgwater, Somerset, TA6 4FJ

12 Unit 20 Time Technology Park, Blackburn Road, Burnley, BB12 7TG

* Held indirectly by First Bus (South) Limited

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.

9. Creditors: Amounts falling due within one year

	2018	2017
	£'000	£'000
Amounts owed to group undertakings	23,959	27,311

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

10. Called up share capital and reserves

	2018	2017
	£'000	£'000
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10	10

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits and losses net of dividends paid and other adjustments.

The share premium reserves contain the premium arising on the issue of equity shares, net of issue expenses.

11. Commitments

The company had no capital or any other commitments at 31 March 2018 and 31 March 2017.

FirstBus (South) Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

12. Related party transactions

The company is taking advantage of the exemption under FRS 102 (para 33.1A) "Disclosure of 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.

13. 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 the registered address 395 King Street, Aberdeen, AB24 5RP.