

# SCOTO Limited

Annual report and financial statements for the year ended 30 April 2015

Registered office:

Daw Bank  
Stockport  
Cheshire  
SK3 0DU

Registered number:

3795345

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COMPANIES HOUSE

The directors are pleased to present their Strategic report for the year ended 30 April 2015.

**Review of business**

The principal activity of the Company is in holding investments and loans to group subsidiary companies. The Company also holds a number of properties on finance lease which it sub-leases to various group undertakings in return for rental income.

The Company continues to look for investment and rental opportunities in the coming year.

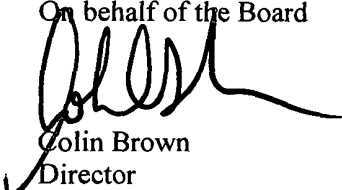
**Principal risks and uncertainties**

The Company's activities expose it to a variety of financial risks including the effects of changes in interest rates and foreign exchange rates. The directors of Stagecoach Group plc, the Company's ultimate parent, consider these financial risks in the context of the Group as a whole. For this reason, the Company's directors believe that a discussion of the Group's financial risks would not be appropriate for an understanding of the performance or position of the Company's business. The principal risks and uncertainties of Stagecoach Group plc, which include the impact of those of the Company, are discussed in the Group's annual report (section 1.4.6 of the Strategic report), which does not form part of this report.

**Key performance indicators (KPIs)**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Discussion on the KPIs affecting the Group as a whole can be found in the Group's 2015 annual report (section 1.4.7 of the Strategic report), which does not form part of this report.

On behalf of the Board



Colin Brown  
Director  
21 September 2015

The directors are pleased to present their annual report on the affairs of the Company, together with the audited financial statements and independent auditors' report for the year ended 30 April 2015.

### **Results and dividends**

The Company reported a profit before taxation of £42.9m (2014: £273.3m).

The directors declared and paid interim ordinary dividends of £50,500,000 (2014: £309,600,000). The directors do not propose a final ordinary dividend (2014: £Nil).

### **Directors**

The directors of the Company who served during the year and up to the date of approval of the financial statements are listed below.

John Hamilton  
Colin Brown

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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.

### **Indemnification of directors and officers**

The Company's ultimate parent maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against the directors and officers of the company. The ultimate parent has indemnified each of its directors and other officers of the Company against certain liabilities that may be incurred as a result of their positions with the Group.

**Land and buildings**

In the opinion of the Directors, there is no material difference between the open market value of the Company's interest in land and buildings and its net book value.

**Independent auditors and statement of disclosure of information to auditors**

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

- So far as each of the directors are 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 steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and the directors have resolved that they be appointed as auditors for next year.

By order of the Board



Michael Vaux  
Company Secretary  
21 September 2015

## **Independent auditors' report (continued)**

**For the year ended 30 April 2015**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTO LIMITED**

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#### **Report on the financial statements**

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##### **Our opinion**

In our opinion, SCOTO Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 April 2015 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.

##### **What we have audited**

SCOTO Limited's financial statements comprise:

- the Balance Sheet as at 30 April 2015;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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#### **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion, 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.

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#### **Other matters on which we are required to report by exception**

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##### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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**Responsibilities for the financial statements and the audit**

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**Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) ("ISAs (UK & 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.

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.



Graham McGregor (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
21 September 2015

**Profit and Loss Account**  
**Year ended 30 April 2015**

|   | Notes | 2015<br>£000  | 2014<br>£000   |
|---|-------|---------------|----------------|
| Turnover  | 2     | 9,191         | 8,971          |
| Other operating income  |       | 34,539        | 265,045        |
| <b>Operating profit</b>   |       | <b>43,730</b> | <b>274,016</b> |
| Loss on disposal of properties                                    |       | (843)         | (753)          |
| <b>Profit on ordinary activities before interest and taxation</b> | 3     | <b>42,887</b> | <b>273,263</b> |
| Finance costs   | 4     | (44,306)      | (38,099)       |
| Finance income  | 4     | 44,306        | 38,099         |
| <b>Profit on ordinary activities before taxation</b>              |       | <b>42,887</b> | <b>273,263</b> |
| Tax on profit on ordinary activities                              | 5     | (1,924)       | (2,850)        |
| <b>Profit for the financial year</b>                              |       | <b>40,963</b> | <b>270,413</b> |

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

The results for each year reported above are derived wholly from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year, above, and their historical cost equivalents.

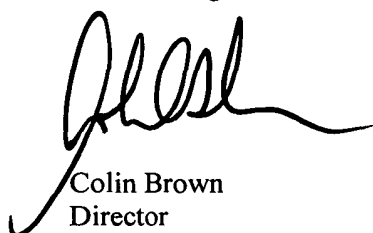
There are no recognised gains or losses in either year other than the results reported above and therefore no separate statement of total recognised gains and losses is presented.

**Balance Sheet**  
As at 30 April 2015

|   | Notes | 2015<br>£000     | 2014<br>£000     |
|---|-------|------------------|------------------|
| <b>Fixed assets</b>                                   |       |                  |                  |
| Tangible assets                                       | 7     | 137,538          | 136,063          |
| Investments   | 8     | 1,333,756        | 1,289,450        |
|   |       | <u>1,471,294</u> | <u>1,425,513</u> |
| <b>Current assets</b>                                 |       |                  |                  |
| Debtors: amounts falling due within one year          | 9     | 29               | 10               |
| Cash at bank and in hand                              |       | 48,898           | 53,404           |
|   |       | <u>48,927</u>    | <u>53,414</u>    |
| <b>Creditors: amounts falling due within one year</b> | 10    | (506,762)        | (455,986)        |
| <b>Net current liabilities</b>                        |       | <u>(457,835)</u> | <u>(402,572)</u> |
| <b>Total assets less current liabilities</b>          |       | 1,013,459        | 1,022,941        |
| Provisions for liabilities                            | 11    | (375)            | (320)            |
| <b>Net assets</b>                                     |       | <u>1,013,084</u> | <u>1,022,621</u> |
| <b>Capital and reserves</b>                           |       |                  |                  |
| Called up share capital                               | 12    | 803              | 803              |
| Share premium account                                 | 13    | 948,517          | 948,517          |
| Profit and loss account                               | 13    | 589              | 10,126           |
| Capital contribution reserve                          | 13    | 63,175           | 63,175           |
| <b>Total shareholders' funds</b>                      | 13    | <u>1,013,084</u> | <u>1,022,621</u> |

The accompanying notes are an integral part of this balance sheet.

The financial statements on pages 6 to 23 were approved by the Board of Directors on 21 September 2015 and signed on its behalf by:



Colin Brown  
Director



## **Notes to the financial statements**

**For the year ended 30 April 2015**

### **1. Accounting policies**

A summary of the principal accounting policies is set out below. All principal accounting policies have been applied consistently throughout the year and the preceding year.

#### *(a) Basis of preparation*

The financial statements are prepared under the historical cost convention, as modified with the fair value accounting of financial instruments under FRS 26 "Financial instruments: Recognition and measurement" and in accordance with applicable accounting standards in the United Kingdom and comply with the requirements of the Companies Act 2006.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on page 1. The financial position of the Company is presented in the financial statements and supporting notes.

As at 30 April 2015 the Company has net current liabilities of £457,835,000. The directors have received confirmation of continuing financial support from the ultimate holding company. Accordingly these financial statements have been prepared on a going concern basis.

#### *(b) Basis of consolidation*

The Company is a wholly owned subsidiary of another UK company, Stagecoach Group plc, which prepares consolidated financial statements including the Company. As permitted by Section 400 of the Companies Act 2006, the Company has not prepared consolidated financial statements.

#### *(c) Cash flow statement*

As permitted by FRS 1 (Revised 1996), the Company has not prepared a cash flow statement as it is a wholly owned subsidiary of another United Kingdom company, Stagecoach Group plc, which prepares consolidated financial statements, which include a consolidated cash flow statement.

#### *(d) Investments*

Equity investments outwith the scope of FRS 26 "Financial instruments: Recognition and measurement" are shown at cost less provision for impairment. An impairment loss is recognised for the amount by which the carrying amount of the net investment exceeds its recoverable amount, being the higher of net realisable value and value in use. The value in use is determined using a pre-tax discount rate which reflects our current market assessments of the risks specific to the investment.

#### *(e) Foreign currency*

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities (including amounts due from or to other group companies) denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any exchange differences arising from the movement in rate of exchange are included in the profit and loss account.

Where the Company has designated foreign currency borrowings as a fair value hedge against its foreign equity investments, the part of that investment which has been hedged is treated as a monetary asset and retranslated at the spot rate at the balance sheet date.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 1. Accounting policies (continued)

#### *(e) Foreign currency (continued)*

Exchange differences arising on the translation of foreign currency equity investments and on foreign currency borrowings (including loans from other group companies), to the extent the borrowings hedge the equity investments, are dealt with within finance income and finance charges in the profit and loss account.

#### *(f) 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 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.

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. Deferred tax is measured on an undiscounted basis.

#### *(g) Dividends*

Dividends on ordinary shares are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders, or in the case of interim dividends, in the period in which they are paid.

#### *(h) Tangible fixed assets*

Fixed assets are shown at historical cost or fair value on acquisition less accumulated depreciation and any provision for impairment. 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.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of assets on a straight line basis over their estimated useful lives, as follows:

|                     |  |
|---------------------|--|
| Buildings           | Shorter of 50 years or period of lease |
| Fixtures & Fittings | 3-5 years straight line                |

Land is not depreciated.

#### *(i) Related party transactions*

The Company has taken advantage of the FRS 8 exemption from having to provide details of transactions with fellow wholly owned group undertakings.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 1. Accounting policies (continued)

#### (j) Turnover

Rental income is received from other operating companies within the Group and is shown net of costs of ownership of the properties. Rental income is recognised for the period in which it relates.

#### (k) Other operating income

Other operating income consists of investment and other income.

Investment income comprises income from investment holdings. Income is accounted for on a receivable basis. Dividends receivable are recognised on the date on which they are declared.

#### (l) Financial instruments

The Company has the following non-derivative financial instruments: trade and other receivables, cash and cash equivalents and trade and other payables. The measurement for each of these is as follows:

##### *Other receivables*

Other receivables are carried at original invoice amount less provision made for impairment of these receivables. Where the time value of money is material, receivables are carried at amortised cost.

##### *Cash and cash equivalents*

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments.

##### *Trade and other payables*

Trade payables are not interest bearing and are stated at their nominal value.

##### *Derivative financial instruments*

The Company also uses derivative financial instruments such as foreign exchange contracts and fuel swaps to manage risks associated with foreign currency and commodity prices. Such derivative financial instruments are initially recognised at fair value and subsequently re-measured to fair value for the reported balance sheet date. The fair value of these derivative instruments is calculated by reference to market exchange rates and prices at the period end.

### 2. Turnover

|                              | 2015<br>£000 | 2014<br>£000 |
|------------------------------|--------------|--------------|
| Depreciation – owned assets  | (232)        | (232)        |
| Depreciation – leased assets | (904)        | (924)        |
| Professional fees            | Nil          | (3)          |
| Rental income                | 10,419       | 10,220       |
| Rent paid                    | (92)         | (90)         |
|                              | <u>9,191</u> | <u>8,971</u> |

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 3. Profit on ordinary activities before interest and taxation

The remuneration of the auditors is not settled directly by the Company. Audit fees of £3,027 (2014: £2,517) were paid by the ultimate holding company, Stagecoach Group plc, on behalf of the Company in respect of audit work performed in the UK.

The remuneration of the directors is borne by the ultimate holding company, Stagecoach Group plc and/or other group companies. No significant part of the directors' remuneration is directly attributable to the Company (2014: £Nil).

The Company has no employees (2014: Nil). All of the directors are employed by the ultimate holding company or other group companies.

### 4. Finance costs and income

|  | 2015<br>£000 | 2014<br>£000 |
|--|--------------|--------------|
| <b>Finance income</b>  |              |              |
| Translation gain on foreign currency net investment                          | 44,306       | 38,099       |
| <b>Finance costs</b>   |              |              |
| Translation loss on foreign currency borrowings used to hedge net investment | (44,306)     | (38,099)     |
| <b>Net finance income</b>  | Nil          | Nil          |

### 5. Tax on profit on ordinary activities

#### (a) Analysis of charge for the year

|  | 2015<br>£000 | 2014<br>£000 |
|--|--------------|--------------|
| <b>Current tax:</b>                            |              |              |
| UK corporation tax on profits of the year      | 2,111        | 2,493        |
| Adjustment in respect of prior year            | (242)        | (33)         |
| <b>Total current tax</b>                       | 1,869        | 2,460        |
| <b>Deferred tax:</b>                           |              |              |
| Origination and reversal of timing differences | 40           | 19           |
| Adjustments in respect of prior years          | 15           | 371          |
| <b>Total deferred tax</b>                      | 55           | 390          |
| <b>Tax on profit on ordinary activities</b>    | 1,924        | 2,850        |

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 5. Tax on profit on ordinary activities (continued)

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is higher (2014: lower) than the standard rate of corporation tax in the UK of 20.92% (2014: 22.83%). The differences are explained below.

|   | 2015<br>£000 | 2014<br>£000 |
|---|--------------|--------------|
| Profit on ordinary activities before taxation   | 42,887       | 273,263      |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.92% (2014: 22.83%) | 8,972        | 62,413       |
| <i>Effect of:</i>   |              |              |
| Non taxable income and expenditure  | 406          | 436          |
| Treatment of intercompany transactions  | (8)          | 145          |
| UK dividends  | (7,217)      | (60,434)     |
| Capital allowances more than depreciation   | (42)         | (67)         |
| Adjustment in respect of prior year   | (242)        | (33)         |
| Current tax charge for the year   | 1,869        | 2,460        |

#### (c) Factors that may affect future tax charges

Changes to the UK corporation tax rates were announced in the Chancellor's budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. Had this change of rate to 18% been substantively enacted at 30 April 2015, the estimated impact on the balance sheet would be a reduction in the deferred tax liability of £37,525, from £375,250 to £337,725.

### 6. Dividends

Dividends payable were as follows:

|   | 2015<br>£000 | 2014<br>£000 |
|---|--------------|--------------|
| <i>Dividends payable on equity shares:</i>  |              |              |
| Interim dividend paid of £691.61 per ordinary share (2014: £4,240.05) in the year | 50,500       | 309,600      |
|   |              |              |
|   | 2015<br>£000 | 2014<br>£000 |
| <i>Dividends payable on "A" shares</i>  |              |              |
| Dividend paid of £Nil (2014: £Nil) per "A" share                                  | Nil          | Nil          |

**Notes to the financial statements (continued)**  
**For the year ended 30 April 2015**

**7. Tangible fixed assets**

The movement on tangible fixed assets during the year was as follows:

|                                 | <b>Land &amp;<br/>buildings</b> | <b>Fixtures &amp;<br/>Fittings</b> | <b>Total</b>    |
|---------------------------------|---------------------------------|------------------------------------|-----------------|
|                                 | <b>£000</b>                     | <b>£000</b>                        | <b>£000</b>     |
| <b>Cost or valuation</b>        |                                 |                                    |                 |
| At beginning of year            | 147,564                         | 98                                 | 147,662         |
| Additions                       | 4,608                           | Nil                                | 4,608           |
| Disposals                       | (2,096)                         | Nil                                | (2,096)         |
| <b>At end of year</b>           | <b>150,076</b>                  | <b>98</b>                          | <b>150,174</b>  |
| <b>Accumulated depreciation</b> |                                 |                                    |                 |
| At beginning of year            | (11,501)                        | (98)                               | (11,599)        |
| Charge for year                 | (1,136)                         | Nil                                | (1,136)         |
| Impairment                      | (576)                           | Nil                                | (576)           |
| Disposals                       | 675                             | Nil                                | 675             |
| <b>At end of year</b>           | <b>(12,538)</b>                 | <b>(98)</b>                        | <b>(12,636)</b> |
| <b>Net book value</b>           |                                 |                                    |                 |
| At beginning of year            | 136,063                         | Nil                                | 136,063         |
| <b>At end of year</b>           | <b>137,538</b>                  | <b>Nil</b>                         | <b>137,538</b>  |

Included in land and buildings above are assets held on long-term leases with a net book value of £113.4m (2014: £115.5m). Depreciation of £0.9m (2014: £0.9m) has been charged in the year in respect of these assets. Land amounting to £96.6m (2014: £95.9m) has not been depreciated.

**8. Investments**

|   | <b>2015<br/>£000</b> |
|---|----------------------|
| <b>Cost and net book value</b>            |                      |
| At beginning of year                      | 1,289,450            |
| Fair value hedge - translation adjustment | 44,306               |
| <b>At end of year</b>                     | <b>1,333,756</b>     |

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

The Company owns the following subsidiary undertakings (ordinary shares 100% owned and 100% voting rights unless otherwise stated):

|  | <b><u>Country of<br/>registration</u></b> | <b><u>Principal activity</u></b> |
|--|---|----------------------------------|
| 3329003 Canada Inc                         | Canada                                    | Bus service operating company    |
| 3376249 Canada Inc                         | Canada                                    | Bus service operating company    |
| 349 First Street Urban Renewal Corporation | United States                             | Holding company                  |

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 8. Investments (continued)

|   |               |                               |
|---|---------------|-------------------------------|
| 4216849 Canada Inc                                | Canada        | Bus service operating company |
| 777 8th Avenue LLC (50%)                          | United States | Sightseeing company           |
| A1 Service Limited                                | Scotland      | Dormant company               |
| AA Buses Limited                                  | Scotland      | Dormant company               |
| Aberdare Bus Company Limited                      | England       | Dormant company               |
| All West Coachlines Inc                           | United States | Bus service operating company |
| American Coach Lines of Atlanta Inc               | United States | Bus service operating company |
| American New York Tours Corporation               | United States | Bus service operating company |
| American Tour Connection Inc                      | United States | Bus service operating company |
| Andrews (Sheffield) Limited                       | England       | Bus service operating company |
| Atlanta Airport Shuttle Inc                       | United States | Dormant company               |
| B&B Bus Company Inc                               | United States | Bus service operating company |
| Barclay Airport Service Inc                       | United States | Bus service operating company |
| Barclay Transportation Services Inc               | United States | Bus service operating company |
| Basichour Limited                                 | England       | Dormant company               |
| Bayline Limited                                   | England       | Dormant company               |
| Bluebird Buses Limited                            | Scotland      | Bus service operating company |
| Busways Travel Services (1986) Limited            | England       | Dormant company               |
| Busways Travel Services Limited                   | England       | Bus service operating company |
| Busways Trustee (No. 1) Limited                   | England       | Dormant company               |
| Busways Trustee (No. 2) Limited                   | England       | Dormant company               |
| Butler Motor Transit Inc                          | United States | Bus service operating company |
| CAM Leasing LLC                                   | United States | Intercompany leasing          |
| Cambus Limited                                    | England       | Bus service operating company |
| Cape Transit Corporation                          | United States | Dormant company               |
| Central Cab Company Inc                           | United States | Bus service operating company |
| Central Charters & Tours Inc                      | United States | Bus service operating company |
| Central Jersey Transit Inc                        | United States | Bus service operating company |
| Century Airline Services Inc                      | Canada        | Bus service operating company |
| Cheltenham and Gloucester Omnibus Company Limited | England       | Bus service operating company |
| Cheltenham District Traction Limited              | England       | Dormant company               |
| Chenango Valley Bus Lines Inc                     | United States | Bus service operating company |
| Chesterfield Transport (1989) Limited             | England       | Dormant company               |
| Chesterfield Transport EBT (no. 2).               | England       | Dormant company               |
| Chesterfield Transport Limited                    | England       | Dormant company               |
| Chesterfield Transport PST Limited                | England       | Pension guarantor company     |
| Cisko Bus Company                                 | United States | Bus service operating company |

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 8. Investments (continued)

|   |               |                               |
|---|---------------|-------------------------------|
| City Sightseeing Limited (12.5%)                          | England       | Sightseeing company           |
| Cleveland Transit Limited                                 | England       | Bus service operating company |
| Cleveland Transit Trustee (No. 1) Limited                 | England       | Dormant company               |
| Clinton Avenue Bus Company                                | United States | Bus service operating company |
| Coach Leasing Inc   | United States | Intercompany leasing          |
| Coach USA Administration Inc                              | United States | Holding Company               |
| Coach USA Inc   | United States | Holding company               |
| Coach USA Investment Inc                                  | United States | Dormant company               |
| Coach USA MBT LLC   | United States | Support services company      |
| Coach USA Tours - Las Vegas Inc                           | United States | Dormant company               |
| Colonial Coach Corporation                                | United States | Bus service operating company |
| Commodore Tours Inc                                       | United States | Bus service operating company |
| Community Bus Lines Inc                                   | United States | Bus service operating company |
| Community Coach Inc                                       | United States | Bus service operating company |
| Community Tours Inc                                       | United States | Bus service operating company |
| Community Transit Lines Inc                               | United States | Bus service operating company |
| Community Transportation Inc                              | United States | Bus service operating company |
| County Wide Travel Limited                                | England       | Bus service operating company |
| Cumberland Motor Services Limited                         | England       | Dormant company               |
| Devon General Limited                                     | England       | Dormant company               |
| Dillon's Bus Service Inc                                  | United States | Bus service operating company |
| Douglas Braund Investments Limited                        | Canada        | Bus service operating company |
| Dragon Bus LLC  | United States | Dormant company               |
| E&A Bus Company   | United States | Bus service operating company |
| East Kent Coaches Limited                                 | England       | Dormant company               |
| East Kent Road Car Company Limited                        | England       | Bus service operating company |
| East London Bus and Coach Company Limited                 | England       | Bus service operating company |
| East London Bus Group Property Investments Limited        | England       | Property rental               |
| East London Bus Limited                                   | England       | Bus service operating company |
| East Midland Motor Services Limited                       | England       | Dormant company               |
| East Midlands Transport Information Service Limited (28%) | England       | Information services company  |
| Eastbourne Buses Limited                                  | England       | Dormant company               |
| Eastbourne Coaches Limited                                | England       | Dormant company               |
| Elizabeth Bus Company                                     | United States | Bus service operating company |
| ELKO Inc  | United States | Bus service operating company |
| Fife Scottish Omnibuses Limited                           | Scotland      | Bus service operating company |



## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 8. Investments (continued)

|   |               |                               |
|---|---------------|-------------------------------|
| Fleet Buzz Limited                            | England       | Bus service operating company |
| Formia Limited                                | England       | Dormant company               |
| Frenchwood Holdings Limited                   | England       | Dormant company               |
| Friedman Transportation Inc                   | United States | Bus service operating company |
| G&G Travel Limited                            | England       | Dormant company               |
| Gad About Tours Inc                           | United States | Bus service operating company |
| Generic Holding Inc                           | United States | Dormant company               |
| Gilsam Bus Company Inc                        | United States | Bus service operating company |
| GL Bus Lines Inc                              | United States | Bus service operating company |
| Glenvale Transport Limited                    | England       | Bus service operating company |
| Glossopdale Bus Company Limited               | England       | Dormant company               |
| GM Buses South (EBT) Limited                  | England       | Dormant company               |
| Go West Travel Limited                        | England       | Bus service operating company |
| Gray Line Air Shuttle Inc                     | United States | Dormant company               |
| Gray Line New York Tours Inc (50%)            | United States | Holding company               |
| Greater Manchester Buses South Limited        | England       | Bus service operating company |
| Greater Manchester Buses West Limited         | England       | Bus service operating company |
| Grimsby Cleethorpes Transport Company Limited | England       | Dormant company               |
| Halliday-HartleTravel (1988) Limited          | England       | Dormant company               |
| HAML Corporation                              | United States | Bus service operating company |
| Hartlepool Transport (1993) Limited           | England       | Dormant company               |
| Hartlepool Transport Limited                  | England       | Dormant company               |
| Hastings and District Transport Limited       | England       | Dormant company               |
| High Adventure Tours Inc                      | United States | Dormant company               |
| Highland Country Buses Limited                | Scotland      | Bus service operating company |
| Hudson Transit Corporation                    | United States | Bus service operating company |
| Hudson Transit Lines Inc                      | United States | Bus service operating company |
| Independent Bus Company Inc                   | United States | Bus service operating company |
| International Bus Services Inc                | United States | Holding company               |
| J&J Bus Company                               | United States | Bus service operating company |
| J&J Transit Inc                               | United States | Dormant company               |
| J&L Bus Company                               | United States | Bus service operating company |
| Jeredin Cruises LLC (50%)                     | United States | Sightseeing company           |
| JMB Property LLC (50%)                        | United States | Property rental               |
| JW Coaches Limited                            | Scotland      | Dormant company               |
| Kansas Bus Company                            | United States | Bus service operating company |
| Keeshin Charter Service Inc                   | United States | Dormant company               |

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 8. Investments (continued)

|  |               |                                    |
|--|---------------|------------------------------------|
| Kerrville Bus Company                                | United States | Bus service operating company      |
| KHCT (ESOP) Limited                                  | England       | Dormant company                    |
| KHCT (Holdings) Limited                              | England       | Dormant company                    |
| KILT of CT Inc (previously The Arrow Line Inc)       | United States | Dormant company                    |
| KILT of MA Inc (previously Mini Coach of Boston Inc) | United States | Dormant company                    |
| KILT of RI Inc (previously Bonanza Bus Lines)        | United States | Dormant company                    |
| Kingston Upon Hull City Transport Limited            | England       | Dormant company                    |
| Lakefront Lines Inc                                  | United States | Bus service operating company      |
| Landylines Limited                                   | England       | Bus service operating company      |
| Leisure Time Tours                                   | United States | Bus service operating company      |
| Lenzner Tours Inc                                    | United States | Bus service operating company      |
| Lenzner Tours Limited                                | United States | Dormant company                    |
| Lenzner Transit Inc                                  | United States | Dormant company                    |
| Lenzner Transportation Group Inc                     | United States | Bus service operating company      |
| LER Transportation Company                           | United States | Dormant company                    |
| Liberty Bell Taxi Company Inc                        | United States | Dormant company                    |
| Limousine Rental Service Inc                         | United States | Bus service operating company      |
| Lincoln City Transport Limited                       | England       | Dormant company                    |
| Lincolnshire Road Car Company Limited                | England       | Bus service operating company      |
| M&J Bus Company                                      | United States | Bus service operating company      |
| Magicbus Scotland Limited                            | Scotland      | Holding company                    |
| Massachusetts Bay Transportation Services LLC        | United States | Dormant company                    |
| Meadowlands Transit Inc                              | United States | Dormant company                    |
| Megabus Acquisition LLC                              | United States | Dormant company                    |
| Megabus Northeast LLC                                | United States | Inter-city coach operating company |
| Megabus Philadelphia LLC                             | United States | Dormant company                    |
| Megabus Southeast LLC                                | United States | Inter-city coach operating company |
| Megabus Southwest LLC                                | United States | Inter-city coach operating company |
| Megabus USA LLC                                      | United States | Inter-city coach operating company |
| Megabus West LLC                                     | United States | Inter-city coach operating company |
| Megabus.com BVBA                                     | Belgium       | Inter-city coach operating company |

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 8. Investments (continued)

|  |               |                                    |
|--|---------------|------------------------------------|
| Megabus.com Europe Limited                       | England       | Inter-city coach operating company |
| Megabus.com GmbH                                 | Germany       | Inter-city coach operating company |
| Megabus.com SAS                                  | France        | Inter-city coach operating company |
| Megabus.com SRL                                  | Italy         | Inter-city coach operating company |
| Megacity Limited (35%)                           | Scotland      | Dormant company                    |
| Midland Red (South) Limited                      | England       | Dormant company                    |
| Midtown Bus Terminal New York Inc                | United States | Bus service operating company      |
| Minsol Bus Company Inc                           | United States | Bus service operating company      |
| Mister Sparkle Inc                               | United States | Dormant company                    |
| Mountaineer Coach Inc                            | United States | Bus service operating company      |
| MTSI Inc   | United States | Dormant company                    |
| National Transport Tokens (99.9%)                | England       | Dormant company                    |
| New Delaware Coach Inc                           | United States | Dormant company                    |
| New York Splash Tours Inc LLC                    | United States | Dormant company                    |
| Niagara Scenic Bus Lines Inc                     | United States | Dormant company                    |
| Nicecon Limited                                  | Scotland      | Dormant company                    |
| North Shore Dispatch Inc                         | United States | Dormant company                    |
| NYCS LLC (previously City Experts LLC) (50%)     | United States | Sightseeing company                |
| Olympia Trails Bus Company Inc                   | United States | Bus service operating company      |
| Orange, Newark, Elizabeth Bus Inc                | United States | Bus service operating company      |
| Orkney Coaches Limited                           | Scotland      | Dormant company                    |
| P. Phythian and Son Limited                      | England       | Dormant company                    |
| Pacific Coast Sightseeing Tours and Charters Inc | United States | Bus service operating company      |
| Paramus Northeast Management Company LLC         | United States | Payroll                            |
| Parfitts Motor Services Limited                  | England       | Dormant company                    |
| PCSTC Inc  | United States | Dormant company                    |
| Penn-Mall Transit Inc                            | United States | Dormant company                    |
| Pennsylvania Transportation Systems Inc          | United States | Bus service operating company      |
| Perfect Body Inc                                 | United States | Repairs company                    |
| Phantom Cab Company Inc                          | United States | Dormant company                    |
| Powder River Transportation Services Inc         | United States | Bus service operating company      |
| PSV Claims Bureau                                | England       | Claims handling company            |
| PTI (South East) Limited (20%)                   | England       | Support services company           |

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 8. Investments (continued)

|   |               |                               |
|---|---------------|-------------------------------|
| R&W Inc   | United States | Bus service operating company |
| R&W Transit Inc   | United States | Bus service operating company |
| Red and Tan Charter Inc                                   | United States | Dormant company               |
| Red and Tan Enterprises Inc                               | United States | Bus service operating company |
| Red and Tan Tours Inc                                     | United States | Bus service operating company |
| Red and Tan Transportation Systems Inc                    | United States | Bus service operating company |
| Red and Tan Unlimited Inc                                 | United States | Bus service operating company |
| Red and White Services Limited                            | England       | Bus service operating company |
| Rennies of Dunfermline Limited                            | Scotland      | Dormant company               |
| Rhondda Buses Limited                                     | England       | Dormant company               |
| Rhondda Valley Buses Limited                              | England       | Dormant company               |
| Ribble Motor Services Limited                             | England       | Dormant company               |
| Road Runner Tours Inc                                     | United States | Bus service operating company |
| Rockland Coaches Inc                                      | United States | Bus service operating company |
| Rockland Transit Corporation                              | United States | Bus service operating company |
| Route 17 North Realty LLC                                 | United States | Holding company               |
| Sam Van Galder Inc  | United States | Bus service operating company |
| Schoolbus Limited   | Scotland      | Dormant company               |
| SCOTO US Subsidiary Limited LLC                           | United States | Dormant company               |
| Scottish Citylink Coaches Limited (35%)                   | Scotland      | Joint venture                 |
| SCUSI Limited   | England       | Holding company               |
| SCUSI US Subsidiary Limited LLC                           | United States | Dormant company               |
| Seven Bus Corporation                                     | United States | Bus service operating company |
| Sharpton Limited  | England       | Dormant company               |
| SHM Transit Inc   | United States | Dormant company               |
| Short Line Terminal Agency Inc                            | United States | Bus service operating company |
| Sightseeing Buses SL (24.5%)                              | Spain         | Sightseeing company           |
| SL Capital Corporation                                    | United States | Bus service operating company |
| South East London and Kent Bus Company Limited            | England       | Bus service operating company |
| South Orange Avenue Bus Association Inc                   | United States | Bus service operating company |
| South Orange Avenue Bus Company                           | United States | Bus service operating company |
| Southdown Motor Services Limited                          | England       | Dormant company               |
| Sporran AWC Inc (previously All West Coachlines Inc)      | United States | Dormant company               |
| Sporran FL Incorporated (previously Franciscan Lines Inc) | United States | Dormant company               |

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 8. Investments (continued)

|  |               |   |
|--|---------------|---|
| Sporran GBL Inc (previously Grosvenor Bus Lines Inc)             | United States | Dormant company                                     |
| Sporran GCBS Inc (previously Goodall's Charter Bus Services Inc) | United States | Dormant company                                     |
| Sporran GCTC Inc (previously Gulf Coast Transportation Company)  | United States | Dormant company                                     |
| Sporran GLS Inc (previously Grosvenor Limousine Service Inc)     | United States | Dormant company                                     |
| Sporran TI Inc (previously Travel Impressions Limited)           | United States | Dormant company                                     |
| Stagecoach (North West) Limited                                  | England       | Bus service operating company                       |
| Stagecoach (South) Limited                                       | England       | Bus service operating company                       |
| Stagecoach Bus Holdings Limited                                  | Scotland      | Provision of management and administration services |
| Stagecoach Devon Limited   | England       | Bus service operating company                       |
| Stagecoach Express Limited                                       | Scotland      | Holding company                                     |
| Stagecoach Glasgow Limited                                       | Scotland      | Dormant company                                     |
| Stagecoach Rail North America LLC                                | United States | Dormant company                                     |
| Stagecoach Rail Passenger Services LLC                           | United States | Dormant company                                     |
| Stagecoach Rail Replacement (East) Limited                       | England       | Bus service operating company                       |
| Stagecoach Rail Replacement (South) Limited                      | England       | Bus service operating company                       |
| Stagecoach Rail Replacement Limited                              | England       | Bus service operating company                       |
| Stagecoach Scotland Limited                                      | Scotland      | Dormant company                                     |
| Stagecoach Services Limited                                      | England       | Support services company                            |
| Suburban Management Corporation                                  | United States | Bus service operating company                       |
| Suburban Trails Inc  | United States | Bus service operating company                       |
| Suburban Transit Corporation                                     | United States | Bus service operating company                       |
| Superior Bus Company   | United States | Bus service operating company                       |
| Swindon and District Bus Company Limited                         | England       | Dormant company                                     |
| Syracuse and Oswego Coach Lines Inc                              | United States | Dormant company                                     |
| Tanport Limited  | England       | Dormant company                                     |
| Tees Valley Limited  | England       | Dormant company                                     |
| Thames Transit Limited   | England       | Bus service operating company                       |
| The Barnsley and District Traction Company Limited               | England       | Dormant company                                     |
| The Bus Exchange Inc   | United States | Bus service operating company                       |
| The Hudson Bus Transportation Company                            | United States | Dormant company                                     |

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 8. Investments (continued)

|  |               |                               |
|--|---------------|-------------------------------|
| The Mexborough and Swinton Traction Company Limited        | England       | Dormant company               |
| The Valleys Bus Company Limited                            | England       | Dormant company               |
| The Viscount Bus and Coach Company Limited                 | England       | Dormant company               |
| The Yorkshire Traction Company (Trustee) Limited           | England       | Dormant company               |
| The Yorkshire Traction Company Limited                     | England       | Bus service operating company |
| Trans Maintenance Inc                                      | United States | Bus service operating company |
| Trans-Hudson Express Inc                                   | United States | Bus service operating company |
| Transit Advertising Limited                                | England       | Dormant company               |
| Transportation Management Services Inc                     | United States | Bus service operating company |
| Trentway-Wagar (Properties) Inc                            | Canada        | Bus service operating company |
| Trentway-Wagar Inc   | Canada        | Bus service operating company |
| Tri State Coach Lines                                      | United States | Bus service operating company |
| TRT Transportation Inc                                     | United States | Bus service operating company |
| Twenty-Four Corporation                                    | United States | Bus service operating company |
| Twin America LLC (50%)                                     | United States | Sightseeing company           |
| Tyburn Limited   | United States | Dormant company               |
| Tyne and Wear Omnibus Company Limited                      | England       | Dormant company               |
| United Counties Omnibus Limited                            | England       | Dormant company               |
| Vailsburg Bus Company                                      | United States | Dormant company               |
| Van Nortwick Bros Inc                                      | United States | Bus service operating company |
| Welcome Passenger Transport Limited                        | England       | Dormant company               |
| West Coast Tour Group LLC (9.38%)                          | United States | Sightseeing company           |
| West Midlands Transport Information Services Limited (10%) | England       | Information service company   |
| West Sussex Buses Limited                                  | England       | Dormant company               |
| Western Buses Limited                                      | England       | Bus service operating company |
| Whites World Travel Limited                                | England       | Dormant company               |
| Wisconsin Coach Lines Inc                                  | United States | Bus service operating company |
| WJB Bus Company Inc  | United States | Bus service operating company |
| Wohlgemuth Bus Company                                     | United States | Bus service operating company |
| XYZ-JP Taxi Inc  | United States | Dormant company               |
| XYZ-PBT Inc  | United States | Dormant company               |
| Yellow Cab Leasing Company of San Diego                    | United States | Dormant company               |
| Yellow Cab of San Diego Inc                                | United States | Dormant company               |

# Notes to the financial statements (continued)

For the year ended 30 April 2015

## 8. Investments (continued)

|                                |               |                 |
|--------------------------------|---------------|-----------------|
| Yellow Cab Service Corporation | United States | Dormant company |
| Yorkshire Terrier Limited      | England       | Dormant company |

## 9. Debtors

|   | 2015<br>£000 | 2014<br>£000 |
|---|--------------|--------------|
| <i>Amounts falling due within one year:</i> |              |              |
| Prepayments and accrued income              | 29           | 10           |

The amounts owed by fellow group undertakings accrue no interest and are repayable on demand.

## 10. Creditors: amounts falling due within one year

|                                    | 2015<br>£000   | 2014<br>£000   |
|------------------------------------|----------------|----------------|
| Accruals and deferred income       | 3,414          | 3,677          |
| Amounts owed to group undertakings | 501,237        | 449,098        |
| Corporation tax                    | 2,111          | 3,211          |
|                                    | <u>506,762</u> | <u>455,986</u> |

Amounts owed to group undertakings bear no interest and are repayable on demand.

## 11. Provisions for liabilities

The deferred tax liability is recognised as follows:

|                          | 2015<br>£000 |
|--------------------------|--------------|
| At beginning of year     | (320)        |
| Charge for year (note 5) | (55)         |
| At end of year           | <u>(375)</u> |

Deferred tax is calculated as follows:

|                                | 2015<br>£000 | 2014<br>£000 |
|--------------------------------|--------------|--------------|
| Accelerated capital allowances | (375)        | (320)        |

## 12. Share capital

|  | 2015<br>£      | 2014<br>£      |
|--|----------------|----------------|
| <i>Allotted and fully paid</i>                   |                |                |
| 73,018 (2014: 73,018) ordinary shares of £1 each | 73,018         | 73,018         |
| 730,180 (2014: 730,180) "A" shares of £1 each    | 730,180        | 730,180        |
|  | <u>803,198</u> | <u>803,198</u> |

The "A" shares carry full voting rights, although various restrictions exist on their right to dividend payments and capital distributions as detailed in the Company's Articles of Association.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 13. Reconciliation of movements in total shareholders' funds

|                          | Share<br>capital | Share<br>premium<br>account | Profit and<br>loss<br>account | Capital<br>contribution<br>reserve | Total<br>shareholders'<br>funds |
|--------------------------|------------------|-----------------------------|-------------------------------|------------------------------------|---------------------------------|
|                          | £000             | £000                        | £000                          | £000                               | £000                            |
| At beginning of the year | 803              | 948,517                     | 10,126                        | 63,175                             | 1,022,621                       |
| Profit for the year      | Nil              | Nil                         | 40,963                        | Nil                                | 40,963                          |
| Dividends paid           | Nil              | Nil                         | (50,500)                      | Nil                                | (50,500)                        |
| At end of year           | 803              | 948,517                     | 589                           | 63,175                             | 1,013,084                       |

The profit and loss reserve is distributable.

### 14. Ultimate holding company

The Company's immediate holding company is Stagecoach Transport Holdings Limited (registered number SC183051), and its ultimate holding company and controlling party is Stagecoach Group plc (registered number SC100764), both registered in Scotland. Stagecoach Group plc heads the only group in which the results of the Company are consolidated. The financial statements of Stagecoach Group plc are available from 10 Dunkeld Road, Perth, PH1 5TW.