

**Registered No 3949597**

# **Go South Coast Limited**

## **Report and Financial Statements**

29 June 2013

FRIDAY



\*A326QANK\*

A31

21/02/2014

#47

COMPANIES HOUSE

Registered No 3949597

**Directors**

D A Brown  
K Down  
S J Hamilton  
A R Wickham  
E Wills  
N J D Woods

**Secretary**

C Ferguson

**Auditor**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JD

**Bankers**

Royal Bank of Scotland Plc  
135 Bishopsgate  
London  
EC2M 3UR

**Solicitors**

Dickinson Dees LLP  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
NE99 3UR

**Registered office**

3rd Floor  
41 - 51 Grey Street  
Newcastle upon Tyne  
NE1 6EE

## Directors' report

The directors present their report and financial statements for the year ended 29 June 2013

### Results and dividends

The profit for the year after taxation amounted to £4,884,000 (2012 £5,141,000) Particulars of dividends paid and proposed are detailed in note 10 to the financial statements

### Principal activities and review of the business

The principal activities of the company are provision of the following services

- commercial local bus services throughout Dorset, Wiltshire and South West Hampshire, including the Isle of Wight
- tendered bus services to local authorities, including school transport
- contracted bus services to large organisations, including universities and supermarkets
- repair and refurbishment of PSV's, including re-paints and seat re-trimming
- private hire

Turnover, operating profit and the number of passenger journeys are the key financial and other performance indicators measured and monitored by management

The key performance indicators during the year were as follows

	2013 £000	2012 £000	Change %
Turnover	83,295	82,530	1%
Operating profit	6,246	6,146	2%
Profit after tax	4,884	5,141	(5%)
	2013 '000s	2012 '000s	Change %
Total Passenger Journeys	44,696	44,022	2%

During the year, the company delivered an Olympic contract with revenue of £1.4m. The five year school contract which experienced losses in 2012, benefited from restructuring and became profitable during its second full year of operation.

The company continued to promote "The Key" (smartcard service) and experienced further positive uptake since its introduction in February 2012. The company expanded its New Forest Tour with a new coastal route for 2013.

37 vehicles were introduced into the fleet at a total cost of £5.7m, maintaining the fleet size at 755 (2012 731), with an average age of 10 years.

### Future Developments

The company plans to achieve customer growth in existing markets by the ability to offer enhanced products and services, in particular, the development of The Key smartcards, mobile ticketing apps, and WiFi for passengers. The company also plans to introduce real time information on certain routes. The company continues to assess acquisition opportunities on a regular basis.

### Financial risk management objectives and policies

The main risks associated with the company's financial assets and liabilities are set out below. Given that the majority of the risks below derive from transactions with other group companies, the company does not undertake any hedging activity locally. Significant financial risks from a group perspective are addressed on a case-by-case basis at group level.

### Revenue Reimbursement Risk

The company receives reimbursement from a number of Travel Concessionary Authorities (TCA) in relation to concessionary journeys undertaken as a result of the Government's National Concessionary Travel Scheme. The level of reimbursement is set by the TCA and can be varied each year. There is an appeal process in place which can be used to challenge the reimbursement, if necessary.

## Directors' report (continued)

### *Interest rate risk*

All surplus cash is swept by the ultimate parent company, which is invested at a group level. Interest is charged at a variable rate on group loans. Therefore financial assets, liabilities, interest income and interest charges and cash flows can be affected by movements in interest rates. However, the exposure is reduced because of the group control.

### *Price risk*

There is no significant exposure to changes in the carrying value of financial liabilities because all of these bear interest at floating rates.

### *Credit risk*

The majority of company debtors are with other group companies and the company does not consider these parties to be a significant credit risk.

### *Liquidity risk*

The company aims to mitigate liquidity risk by managing cash generated by its operations in line with group policies. A cash sweeping facility exists with the ultimate parent company and therefore further information regarding the liquidity risk can be found in the group financial statements. Capital expenditure is approved at group level.

### *Foreign currency risk*

The company has no foreign currency risk, all of the transactions, assets and liabilities are in sterling.

## **Management and staff**

The company is committed to involve all employees in its performance and development. Employees are encouraged to discuss with management matters of interest to the employees and subjects affecting day-to-day operations of the company. Discussions take place regularly with trade unions representing the employees on a wide range of issues.

It is the company's policy to give full consideration to suitable applications for employment by disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees who become disabled to continue in their employment or to be trained for other positions in the company.

The company communicates with its staff both formally and informally on a variety of issues affecting them and the business, including

- A regular staff magazine with information relating to developments within the company
- Staff forums held at each of depot locations throughout the year
- Central consultation and negotiating committees which are held regularly with recognised trade union officials, so that views of the employees can be taken into consideration

## **Directors**

The directors who served the company during the year were as follows

D A Brown  
K Down  
S J Hamilton  
A R Wickham  
E Wills  
N J D Woods (appointed 11 July 2012)

## Directors' report (continued)

### Going Concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason, the directors continue to adopt the going concern basis of preparation for these financial statements. We have obtained confirmation from the Go Ahead Group plc that they will continue to provide the financial support for a period at least for at least 12 months from the date of approval of the balance sheet.

### Creditor payment policy and practice

The company agrees terms and conditions for its business transactions with suppliers. Payment is then made on these terms, subject to the terms and conditions being met by the suppliers. At 29<sup>th</sup> June 2013, average creditor payment days are calculated at 36 days (2012 - 43 days).

### Charitable contributions

During the year the company made charitable contributions totalling £12,334 (2012- £18,078).

### Directors' responsibilities for audit information

In so far as the directors are aware

- There is no relevant audit information of which the company's auditors are unaware, and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Registered office  
3rd Floor  
41 - 51 Grey Street  
Newcastle upon Tyne  
NE1 6EE

By order of the Board

  
K Down  
Director

28 January 2014

## Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 proper accounting records which 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 to 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report**

### **to the members of Go South Coast Limited**

We have audited the financial statements of Go South Coast Limited for the year ended 29 June 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 June 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

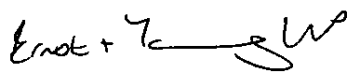
## **Independent auditor's report**

**to the members of Go South Coast Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Caroline Mulley (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Newcastle upon Tyne

3 February 2014



## Profit and loss account

for the year ended 29 June 2013

	Notes	2013 £000	2012 £000
<b>Turnover</b>	2	83,295	82,530
Operating costs	3	(77,049)	(76,384)
<b>Operating profit</b>	4	6,246	6,146
Interest receivable and similar income	7	29	126
Interest payable and similar charges	8	(48)	(41)
<b>Profit on ordinary activities before taxation</b>		6,227	6,231
Tax on profit on ordinary activities	9	(1,343)	(1,090)
<b>Profit for the financial year</b>		4,884	5,141

All activities are continuing

## Statement of total recognised gains and losses

for the year ended 29 June 2013

	2013 £000	2012 £000
Profit for the financial year	4,884	5,141
Actuarial (loss) on pension schemes	-	(4,437)
Deferred tax credit	-	734
Transfer of net pension scheme liability following merger of pension schemes into parent company scheme	-	19,202
Associated deferred tax movement	-	(4,608)
<b>Total recognised gains relating to the year</b>	<b>4,884</b>	<b>16,032</b>

# Balance sheet

at 29 June 2013

Registered No: 3949597

	Notes	2013 £000	2012 £000
<b>Fixed assets</b>			
Intangible fixed assets	11	-	-
Tangible fixed assets	12	38,960	37,959
Investments	13	44,520	44,520
		<b>83,480</b>	<b>82,479</b>
<b>Current assets</b>			
Stocks		1,328	1,181
Debtors amounts due within one year	14	20,465	18,430
Debtors amounts due after more than one year	14	17,649	25,442
Cash at bank		370	380
		<b>39,812</b>	<b>45,433</b>
<b>Creditors</b> amounts falling due within one year	15	(112,801)	(105,417)
<b>Net current liabilities</b>		<b>(72,989)</b>	<b>(59,984)</b>
<b>Total assets less current liabilities</b>		<b>10,491</b>	<b>22,495</b>
<b>Creditors:</b> amounts falling due after more than one year	16	(34)	(187)
<b>Provisions for liabilities and charges</b>	18	(8,029)	(6,764)
<b>Net assets</b>		<b>2,428</b>	<b>15,544</b>
<b>Capital and reserves</b>			
Share capital	21	1,977	1,977
Profit and loss account	22	451	13,567
		<b>2,428</b>	<b>15,544</b>

The financial statements were approved for issue by the Board of Directors and signed on their behalf by



K Down  
Director

28 January 2014

# Notes to the financial statements

## at 29 June 2013

### 1. Accounting policies

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Under the provision of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity

The company has taken advantage of the exemption to prepare group financial statements on the basis that it is a wholly owned subsidiary undertaking of The Go-Ahead Group Plc and is included, together with subsidiary undertakings in the group financial statements of that company. These financial statements present information about the company as an individual undertaking and not about its group

#### **Fundamental accounting concept**

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due

The company has net assets of £2,428,000 (2012 £15,544,000) and net current liabilities of £72,989,000 (2012 £59,984,000) including amounts owed to other group undertakings of £103,910,000 (2012 £96,560,000). The company is dependent on continuing financial support from its ultimate parent undertaking in order to ensure continued compliance with the franchise agreement

The directors have received confirmation from the company's ultimate parent undertaking that the necessary financial support will continue to be available to the company for the foreseeable future and, in particular, for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors of the company believe that it is appropriate to prepare the financial statements on a going concern basis. Should the financial support from the company's ultimate parent undertaking not be available, the going concern basis may be invalid and adjustments would have to be made to reduce the value of assets to their realizable amount, to provide any financial commitments or future liabilities which might arise and to reclassify fixed assets and long term liabilities to current assets and liabilities

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

#### **Fixed assets and depreciation**

Tangible fixed assets are stated at cost

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Leasehold improvements	-	Life of lease
Plant and equipment	-	3 to 10 years
Rolling stock	-	8 to 15 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

# Notes to the financial statements

at 29 June 2013

## 1. Accounting policies (continued)

### **Deferred Taxation**

The charge for taxation is based on the profit 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 Tax is provided for on all timing differences which have originated but not reversed at the balance sheet date. Except where otherwise required by accounting standards, no timing differences are recognised in respect of

- Gains on sale of assets where those gains have been rolled over into replacement assets, and
- Deferred tax assets except to the extent that it is more likely than not that they will be recovered

Deferred tax is calculated at the enacted rates at which it is estimated the tax will be payable. The deferred tax provision is not discounted to net present value.

### **Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

### **Insurance**

The Company limits its exposure to the cost of motor, employer and public liability claims through insurance policies issued by third parties. These provide individual claim cover, subject to high excess limits and an annual aggregate stop loss for total claims within the excess limits. An amount is recognised within Provisions for liabilities for the estimated cost to the Company to settle claims for incidents occurring prior to the balance sheet date, subject to the overall stop loss.

The estimation of this liability is made after taking appropriate professional advice and is based on an assessment of the expected settlement of known claims, together with an estimate of settlements that will be made in respect of incidents occurring prior to the balance sheet date but that have not yet been reported to the Company by the insurer.

### **Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

### **Intangible assets**

Intangible assets are capitalised at cost and amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes to the financial statements

at 29 June 2013

### 1. Accounting policies (continued)

#### **Pensions**

Up to 29 February 2012 the company was a member of The Wilts & Dorset Pension Scheme and Southern Vectis Group Pension Plan. The company accounted for the schemes under FRS17 up to 29 February 2012.

On 1 March 2012 the schemes were merged into a scheme which is part of The Go-Ahead Group Pension Plan. The scheme is a multi-employer scheme for which individual employer asset shares cannot be identified and accordingly the company accounts for it as a defined contribution scheme.

The company also participates in a defined contribution scheme.

For the defined contribution scheme, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Investments**

Investments in subsidiary companies are held at cost.

## Notes to the financial statements

at 29 June 2013

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2013 £000	2012 £000
United Kingdom	83,295	82,530

### 3. Operating costs

	2013 £000	2012 £000
Materials and external charges	29,140	28,996
Staff costs (note 5)	41,902	41,752
Depreciation and amortisation of fixed assets	6,007	5,636
	77,049	76,384

### 4. Operating profit

This is stated after charging/(crediting)

	2013 £000	2012 £000
Auditor's remuneration		
- audit services	41	41
- non-audit services	6	6
	47	47
Depreciation of owned fixed assets	5,050	4,511
Depreciation of assets held under finance lease and hire purchase contracts	957	1,125
	6,007	5,636
Profit on disposal of tangible assets	(108)	(66)
Release of government grants	(69)	(66)
Operating lease rentals	308	307

# Notes to the financial statements

at 29 June 2013

## 5. Staff costs

	2013 £000	2012 £000
Wages and salaries	36,030	36,633
Social security costs	3,111	3,281
Other pension costs – defined benefit	2,503	1,738
– defined contribution	258	100
	41,902	41,752

The monthly average number of employees during the year was as follows

	2013 No	2012 No
Administration and supervision	22	22
Maintenance and engineering	319	334
Operations	1,150	1,176
	1,491	1,532

## 6. Directors' emoluments

	2013 £000	2012 £000
Aggregate emoluments in respect of qualifying services	583	704
Aggregate company contributions paid in respect of money purchase schemes	19	5
	2013 No	2012 No
Number of directors accruing benefits under defined benefit schemes	2	4
None of the directors exercised share options during the year (2012 none)		
The amounts in respect of the highest paid director are as follows		
	2013 £000	2012 £000
Emoluments	225	169

## 7. Interest receivable and similar income

	2013 £000	2012 £000
Other similar income receivable	29	-
Interest credit on defined benefit pension schemes	-	126
	29	126



# Notes to the financial statements

at 29 June 2013

## 8. Interest payable and similar charges

	2013	2012
	£000	£000
Finance charges payable under hire purchase contracts	48	41

## 9. Taxation on ordinary activities

### (a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2013	2012
	£000	£000
<i>Current tax</i>		
UK corporation tax	563	304
Revision of prior year estimate	(925)	(196)
Total current tax (note 9(b))	(362)	108
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 18)	1,705	796
Deferred tax charge on movement in FRS17 pension scheme liability	-	186
	1,705	982
Tax charge on profit on ordinary activities	1,343	1,090

### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23.75% (2012: 25.5%)

The differences are reconciled below

	2013	2012
	£000	£000
Profit on ordinary activities before tax	6,227	6,231
Profit on ordinary activities by rate of tax	1,479	1,589
Capital allowances in excess of depreciation	(948)	(1,930)
Other permanent differences	-	48
Expenses not deductible for tax purposes	33	(147)
Other timing differences	-	744
Adjustment in respect of prior year	(926)	(196)
Total current tax (note 9(a))	(362)	108

## Notes to the financial statements

at 29 June 2013

### 9. Taxation on ordinary activities (continued)

#### (c) Deferred tax

	2013 £000	2012 £000
Capital allowances in advance of depreciation	5,511	4,692
Short term timing differences	(2)	(888)
Provision for deferred taxation (note 18)	5,509	3,804

#### (d) Factors affecting future tax charges

The UK government has announced its intention to reduce the UK corporation tax rate to 20% by 1 April 2015

A reduction in the UK corporation tax rate from 24% to 23% came into effect on 1 April 2013. Finance Bill 2013 was substantively enacted on 2 July 2013, and given Royal Assent on 17 July 2012, giving effect to a 21% rate effective from 1 April 2014 and 20% rate effective from 1 April 2015.

As the 21% and 20% rates had not been substantively enacted at the balance sheet date they have no effect on current or deferred tax liabilities in these accounts. However, as the 23% rate was substantively enacted at the balance sheet date, this rate has been applied to the deferred tax assets/liabilities at the year end.

### 10. Dividends

	2013 £000	2012 £000
Paid during the year		
Equity dividends on ordinary shares	18,000	10,950

### 11. Intangible fixed assets

	Licences £000
Cost	
At 30 June 2012 and 29 June 2013	553
Amortisation	
At 30 June 2012 and 29 June 2013	553
Net book value	
At 30 June 2012 and 29 June 2013	-

## Notes to the financial statements

at 29 June 2013

### 12. Tangible fixed assets

	Leasehold property £000	Plant & Equipment £000	Rolling Stock £000	Total £000
Cost				
At 30 June 2012	303	6,621	80,636	87,560
Additions	-	720	6,588	7,308
Transfer from group undertakings	-	-	1	1
Transfer to group undertakings	-	-	(150)	(150)
Disposals	-	-	(4,275)	(4,275)
At 29 June 2013	303	7,341	82,800	90,511
Depreciation				
At 30 June 2012	114	4,072	45,415	49,601
Provided during the year	29	509	5,469	6,007
Transfer to group undertakings	-	-	(13)	(13)
Disposals	-	-	(4,111)	(4,111)
At 29 June 2013	143	4,581	46,760	51,551
Net book value				
At 29 June 2013	160	2,760	36,040	38,960
At 30 June 2012	189	2,549	35,221	37,959

The net book value of assets above includes an amount of £2,614,000 (2012 £3,567,000) in respect of assets held under finance lease and hire purchase contracts

#### Capital commitments

	2013 £000	2012 £000
Contracted but not provided	10,885	340

### 13. Investments

	Shares in group companies £000
Cost	
At 30 June 2012 and 29 June 2013	44,520

The company owns 100% of the issued share capital of the companies listed below

- The Southern Vectis Omnibus Company Limited (Dormant)
- Solent Blue Line Limited (Dormant)
- Marchwood Motorways (Southampton) Limited (subsidiary of Solent Blue Line Limited) (Dormant)
- Marchwood Motorways (Services) Limited (subsidiary of Solent Blue Line Limited) (Dormant)
- Wilts & Dorset Investments Limited (Dormant)
- Wilts & Dorset (Holdings) Limited (subsidiary of Wilts & Dorset Investments Limited) (Dormant)
- Wilts & Dorset Bus Company Limited (Dormant)
- Hants & Dorset Trim Limited (Dormant)
- Tourist Coaches Limited (Dormant)
- Hants & Dorset Motor Services Limited (Dormant)
- Southern Vectis Commercials Limited (Dormant)
- Southern Vectis Coaches Limited (Dormant)

## Notes to the financial statements

at 29 June 2013

### 14. Debtors

	2013 £000	2012 £000
Trade debtors	4,331	5,592
Other debtors	1,077	1,780
Corporation tax	362	-
Amount due from group undertakings	29,230	33,762
Prepayments and accrued income	3,114	2,738
	<b>38,114</b>	<b>43,872</b>

Amounts falling due after more than one year included above are

	2013 £000	2012 £000
Capital prepayment	17,649	25,442

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

	2013 £000	2012 £000
Trade creditors	3,404	3,073
Accruals and deferred income	3,002	2,503
Amounts owed to group undertakings	103,910	96,560
Obligations under finance lease and hire purchase contracts (note 17)	161	284
Corporation tax	-	313
Other taxation and social security	988	1,171
Other creditors	1,336	1,513
	<b>112,801</b>	<b>105,417</b>

### 16. Creditors: amounts falling due after more than one year

	2013 £000	2012 £000
Obligations under finance lease and hire purchase contracts (note 17)	34	187

### 17. Obligations under finance lease and hire purchase contracts

The maturity of these amounts is as follows

	2013 £000	2012 £000
Amounts payable		
Within one year (note 15)	161	284
In two to five years	34	187
	<b>195</b>	<b>471</b>

## Notes to the financial statements

at 29 June 2013

### 18. Provisions for liabilities and charges

	Uninsured claims	Deferre d tax	Dilapidati on Provision	Onerous Lease Provision	Restructure Cost Provision	Total
	£000	£000	£000	£000	£000	£000
At 30 June 2012	2,438	3,804	-	14	508	6,764
Provided in the year	1,684	1,705	126	14	-	3,529
Utilised in year	(1,744)	-	-	(14)	(508)	(2,266)
Effect of discounting	2	-	-	-	-	2
At 29 June 2013	2,380	5,509	126	14	-	8,029

### 19. Pension commitment

#### Defined contribution

The Company participates in the defined contribution scheme of The Go-Ahead Group Pension Plan. This scheme is not contracted-out of the State Second Pension Scheme and is open to new entrants. The expense recognised in these accounts for the year is £176,000 (2012: £46,000) being the contributions paid and payable.

The company also participates in stakeholder schemes and the expense recognised in these accounts for the year is £82,000 (2012: £54,000) being the contributions paid and payable.

#### Defined benefit

The Company participates in a scheme which is part of The Go-Ahead Group Pension Plan. The assets of the scheme are held separately from those of the Company in an independently administered fund. The most recent actuarial valuation of the scheme was at 31 March 2009 and was updated by Towers Watson LLP to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 29 June 2013 and 30 June 2012. The contributions paid to the scheme are paid in line with the schedule of contributions, being 16.4% and 14.3% of pensionable salaries paid to upper and lower tier sections respectively.

The defined benefit scheme is effectively closed to new entrants. As a result it can be expected that the service cost will increase in future, as a percentage of payroll. However, this percentage is likely to be applied to a reducing total pensionable payroll.

The scheme is a multi-employer scheme and in accordance with FRS 17, the Company has accounted for its contributions to the scheme as if it were a defined contribution scheme because it is not possible to identify the Company's share of the net assets and liabilities in the scheme on a consistent and reasonable basis due to the high volume of members/pensioners and the historic interaction between Group companies.

The following disclosures provide details of the entire defined benefit scheme.

The main assumptions are:

	2013 %	2012 %
Rate of increase in salaries	4.3	3.9
Rate of increase in deferred pensions	2.0	1.9
Discount rate	4.7	5.0
Retail price index inflation	3.3	2.9
Consumer price index inflation	2.0	1.9

# Notes to the financial statements

at 29 June 2013

## 19. Pension commitments (continued)

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting deficit are

	2013		2012	
	Long term rate of return expected %	Value £m	Long term rate of return expected %	Value £m
Equities	6.2	208.4	6.6	171.0
Bonds	4.1	30.8	5.0	28.4
Properties	6.3	30.4	6.2	30.5
Cash/other*	1.9	289.6	2.0	296.1
Total market value of assets		559.2		526.0
Present value of scheme liabilities		(604.1)		(545.8)
Pension liability before deferred tax		(44.9)		(19.8)
Related deferred tax asset		10.3		4.8
Net pension liability		(34.6)		(15.0)

\* This includes The Go-Ahead Plan's liability driven investing portfolio

## 20. Related party transactions

The company is a 100% subsidiary of The Go Ahead Group plc. Advantage has been taken of the exemptions in paragraph 3 of Financial Reporting Standard 8 and transactions with entities that are part of the group have not been disclosed.

## 21. Share capital

	No	2013 £000	Allotted, called up and fully paid	2012 £000
	No		No	
Ordinary shares of £0.10 each	19,770,020	1,977	19,770,020	1,977

## 22. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	Profit and loss account £000	Total share- holders' funds £000
At 2 July 2011	1,977	8,485	10,462
Retained profit for the year	-	5,141	5,141
Dividends paid	-	(10,950)	(10,950)
Transfer of net pension liability (net of associated deferred tax asset) following merger of defined benefit pension schemes into the parent company scheme	-	14,594	14,594
Actuarial loss net of deferred tax	-	(3,703)	(3,703)
At 30 June 2012	1,977	13,567	15,544
Retained profit for the year	-	4,884	4,884
Dividends paid	-	(18,000)	(18,000)
At 29 June 2013	1,977	451	2,428

## Notes to the financial statements

at 29 June 2013

### 23. Share-based payments

#### Share Incentive Plan

The company participates in an HMRC approved share incentive plan, operated by the ultimate parent undertaking, known as The Go-Ahead Group plc Share Incentive Plan (the "SIP"). The SIP is open to all group employees (including executive directors) who have completed at least six month's service with a group company at the date they are invited to participate in the plan.

The SIP permits The Go-Ahead Group plc to make four different types of awards to employees (free shares, partnership shares, matching shares and dividend shares), although the group has, so far, made awards of partnership shares only. Under these awards, the group invites qualifying employees to apply between £10 and £125 per month in acquiring shares in the group at the prevailing market price. Under the terms of the scheme, certain tax advantages are available to the group and employees.

### 24. Ultimate parent company and controlling party

In the directors' opinion the company's ultimate parent company is The Go-Ahead Group plc which is also the parent undertaking of the group of undertakings for which group financial statements are drawn up. The Go-Ahead Group plc is registered in England and Wales and copies of its financial statements can be obtained from Companies House, Cardiff.