

First Games Transport Limited

Report and Financial Statements

28 March 2015

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First Games Transport Limited

Report and financial statements 2015

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First Games Transport Limited

Strategic report

The directors, in preparing this strategic report for First Games Transport Limited, have complied with s414C of the Companies Act 2006.

Principal activities

The company's principal activity is the provision of bus operations in the United Kingdom.

Business review

As shown in the company's profit and loss account on page 6, the company has an operating profit of £1.3 million due to providing services at the Glasgow Commonwealth Games (2014: loss - £0.2 million). The prior year loss is a result of incurring expenditure in pursuing new contracts. The Games Transport division continues to actively pursue new contracts and has recently won the tender to provide transport services at the 2015 Rugby World Cup.

The balance sheet on page 7 of the financial statements shows the company's financial position at the period end. Net assets have increased from £3.0 million to £4.0 million. This increase is a result of the profit for the period being transferred to reserves.

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

Going concern

At 28 March 2015 the company had net current assets of £4.0 million and net assets of £4.0 million. The directors have considered the going concern assumption given the completion of the Glasgow Commonwealth Games contracts and have formed the conclusion that there is a reasonable expectation that the company will continue to operate in the foreseeable future as the directors look to provide services for future events. The directors have considered the company forecasts and the financial commitment from the parent company in forming this judgement.

The parent company has provided the directors of the company with a letter confirming that it will make available such funds as may be required to enable the company to meet its obligations for a period of at least 12 months from signing the financial statements. The directors have made enquiries and understand that the parent company has adequate resources to be able to provide this financial support.

After making enquiries and considering the above facts, the directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

There are a number of potential risks and uncertainties that could have an impact on the company's performance. The directors have established a process for identifying, evaluating and managing the significant risks and uncertainties faced by the company.

Specific business risks faced by the company include the following;

Competition risk

Management mitigate the competitive pressure by monitoring competitors' behaviour and strategies to ensure that the company acts appropriately under current market conditions.

Legal and regulatory risk

The directors are aware of the continual change in laws and other regulations and the increasing costs of compliance. The directors conduct regular reviews of safety procedures, equipment specifications, employment requirements, environmental procedures, insurance coverage and other areas to ensure they are appropriate and operating effectively.

Litigation and claims risk

The company has three main insurance risks, third party claims arising from vehicle and general operations, employee injuries and property damage. FirstGroup plc has a very strong focus on safety, as one of its core values, the promotion of a 'Safety First' culture at all levels throughout the business minimises insurance premiums and other related claims.

First Games Transport Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Labour cost and employee relation risk

Labour costs represent the most significant element of the company's operating costs. The directors continue to monitor employee recruitment, training, personal development and remuneration to ensure the company attracts and retains the right people.

To retain the right people the company believes that good communication with employees is effected mainly through regular briefing and negotiating meetings between the directors, the senior management and employee representatives on the central negotiating committees. The briefing meetings enable senior management to consult employees and to ascertain their views on matters likely to affect their interests.

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

Details of the number of employees and related costs can be found in note 4 to the financial statements.

Fuel cost risk

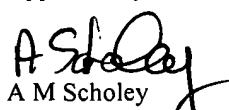
Fuel cost represents a significant proportion of the company's cost base. Fuel prices are directly influenced by international, political and economic circumstances as well as natural disasters. Wherever possible, the group seeks to minimise the operational and financial impact of such events through fixed price forward contracts and other operational efficiency measures.

Environmental risk

FirstGroup plc recognises the importance of its environmental policies, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the Group's Annual Report, which do not form part of this Report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Through our core business activities we are committed to providing a safe, good quality, reliable and cost effective public transport to all our customers. Our core business strategy is to increase customer numbers and encourage a greater move towards the use of bus transport. This will support the needs of society to achieve more sustainable travel. We recognise the environmental impacts arising from our business activities and are committed to reducing these through effective environmental management.

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


A M Scholey
Director
22 October 2015

First Games Transport Limited

Directors' report

The directors have pleasure in submitting their annual report and financial statements for the 52 week period ended 28 March 2015.

Results and dividends

The profit for the period, after tax was, £1.0 million (2014: loss - £0.1 million), the results for the financial period are given in the profit and loss account on page 6.

No dividend was paid during the period (2014: £nil).

Directors

The directors who held office throughout the period and subsequently are as follows:

G R Fearnley

D Liston (Resigned 4 July 2014)

A M Scholey

Directors' and officers' liability insurance

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

Directors' indemnity

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) were in force during the period and up to and including the date of the directors' report for the benefit of the directors of the company.

Audit information

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

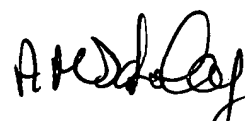
- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's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

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

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
And signed by order of the board



A M Scholey
Director

22 October 2015

First Games Transport Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST GAMES TRANSPORT LIMITED

We have audited the financial statements of First Games Transport Limited for the 52 week period ended 28 March 2015 which comprise the profit and loss account, the balance sheet, reconciliation of movement in shareholders' funds and the related notes 1 to 18. 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2015 and of its profit for the period 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.

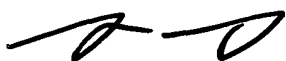
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



James Boyle, CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Edinburgh, United Kingdom

29 October 2015

First Games Transport Limited

Profit and Loss account

52 weeks ended 28 March 2015

		52 weeks ended 28 March 2015 £000	52 weeks ended 29 March 2014 £000
	Notes		
Turnover	2	8,063	-
Operating costs	3	(6,732)	(192)
Profit / (loss) on ordinary activities before taxation	6	1,331	(192)
Tax (charge) / credit on profit / (loss) on ordinary activities	7	(294)	47
Profit / (loss) for the period, transferred to / (from) reserves	14	<u>1,037</u>	<u>(145)</u>

All activities relate to continuing operations.

There are no recognised gains or losses in either the current or previous financial period other than the profit / (loss) for that period and accordingly no statement of total recognised gains and losses has been prepared.

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

First Games Transport Limited

Balance Sheet At 28 March 2015

			28 March 2015 £000	29 March 2014 £000
	Notes	£000	£000	£000
Assets employed:				
Current assets				
Stocks	8	-	-	-
Debtors	9	4,398	5,075	
		<u>4,398</u>	<u>5,075</u>	
Creditors: amounts falling due within one period	10	(359)	(1,982)	
Net current assets			4,039	3,093
Provision for liabilities	11		-	(91)
Net assets			<u>4,039</u>	<u>3,002</u>
Financed by:				
Capital and reserves				
Called up share capital	13		-	-
Profit and loss account	14		4,039	3,002
Shareholders' funds			<u>4,039</u>	<u>3,002</u>

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

These financial statements (Company Registration Number 07606109) were approved by the Board of directors on 22 October 2015 and were signed on its behalf by:


A M Scholey
Director

First Games Transport Limited

Reconciliation of movements in shareholders' funds 52 weeks ended 28 March 2015

	52 weeks ended 28 March 2015 £000	52 weeks ended 29 March 2014 £000
Profit / (loss) for the financial period	1,037	(145)
Net increase / (decrease) to shareholders' funds	1,037	(145)
Opening shareholders' funds	3,002	3,147
Closing shareholders' funds	4,039	3,002

First Games Transport Limited

Notes to the Financial Statements 52 weeks ended 28 March 2015

1. Principal accounting policies

The accounting policies have been applied consistently throughout the current period.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards. The financial statements are made up to the Saturday nearest to the period end for each financial period.

(b) Going concern

At 28 March 2015 the company had net current assets of £4.0 million and net assets of £4.0 million. The directors have considered the going concern assumption given the current uncertainty of the economic climate and have formed the conclusion that there is a reasonable expectation that the company will continue to operate in the foreseeable future. The directors have considered the company forecasts, uncertainties and the financial commitment from the parent company in forming this judgement.

The parent company has provided the directors of the company with a letter confirming that it will make available such funds as may be required to enable the company to meet its obligations for a period of at least 12 months from signing the financial statements. The directors have made enquiries and understand that the parent company has adequate resources to be able to provide this financial support.

After making enquiries and considering the above facts, the directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(c) Cash flow statement

The company is a wholly owned subsidiary of FirstGroup plc, a company registered in Scotland. Accordingly, the company has taken advantage of the exemption offered by Financial Reporting Standard 1 enabling it not to produce a cash flow statement as the parent company has included a consolidated cash flow statement within its group financial statements.

(d) Taxation

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

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

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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 the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(e) Long-term contracts and stocks

Stocks are stated at the net of costs incurred less amounts received as progress payments on account.

(f) Turnover

Turnover principally comprises amounts receivable from contracts with government bodies and is recognised as the services are provided.

First Games Transport Limited

Notes to the Financial Statements (continued)

52 weeks ended 28 March 2015

1. Principal accounting policies (continued)

(g) Insurance

FirstGroup plc's policy is to self-insure high frequency, low value claims within the businesses. To provide protection above these types of losses, cover is obtained through third party insurance policies. Provision is made under FRS12 for the estimated cost of settling uninsured claims for incidents occurring prior to the balance sheet date.

2. Turnover and profit / (loss) on ordinary activities before taxation

Turnover represents the amounts receivable for services supplied to customers during the period.

The whole of the turnover and profit / (loss) on ordinary activities before taxation derives from the company's principal activities within the United Kingdom. The company has one principal class of business, namely the provision of passenger transport services.

3. Operating costs

	52 weeks ended 28 March 2015 £000	52 weeks ended 29 March 2014 £000
Raw materials and consumables	485	-
Staff costs	4,106	-
Other external charges	2,141	192
	<u>6,732</u>	<u>192</u>

The staff costs shown are amounts recharged during the period from other FirstGroup companies to reflect work performed and costs incurred on behalf of First Games Transport Limited. The company did not have any employees other than the directors in the current or preceding period (note 4).

4. Employee numbers and costs

	52 weeks ended 28 March 2015 No.	52 weeks ended 29 March 2014 No.
The average number of persons employed by the company (including directors) during the period was as follows:		
Administration	<u>2</u>	<u>3</u>

First Games Transport Limited

Notes to the Financial Statements (continued)

52 weeks ended 28 March 2015

5. Directors' remuneration

The directors received remuneration from other FirstGroup companies totalling £254,000 (2014: £nil). It is not considered practicable to allocate this between services provided to that company, and services provided in their capacity as directors to First Games Transport Limited.

6. Profit / (loss) on ordinary activities before taxation

52 weeks ended 28 March 2015 £000	52 weeks ended 29 March 2014 £000
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Profit / (loss) on ordinary activities before taxation is stated after charging:

Auditor's remuneration:

Fees payable to the company's auditor for the audit of the company's financial statements (borne by another group company)

15	15
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There were no fees payable to Deloitte LLP and their associates for non-audit services to the company during the period (2014: £nil).

7. Tax charge / (credit) on profit / (loss) on ordinary activities

52 weeks ended 28 March 2015 £000	52 weeks ended 29 March 2014 £000
Current taxation	
- Group relief payable	277
- Adjustments in respect of prior periods	(4)
Total current taxation	273
Deferred taxation	
- Origination and reversal of timing differences	3
- Adjustment in respect of prior periods	18
Total deferred taxation	21
Total tax charge / (credit) on profit / (loss) on ordinary activities	294

The standard rate of taxation for the period, based on the UK standard rate of corporation tax, is 21% (2014: 23%). The actual current tax charge for the current and previous period differed from the standard rate for the reasons set out in the following reconciliation:

First Games Transport Limited

Notes to the Financial Statements (continued)

52 weeks ended 28 March 2015

7. Tax charge / (credit) on profit / (loss) on ordinary activities (continued)

	52 weeks ended 28 March 2015 %	52 weeks ended 29 March 2014 %
Standard rate of taxation	21.0	23.0
Factors affecting charge		
- Capital allowances	(0.2)	-
- Prior periods' tax charge	(0.3)	(15.6)
	<u>20.5</u>	<u>7.4</u>
Current taxation rate for the period		

8. Stock

	28 March 2015 £000	29 March 2014 £000
Long term contract balances		
Net cost less foreseeable losses	-	564
Less applicable payments on account	-	(1,517)
Transferred to other creditors (note 10)	-	953
	<u>-</u>	<u>-</u>

9. Debtors

	28 March 2015 £000	29 March 2014 £000
Amounts falling due within one year		
Amounts owed by group undertakings	4,384	5,042
Prepayments and accrued income	2	-
Deferred tax asset	12	33
	<u>4,398</u>	<u>5,075</u>

10. Creditors

	28 March 2015 £000	29 March 2014 £000
Amounts falling due within one year		
Amounts owed to group undertakings	359	980
Accruals and deferred income	-	49
Other creditors (note 8)	-	953
	<u>359</u>	<u>1,982</u>

First Games Transport Limited

Notes to the Financial Statements (continued)

52 weeks ended 28 March 2015

11. Provision for liabilities

	Insurance claims £000
At 30 March 2014	91
Credited to the profit and loss account	(78)
Transferred to accruals	(13)
	<hr/>
At 28 March 2015	<hr/> <hr/> -

Insurance claims accruals due within one year at 28 March 2015 amounted to £nil (2014: £49,000) and are included in 'accruals and deferred income' within note 10. The amount included within provisions above represents the estimate of amounts due after more than one period.

The insurance claims provision arises from estimated exposures for incidents occurring prior to the balance sheet date. It is anticipated that the majority of such claims will be settled within the next six periods.

12. Deferred taxation asset

	Deferred taxation £000
At 30 March 2014	33
Credited to the profit and loss account	(21)
	<hr/>
At 28 March 2015	<hr/> <hr/> 12

The opening and closing deferred tax asset is included in note 9 within debtors.

Deferred tax asset consists of the following amounts:

	28 March 2015 £000	29 March 2014 £000
Depreciation in excess of capital allowances	12	18
Other timing differences	-	15
	<hr/>	<hr/>
Deferred tax asset	<hr/> <hr/> 12	<hr/> <hr/> 33

13. Called up share capital

	28 March 2015 £	29 March 2014 £
Allotted, called up and fully paid		
1 ordinary share of £1	1	1
	<hr/> <hr/>	<hr/> <hr/>

First Games Transport Limited

Notes to the Financial Statements (continued)

52 weeks ended 28 March 2015

14. Reserves

	Profit and loss account £000
At 30 March 2014	3,002
Profit for the period	1,037
At 28 March 2015	<u>4,039</u>

15. Commitments

The company had no capital or similar commitments at 28 March 2015 or 29 March 2014.

16. Other commitments

The company participates in an overdraft facility with its parent company, FirstGroup plc and other group companies. The company has jointly and severally guaranteed the liabilities of the other parties under these arrangements.

The company is a member of a Value Added Tax ("VAT") group covering a number of subsidiary undertakings. All members of the VAT group are jointly and severally liable in respect of any VAT owed to HMRC. The value of the group commitment owed to HMRC can be found within the FirstGroup plc accounts.

17. Related party transactions

The company is taking advantage of the exemption under FRS8 not to disclose transactions with wholly owned group companies that are related parties.

18. Ultimate parent company

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

The company's immediate controlling party is FirstBus (South) Limited.

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