

Company Registration No. 8401654

Metroline West Limited

Report and Financial Statements

For the 28 weeks ended 31 December 2013



Metroline West Limited

Report and financial statements 2013

Contents	Page
Officers and professional advisers	1
Directors' report	2
Strategic report	4
Directors' responsibilities statement	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

Metroline West Limited

Report and financial statements 2013

Officers and professional advisers

Directors

Jaspal Singh
Sean O'Shea

Secretary

Ishai Novick

Registered office

ComfortDelGro House
329 Edgware Road
Cricklewood
London
NW2 6JP

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Solicitors

Teacher Stern LLP
37-41 Bedford Row
London WC1R 4JH

Metroline West Limited

Directors' report

The Directors present their first report of the company, together with the unaudited financial statements for the period ended 31 December 2013

Principal activity

The company's principal activity is the provision of road passenger transport services within the Greater London area

Financial instruments and credit risk

The company's principal financial assets are bank balances and trade debtors. The company's credit risk is primarily attributable to its trade debtors. The company has a small number of trade debtors and as such has a high concentration of credit risk with these customers. However, the Directors feel that the credit risk of the trade debtors is low because the main debtors are United Kingdom government bodies. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Environment

Metroline West Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities.

Directors

Details of the current directors are given on page 1.

Qualifying third party indemnity insurance was provided to the Directors and Officers of Metroline West Limited for the entire period covered by these financial statements by the company's ultimate parent company (see Note 20). This cover has continued to the date of approval of these financial statements.

Disabled employees

The company's policy in respect of disabled persons is that their applications for employment are always fully and fairly considered, bearing in mind the abilities of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that employment with the company continues and where necessary appropriate training is arranged. It is the company's policy that training, career development and promotion of disabled persons should, as far as possible, be identical with that of all other employees in similar gradings.

Employee consultation

The Directors and Managers of the company place considerable value on the consultative meetings with employees. Information on matters affecting employees and on various factors affecting the performance of the company is disseminated through meetings, newsletters and training programmes. Employees' representatives are consulted regularly on a wide range of matters affecting employees' current and future interests.

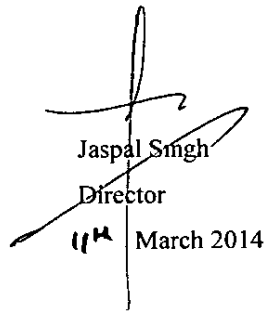
Metroline West Limited

Directors' report (continued)

Auditor

For the period ended 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

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



Jaspal Singh
Director
11th March 2014

Metroline West Limited

Strategic report

To the members of Metroline West Limited

The Directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006

Financial results and future prospects

The company's results for the period are set out in the profit and loss account on page 6. The profit on continuing activities for the period was £4,038,000 before taxation. No dividends were paid or declared during the period.

Staff numbers during the period averaged 1,701 although ending slightly lower at 1,700.

The company intends to continue the provision of road passenger transport services. Expansion may be achieved through tendering for Transport for London ("TfL") routes as they become available, and commercial services in the unregulated market.

Principal risks and uncertainties

Competitive pressure in the regulated London market is a continuing risk for the company, which could result in it losing routes to its key competitors. The company manages this risk by constantly striving to improve the quality of its services, extending route contracts for a further two periods, where permissible by TfL and acceptable financial returns can be achieved, and by having a spread of route contracts with varying expiry dates.

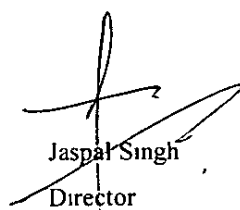
Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policy note.

Approval

This report was approved by the board of directors on 11th March 2014 and signed on its behalf by


Jaspal Singh
Director
11th March 2014

Metroline West 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, 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.

Metroline West Limited

Profit and loss account Period ended 31 December 2013

	Note	28 weeks ended 31 December 2013 £'000
Revenue	2	60,333
Cost of sales		(51,950)
Gross profit		<u>8,383</u>
Administrative expenses		(4,354)
Operating profit	5	<u>4,029</u>
Interest receivable and similar income	6	9
Profit on ordinary activities before taxation		<u>4,038</u>
Tax on profit on ordinary activities	7	(1,250)
Profit on ordinary activities after taxation	16	<u><u>2,788</u></u>

All results are derived from continuing operations

There were no recognised gains and losses for the period other than as shown above in the profit and loss account
Accordingly, no statement of total recognised gains and losses is presented

Metroline West Limited

Balance sheet

28 weeks ended 31 December 2013

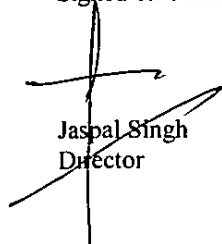
	Note	2013 £'000
Fixed assets		
Goodwill	8	43,921
Tangible fixed assets	9	16,401
		<u>60,322</u>
Current assets		
Stocks	10	932
Debtors	11	7,876
Cash at bank and in hand		6,185
		<u>14,993</u>
Creditors: amounts falling due within one period	12	<u>(72,091)</u>
Net current liabilities		<u>(57,098)</u>
Total assets less current liabilities		<u>3,224</u>
Provisions for liabilities	13	<u>(436)</u>
Net assets		<u><u>2,788</u></u>
Capital and reserves		
Called up share capital	15, 16	-
Profit and loss account	16	2,788
Shareholders' funds		<u><u>2,788</u></u>

For the period ending 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

- The directors have not required the company to obtain an audit of its account for the period in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements of Metroline West Limited, registered number 2328401, were approved by the Board of Directors on 14 March 2014

Signed on behalf of the Board of Directors


 Jaspal Singh
 Director

Metroline West Limited

Notes to the accounts

Period ended 31 December 2013

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the period.

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and law.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 2. The financial position of the company, its cash flows, liquidity position and borrowing facilities are also described in further detail in the notes to the financial statements. The directors are satisfied with the results and believe that the company is well placed to manage its business risks successfully.

In particular, although the company is exposed to wider macroeconomic events, the directors have given due consideration to the fact that the company benefits from strong, predictable cash flows from the long-term contracts with government bodies which provide a substantial majority of its revenues. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to continue to operate within the level of the facilities available to it, the details of which are set out in note 13.

The directors believe that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost or valuation less accumulated depreciation and provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful economic life, as follows:

Freehold buildings	50 years
Leasehold land and leasehold improvements	Over the life of the lease
Buses	12 years
Plant and equipment	1 to 10 years

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

Metroline West Limited

Notes to the accounts

Period ended 31 December 2013

1. Accounting policies (continued)

Leased assets

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.

The cost of operating leases is charged directly to the profit and loss account over the period of the leases on a straight line basis, even if the payments are not made on such a basis.

Stocks

Stocks consist primarily of materials required for the operation and maintenance of buses. These materials are valued on a first in first out basis at the lower of cost and net realisable value to the company.

Insurance

Insurance costs include insurance premiums which are written off to the profit and loss account over the period to which they relate and an estimate of the liability for uninsured retained risks on unpaid claims arising out of events occurring up to the balance sheet date.

Revenue

Revenue represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, revenue represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one period.

Revenue includes Quality Incentive Contracts (QICs) revenue which is recognised over the period of the contract.

Pension costs

The company also operates a defined contribution pension scheme, the assets of which are held separately from those of the company and are managed by a third party. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Metroline West Limited

Notes to the accounts

Period ended 31 December 2013

1. Accounting policies (continued)

Taxation

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

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial instruments

The company recognises that management of financial risk is an important aspect in its drive towards creating shareholder value. It is the company's policy not to participate in speculation in financial instruments.

2 Revenue and operating profit

Revenue and operating profit are attributable to the company's principal activity and arise entirely in the United Kingdom.

Metroline West Limited

Notes to the accounts

Period ended 31 December 2013

3. Information regarding directors and employees

	2013
	No.
Average number of persons employed:	
Traffic operations	1,456
Engineering and maintenance	64
Administration	181
	<hr/> 1,701 <hr/>
	£'000
Staff costs during the period:	
Wages and salaries	31,505
Social security costs	3,273
Pension costs	453
	<hr/> 35,231 <hr/>

4. Directors' remuneration

No directors had retirement benefits accruing under a defined benefit pension scheme

Certain directors were remunerated through another group company during the period

5. Operating profit

	2013
	£'000
This is stated after charging	
Operating lease rentals - land and buildings	809
- buses	4,458
- plant and machinery	53
Depreciation	692
	<hr/> 692 <hr/>

6. Interest receivable and similar income

	2013
	£'000
Bank interest	9
	<hr/> 9 <hr/>

Metroline West Limited

Notes to the accounts **Period ended 31 December 2013**

7 Tax on profit on ordinary activities

	2013 £'000
a) Tax charge on profit on ordinary activities	
Current tax	
Corporation tax charge for the period	1,251
Deferred tax	
Timing differences, origination and reversal (note 13,14)	(1)
Total tax on profit on ordinary activities	<u><u>1,250</u></u>

b) Factors affecting the tax charge for the period

The standard rate of tax for the period, based on the UK standard rate of corporation tax is 23.25% (average rate for period 90 days at 24%, 275 days at 23%). The actual tax charge for the current and previous period varies from the standard rate for the reasons set out in the following reconciliation

	2013 £'000
Profit on ordinary activities before tax	4,038
Tax on profit on ordinary activities at standard rate of 23.25%	938
Factors affecting charge for the period	
Disallowable expenses	271
Depreciation for the period in excess of capital allowances	42
Current tax charge for the period	<u><u>1,251</u></u>

Metroline West Limited

Notes to the accounts Period ended 31 December 2013

8. Goodwill

	£'000
Cost	
At 22 June 2013 and 31 December 2013	45,072
Accumulated amortisation	
At 22 June 2013	-
Charge for the period	(1,151)
At 31 December 2013	(1,151)
Net book value	
At 22 June 2013	45,072
At 31 December 2013	43,921

9. Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings improve- ments £'000	Buses £'000	Plant and machinery £'000	Total £'000
Cost or valuation:					
At 22 June 2013	4,341	7,350	4,415	118	16,224
Additions	-	-	-	869	869
At 31 December 2013	4,341	7,350	4,415	987	17,093
Accumulated depreciation:					
At 22 June 2013	-	-	-	-	-
Charge for the period	34	173	378	107	692
At 31 December 2013	34	173	378	107	692
Net book value:					
At 31 December 2013	4,307	7,177	4,037	880	16,401
At 22 June 2013	4,341	7,350	4,415	118	16,224

Metroline West Limited

Notes to the accounts Period ended 31 December 2013

10 Stocks

	2013 £'000
Bus maintenance stocks	514
Fuel	418
	<hr/> 932 <hr/>

In the directors' opinion, there were no significant differences between the replacement cost and the values shown for stock categories

11 Debtors: amounts falling due within one period

	2013 £'000
Trade debtors	2,182
Value added tax	349
Fuel duty rebate	27
Prepayments and accrued income	5,318
	<hr/> 7,876 <hr/>

12 Creditors: amounts falling due within one period

	2013 £'000
Trade creditors	809
Amounts due to group undertakings	57,587
Other taxes and social security costs	1,859
Accruals and deferred income	10,585
Corporation tax	1,251
	<hr/> 72,091 <hr/>

Metroline West Limited

Notes to the accounts

Period ended 31 December 2013

13. Provisions for liabilities

	Deferred taxation £'000	Insurance provision £'000	Total £'000
At 22 June 2013	-	-	-
Utilisation of provision	-	(61)	(61)
(Credited)/charged to the profit and loss account	(1)	498	497
At 31 December 2013	<u>(1)</u>	<u>437</u>	<u>436</u>

The insurance provision relates to liabilities where there is uncertainty about the timing of settlement, but where a reliable estimate can be made of the amount. The company self-insures its fleet of buses against claims in respect of traffic accidents, subject to an overall annual limit to its liability.

The directors have recognised as a liability in the accounts the undiscounted financial impact of the expected resolution of any outstanding claims on the basis of all information currently available, on a prudent and consistent basis.

However, it is inherent in the nature of insurance claims that the ultimate liabilities may vary as a result of subsequent developments, so that the provision made may be excessive or insufficient. There is no unprovided amount that the company may possibly be called upon to pay to meet claims in excess of those already provided up to the maximum aggregate amount payable.

Metroline West Limited

Notes to the accounts

Period ended 31 December 2013

14. Deferred taxation

	2013 £'000
Capital allowances in advance of depreciation	(1)
Reconciliation of deferred taxation	
At 22 June 2013	-
Capital allowances in advance of depreciation	(1)
At 31 December 2013	(1)

15. Called up share capital

	2013 £
Authorised:	
1 ordinary share of £1 each	1
Called up, allotted and fully paid:	
1 ordinary share of £1 each	1

16. Reconciliation of shareholders' funds and movements on reserves

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 22 June 2013	-	-	-
Profit for the period	-	2,788	2,788
At 31 December 2013	-	2,788	2,788

17. Contingent liabilities and capital commitments

Amounts contracted for but not provided in the accounts amounted to £191,000

Metroline West Limited

Notes to the accounts

Period ended 31 December 2013

18 Operating lease commitments

The annual commitments under non-cancellable operating leases are as follows

	Land and buildings	Other
	2013	2013
	£'000	£'000
Operating leases which expire		
Within one period	-	1,397
Within two to five periods	644	6,393
Over five periods	428	-
	<u>1,072</u>	<u>7,790</u>

19. Pension commitments

Defined contribution scheme

The company operates a defined contribution pension scheme. The charge for the scheme in 2013 is £453,000. The contributions outstanding at the period end amounted to £nil.

20. Parent company and controlling party

The parent company of the smallest group of which the company is a member and for which group accounts are prepared at the balance sheet date is Metroline Limited. The parent company of the largest group of which the company is a member and for which group accounts are prepared at the balance sheet date is ComfortDelGro Corporation Limited, a company incorporated in Singapore. The immediate parent company is Metroline Limited and the ultimate parent company and controlling party is ComfortDelGro Corporation Limited.

Copies of these accounts can be obtained from ComfortDelGro House, 329 Edgware Road, Cricklewood, London, NW2 6JP and from 205 Braddell Road, Singapore 579701 respectively.

21. Related party transactions

The company has taken advantage of the exemption available under paragraph 3 (c) of FRS 8 'Related party disclosures' not to disclose related party transactions with other wholly owned group companies.

During the period, Metroline West Limited had not entered into any transactions with ComfortDelGro group companies who are not covered by an exemption under FRS 8.

22. Cash flow statement

The company is a wholly owned subsidiary of Metroline Limited and the cash flows of the company are included in the consolidated cash flow statement of the group's ultimate parent, ComfortDelGro Corporation. Consequently, the company is exempt under FRS 1 (revised 1996) 'Cash flow statements' from the requirement to prepare a cash flow statement.