

Stagecoach Aviation Europe Limited

Annual report and financial statements for the year ended 30 April 2011

Registered office:

10 Dunkeld Road
Perth
PH1 5TW

Registered number:

SC176704

SATURDAY



SS5GBX1E

SCT

27/08/2011

86

COMPANIES HOUSE

Directors' report
For the year ended 30 April 2011

Registered No: SC176704

The directors are pleased to present their annual report on the affairs of the Company, together with the audited financial statements and auditors' report for the year ended 30 April 2011.

Principal activity and business review

The Company acts as an investment company.

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.

Future developments

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

Results and dividends

The Company reported a profit on ordinary activities before taxation of £99 in the year (2010: £317,121,642).

Interim dividends of £Nil (2010: £0.3681) per share amounting to £Nil (2010: £317,138,244) were declared and paid in the year. The directors do not propose payment of a final dividend (2010: £Nil).

Financial risk management

Due to the nature and low level of transactions that took place in the year, the only financial risk that the Company's activities expose it to is the effects of changes in interest rates. The directors of Stagecoach Group plc, the Company's ultimate parent, consider this financial risk 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, which does not form part of this report.

Directors

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

John Hamilton
Martin Griffiths

Statement of directors' responsibilities

The directors are responsible for preparing the 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

Statement of directors' responsibilities (continued)

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 of the Company. The ultimate parent has indemnified each of the Company's directors and other officers of the Company against certain liabilities that may be incurred as a result of their offices.

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

26 August 2011

Auditors' report

For the year ended 30 April 2011

Independent auditors' report to the members of Stagecoach Aviation Europe Limited

We have audited the financial statements of Stagecoach Aviation Europe Limited for the year ended 30 April 2011 which comprise the profit and loss account, the balance sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities statement set out on pages 1-2, 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). 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.

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. 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 30 April 2011 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 matters 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.

Auditors' report (continued)
For the year ended 30 April 2011

Independent auditors' report to the members of Stagecoach Aviation Europe 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.



Michael Timar (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
26 August 2011

Profit and Loss Account
For the year ended 30 April 2011

	Notes	2011	2010
		£000	£000
Turnover - investment income		Nil	317,138
Profit on ordinary activities before interest and taxation		Nil	317,138
Finance charges (net)	2	-	(16)
Profit on ordinary activities before taxation	3	-	317,122
Taxation	4	55	63
Profit for the year		55	317,185

The operating profit for the year is £99.

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

The profit for each year is derived wholly from continuing operations.

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.

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

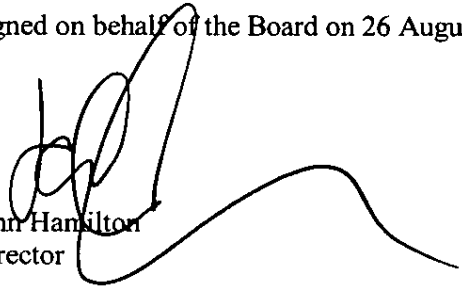
Balance Sheet
As at 30 April 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Investments	6	1,007,359	1,007,359
Current assets			
Debtors: amounts falling due within one year	7	119	119
Cash at bank and in hand		55	-
		<u>174</u>	<u>119</u>
Creditors: amounts falling due within one year	8	(3,441)	(3,441)
Net current liabilities		<u>(3,267)</u>	<u>(3,322)</u>
Total assets less current liabilities		<u>1,004,092</u>	<u>1,004,037</u>
Net assets		<u>1,004,092</u>	<u>1,004,037</u>
Capital and reserves			
Called up share capital	9	861,571	861,571
Share premium	10	119,636	119,636
Profit and loss account	10	22,885	22,830
Total shareholders' funds		<u>1,004,092</u>	<u>1,004,037</u>

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

Signed on behalf of the Board on 26 August 2011.

John Hamilton
Director



Notes to the financial statements

For the year ended 30 April 2011

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 and in accordance with applicable accounting standards in the UK 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.

Although the Company has net current liabilities as at 30 April 2011, the Company's ultimate parent company, Stagecoach Group plc, has indicated that it currently intends to provide continuing financial support to the Company. Hence these accounts 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 UK company, Stagecoach Group plc, which prepares consolidated financial statements, which include a consolidated cash flow statement in which the cash flows of the Company are included.

(d) Turnover

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.

(e) Taxation

Corporation tax is provided on taxable profits at the current rate applicable. 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 related pre-tax item.

Tax, current and deferred is calculated using tax rates and laws enacted or substantively enacted at the balance sheet date.

(f) Investments

Fixed asset investments are shown at cost, less any 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.

Notes to the financial statements (continued)

For the year ended 30 April 2011

1. Accounting policies (continued)

(g) Related party transactions

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

(h) Dividends

Dividends on ordinary shares are recorded 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.

2. Finance charges (net)

	2011 £000	2010 £000
Bank interest payable	-	(16)
Bank interest receivable	-	-
	<u>-</u>	<u>(16)</u>

3. Profit on ordinary activities before taxation

The remuneration of the auditors is not settled directly by the Company. Audit fees of £7,800 (2010: £6,543) 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 other group companies. No significant part of the directors' remuneration is directly attributable to the Company (2010: £Nil).

The Company has no employees (2010: Nil).

4. Taxation

(a) Analysis of credit for the year

	2011 £000	2010 £000
Current tax:		
Amount receivable from a fellow subsidiary in respect of group relief	(55)	(63)
Adjustments in respect of prior years	-	-
Total current tax	<u>(55)</u>	<u>(63)</u>

Notes to the financial statements (continued)

For the year ended 30 April 2011

4. Taxation (continued)

(b) Factors affecting the tax credit for the year

	2011 £000	2010 £000
Profit on ordinary activities before tax	-	317,122
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27.8% (2010: 28%)	-	88,794
Effect of:		
Non taxable dividend income	Nil	(88,799)
Treatment of inter-company transactions	(55)	(58)
Adjustments in respect of prior years	-	-
Current tax credit for the year	(55)	(63)

5. Dividends

	2011 £000	2010 £000
Interim dividends paid of £Nil per ordinary share (2010: £0.3681) in the year	Nil	317,138

6. Investments

	£000
Cost and Net book value	
At beginning and end of year	1,007,359

The Company owns the following subsidiary undertaking (ordinary shares 100% owned and 100% voting rights):

	<u>Country of registration</u>	<u>Principal activity</u>
SCOTO Limited	England	Investment and holding Company

7. Debtors

	2011 £000	2010 £000
Amounts falling due within one year:		
Amounts due from fellow group undertakings	119	119

Amounts due from fellow group undertakings accrue no interest and are repayable on demand.

Notes to the financial statements (continued)
For the year ended 30 April 2011

8. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to other group undertakings	3,441	3,441

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

9. Called up share capital

	2011 £000	2010 £000
<i>Allotted, called-up and fully paid</i>		
861,570,759 ordinary shares of £1 each	861,571	861,571

10. Reconciliation of movements in shareholders' funds

	Called up share capital £000	Share premium £000	Profit and loss account £000	Total shareholders' funds £000
At beginning of year	861,571	119,636	22,830	1,004,037
Profit for year	Nil	Nil	55	55
	861,571	119,636	22,885	1,004,092

All of the profit and loss account reserve is distributable.

11. Ultimate holding company

The Company's immediate holding company is The Integrated Transport Company Limited (registered number SC192154), registered in Scotland. The Company's ultimate holding company and controlling party is Stagecoach Group plc (registered number SC100764), 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.