

Stagecoach Aviation Europe Limited

Annual report and financial statements for the year ended 30 April 2013

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Registered office:

10 Dunkeld Road
Perth
PH1 5TW

Registered number:

SC176704

Directors' report
For the year ended 30 April 2013

Registered No: SC176704

The directors are pleased to present their annual report on the affairs of the Company, together with the financial statements for the year ended 30 April 2013.

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 £103,001,783 in the year (2012: £1,028).

Interim dividends of £103,000,000 (2012: £Nil) were paid in the year. The directors do not propose payment of a final dividend (2012: £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 financial statements 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 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:

Directors' report (continued)
For the year ended 30 April 2013

Registered No: SC176704

Statement of directors' responsibilities (continued)

- 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 (the "Act"). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Indemnification of directors and officers

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

By order of the Board



Michael Vaux
Company Secretary
30 August 2013

Profit and Loss Account
For the year ended 30 April 2013

	Notes	2013 £000	2012 £000
Turnover		103,000	Nil
Interest receivable	2	2	1
Profit on ordinary activities before taxation	3	103,002	1
Tax on profit on ordinary activities	4	-	-
Profit for the financial year		103,002	1

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.

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

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 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Investments	6	1,007,359	1,007,359
Current assets			
Cash at bank and in hand		177	175
		<u>177</u>	<u>175</u>
Creditors: amounts falling due within one year	7	(3,441)	(3,441)
Net current liabilities		<u>(3,264)</u>	<u>(3,266)</u>
Total assets less current liabilities		<u>1,004,095</u>	<u>1,004,093</u>
Net assets		<u>1,004,095</u>	<u>1,004,093</u>
Capital and reserves			
Called up share capital	8	861,571	861,571
Share premium account	9	119,636	119,636
Profit and loss account	9	22,888	22,886
Total shareholders' funds		<u>1,004,095</u>	<u>1,004,093</u>

Advantage is being taken of the audit exemption for subsidiary companies conferred by section 479A of the Companies Act 2006 on the grounds:

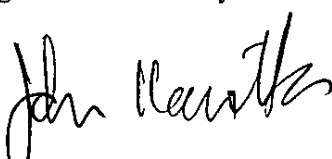
- that for the financial year ended 30 April 2013 the company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies; and
- that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for financial year.

The directors acknowledge their responsibilities for:

- ensuring that the company keep adequate accounting records which comply with section 386 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of affairs of the company at 30 April 2013 and of its profit or loss for the year then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the company.

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

The financial statements on pages 3 to 8 were approved by the Board of Directors on 30 August 2013 and signed on its behalf by:


John Hamilton
Director

Notes to the financial statements

For the year ended 30 April 2013

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 United Kingdom and comply with the requirements of the Companies Act 2006.

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

Although the Company has net current liabilities as at 30 April 2013, 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 financial statements have been prepared on a going concern basis.

(b) Basis of consolidation

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

(c) Cash flow statement

As permitted by FRS 1 (Revised 1996), the Company has not prepared a cash flow statement as it is a wholly owned subsidiary of another United Kingdom company, Stagecoach Group plc, which prepares consolidated financial statements, which include a consolidated cash flow statement 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 2013

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. Interest receivable

	2013 £000	2012 £000
Bank interest receivable	2	1

3. Profit on ordinary activities before taxation

Audit fees of £Nil (2012: £8,271) 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 (2012: £Nil).

The Company has no employees (2012: Nil).

4. Tax on profit on ordinary activities

(a) Analysis of charge for the year

	2013 £000	2012 £000
Current tax:		
UK corporation tax on profits of the period	-	-
Tax on profit on ordinary activities	-	-

Notes to the financial statements (continued)

For the year ended 30 April 2013

4. Tax on profit on ordinary activities (continued)

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than (2012: same as) the standard rate of corporation tax in the UK of 23.92% (2012: 25.84%). The differences are explained below.

	2013 £000	2012 £000
Profit on ordinary activities before tax	103,002	1
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.92% (2012: 25.84%)	24,635	-
Effect of:		
UK dividends received	(24,635)	-
Current tax charge for the year	-	-

5. Dividends

	2013 £000	2012 £000
Interim dividend paid of 11.95 pence per ordinary share (2012: Nil pence) in the year	103,000	-

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

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

7. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to group undertakings	3,441	3,441

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

Notes to the financial statements (continued)

For the year ended 30 April 2013

8. Share capital

	2013 £000	2012 £000
<i>Allotted and fully paid</i>		
861,570,759 (2012: 861,570,759) ordinary shares of £1 each	861,571	861,571

9. Reconciliation of movements in shareholders' funds

	Share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At beginning of year	861,571	119,636	22,886	1,004,093
Profit for year	Nil	Nil	103,002	103,002
Dividends paid	Nil	Nil	(103,000)	(103,000)
	861,571	119,636	22,888	1,004,095

All of the profit and loss account reserve is distributable.

10. 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.