

Stagecoach Rail Holdings Limited

Financial statements for the 52 week period ended 30 April 2022

Registered office:

10 Dunkeld Road
Perth
PH1 5TW

Registered number:

SC190288



Strategic report

For the 52 week period ended 30 April 2022

Registered No: SC190288

The directors are pleased to present their Strategic report for the 52 week period ended 30 April 2022.

Review of business

The Company reported a loss before taxation of £2.1m (2021: £21.5m profit). The variance on the prior period is due to reduced dividend income received and the impairment of investments being recognised in the period (see note 5).

The Company acts as an investment and holding Company and will continue to look for investment opportunities in the coming year.

Principal risks and uncertainties

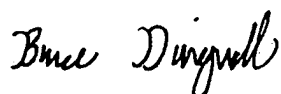
Due to the nature and low level of transactions that took place in the period, the only financial risk that the Company's activities expose it to is the effects of changes in interest rates. The directors of Stagecoach Group plc, the Company's ultimate parent, consider this financial risk in the context 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 (section 1.4.5 of the Strategic report), which does not form part of this report.

Key performance indicators (KPIs)

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. Discussion on the KPIs affecting the Group as a whole can be found in the Group's annual report (section 1.4.6 of the Strategic report), which does not form part of this report.

On behalf of the Board



Bruce Dingwall
Director
28 October 2022

Directors' report

Registered No: SC190288

For the 52 week period ended 30 April 2022

The directors are pleased to present their annual report on the affairs of the Company, together with the audited financial statements and independent auditors' report for the 52 week period ended 30 April 2022.

Results and dividends

The results for the period have been discussed in the Strategic Report on page 1.

The directors declared and paid interim ordinary dividends of Nil (2021: £30,000,000). The directors do not propose a final ordinary dividend (2021: £Nil).

Directors

The directors of the Company who served during the period and up to the date of approval of the financial statements are listed below.

Bruce Dingwall
Neil Micklethwaite (resigned 30 June 2022)
Danny Elford (appointed 16 May 2022)
Mark Aspinwall

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). 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.

COVID-19

Details on the actions taken by Stagecoach Group plc, which includes the Company, are set out in sections 1.3 and 1.4 of the Group's 2022 Annual Report with a further update in section 1.9 of the Group's 2022 Annual Report.

Directors' report (continued)
For the 52 week period ended 30 April 2022

Registered No: SC190288

The Company was in a good financial position pre-COVID-19 and we have taken action to ensure it is well positioned to manage during this period of increased uncertainty. More details on the actions we have taken in relation to liquidity, funding and financial risk management are set out in section 1.6.10 of the Group's 2022 Annual Report, which also sets out our latest consolidated liquidity position. Section 3.11.1.3 includes comments on forecast liquidity.

Going concern

These financial statements have been prepared on a going concern basis. In applying the going concern basis, the directors have taken into account of the recent change in the Company's ownership, recovery from the COVID-19 situation, and increased and uncertain cost inflation. The Company is in a net current assets and net assets position as at 30 April 2022. The directors have also considered the Company's cash position and forecast cash flows for a period of 12 months from the date of approval of these financial statements, arising from the services to be rendered.

The directors have received confirmation from Stagecoach Group Limited, the Company's ultimate parent company, that Stagecoach Group Limited intends to provide financial support to the Company, to assist the Company in meeting its liabilities as and when they fall due, to the extent that resources are not otherwise available to the Company to meet such liabilities. Stagecoach Group Limited has confirmed that it has the ability to provide such support and intends to provide the support, as appropriate, for a period of at least 12 months from the date of approval of these financial statements. In applying the going concern basis, the Directors have also considered the past practice of Stagecoach Group Limited in providing financial support to the Company and its fellow subsidiaries.

The directors note that although Stagecoach Group Limited has indicated its intention to provide financial support to the Company as appropriate, there is no legally binding commitment to provide such support. The Directors consider that the reliance on the letter of support with such limitations results in a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern.

The directors cannot be absolutely certain that Stagecoach Group Limited will provide the Company with financial support if required but, having taken account of Stagecoach Group Limited's current intention, Stagecoach Group Limited's past practice, the COVID-19 situation, and increased and uncertain cost inflation, the Directors have a reasonable expectation that the Company will continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on basis other than going concern.

Refer to note 1 for further details on the going concern basis.

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.

Directors' report (continued)
For the 52 week period ended 30 April 2022

Registered No: SC190288

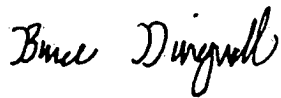
Independent auditors and statement of disclosure of information to auditors

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, Ernst & Young LLP, have indicated their willingness to continue in office and the directors have resolved that they be appointed as auditors for next period.

By order of the Board



Bruce Dingwall
Director
28 October 2022

Independent auditors' report to the members of Stagecoach Rail Holdings Limited

For the 52 week period ended 30 April 2022

Opinion

We have audited the financial statements of Stagecoach Rail Holdings Limited for the period ended 30 April 2022, which comprise the Income Statement, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 April 2022 and of its loss 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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates the intention of the ultimate parent company to provide financial support on a non-binding basis. As stated in Note 1, these events or conditions indicate a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report to the members of Stagecoach Rail Holdings Limited (continued)

For the 52 week period ended 30 April 2022

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant include compliance with applicable health & safety, environmental and data protection regulations, competition and consumer protection laws, labour regulations, employee rights laws, and to the reporting framework (FRS 101 and Companies Act 2006) and relevant tax compliance regulations in the UK.

Independent auditors' report to the members of Stagecoach Rail Holdings Limited (continued)

For the 52 week period ended 30 April 2022

- We understood how Stagecoach Rail Holdings Limited is complying with those frameworks by making enquiries of management, those charged with governance, internal audit, those responsible for legal and compliance procedures. We corroborated our enquiries through reading board minutes and papers provided to the Group Audit Committee, as well as other correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings. Where this risk was considered to be higher, we performed audit procedures to address the identified fraud risk. These procedures included testing journals indicating manual or unusual transactions based on our understanding of the business and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included reading board minutes to identify any non-compliance with laws and regulations and enquiries of senior management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

Julie Cavin (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
28 October 2022

Income statement

For the 52 week period ended 30 April 2022

Registered No: SC190288

	Notes	2022 £000	2021 £000
Revenue		11,138	23,090
Impairment charge		(14,251)	-
Profit before interest and taxation		(3,113)	23,090
Finance charges	2	-	(2,764)
Finance income	2	996	1,205
Profit before taxation	3	(2,117)	21,531
Taxation	4	(380)	213
Profit for the financial period		(2,497)	21,744

The accompanying notes are an integral part of this income statement.

There are no recognised gains or losses in either period other than the results reported above and therefore no separate statement of other comprehensive income is presented.

The results for each period reported above are derived wholly from continuing operations.

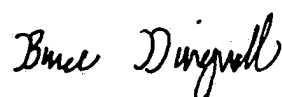
Balance sheet
As at 30 April 2022

Registered No: SC190288

	Notes	2022 £000	2021 £000
ASSETS			
Non-current assets			
Investments	5	27,153	41,404
Current assets			
Receivables	6	72,582	48,673
Cash and cash equivalents		6	8,446
		72,588	57,119
Total assets		99,741	98,523
LIABILITIES			
Current liabilities			
Payables	7	(3,735)	(20)
Total liabilities		(3,735)	(20)
Net assets		96,006	98,503
EQUITY			
Ordinary share capital	8	116	116
Share premium account		53,174	53,174
Retained earnings		42,716	45,213
Total equity		96,006	98,503

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

The financial statements on pages 8 to 17 were approved by the Board of Directors on **28 October 2022** and signed on its behalf by:



Bruce Dingwall
Director

Statement of changes in equity
For the 52 week period ended 30 April 2022

Registered No: SC190288

	Ordinary share capital £000	Share premium £000	Retained earnings £000	Total equity £000
As at 2 May 2020	116	53,174	53,469	106,759
Profit for the financial period	-	-	21,744	21,744
Dividend	-	-	(30,000)	(30,000)
Total comprehensive expense for the period	-	-	(8,256)	(8,256)
As at 1 May 2021	116	53,174	45,213	98,503
Profit for the financial period	-	-	(2,497)	(2,497)
Total comprehensive income for the period	-	-	(2,497)	(2,497)
As at 30 April 2022	116	53,174	42,716	96,006

Notes to the financial statements (continued)

Registered No: SC190288

For the 52 week period ended 30 April 2022

1. Accounting policies

A summary of the principal accounting policies is set out below. All principal accounting policies have been applied consistently throughout the period and the preceding period.

(a) Basis of preparation

The Company is a private limited company registered in Scotland. The address of the Company's registered office is shown on the cover page and a description of the Company's principal activities are set out on page 1.

These financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46-52 of IFRS 2, 'Share-based payment'
- Paragraphs 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets'
- Second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120-127, and 129 of IAS 1 'Presentation of financial statements'
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 10(d), 10(f), 16, 38A-D, 40A-D, 111 and 134-136 of IAS 1 'Presentation of financial statements'
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures'

The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the company in these financial statements.

(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 IAS 7, 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) Going concern

These financial statements have been prepared on a going concern basis. In applying the going concern basis, the Directors have taken into account of the recent change in the Company's ownership, recovery from the COVID-19 situation, and increased and uncertain cost inflation. The Company is in a net current assets and net assets position as at 30 April 2022. The directors have also considered the Company's cash position and forecast cash flows for a period of 12 months from the date of approval of these financial statements, arising from the services to be rendered. The Directors have received confirmation from Stagecoach Group Limited, the Company's ultimate parent company, that Stagecoach Group Limited intends to provide financial support to the Company, to assist the Company in meeting its liabilities as and when they fall due, to the extent that resources are not otherwise available to the Company to meet such liabilities.

Notes to the financial statements (continued)

Registered No: SC190288

For the 52 week period ended 30 April 2022

1. Accounting policies (continued)

Stagecoach Group Limited has confirmed that it has the ability to provide such support and intends to provide the support, as appropriate, for at least 12 months from the date of approval of these financial statements. In applying the going concern basis, the directors have also considered the past practice of Stagecoach Group Limited in providing financial support to the Company and its fellow subsidiaries.

The directors note that although Stagecoach Group Limited has indicated its intention to provide financial support to the Company as appropriate, there is no legally binding commitment to provide such support. The Directors consider that the reliance on the letter of support with such limitations results in a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The directors cannot be absolutely certain that Stagecoach Group Limited will provide the Company with financial support if required but, having taken account of Stagecoach Group Limited's current intention, Stagecoach Group Limited's past practice, the COVID-19 situation, and increased and uncertain cost inflation, the directors have a reasonable expectation that the Company will continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on basis other than going concern.

The Group going concern assessment performed by Stagecoach Group Limited (the "parent") was performed using financial forecasts for the period to 28 October 2023 and considering a wide range of downside scenarios. The forecasts of the parent indicate that the Group is projected to operate within its cash balances and available facilities for the going concern period.

The broader political and economic uncertainty coupled with the potential future impact on the Group and parent undertaking, Stagecoach Group Limited of the recent COVID-19 outbreak has been factored into the scenarios considered as part of the Group and parent's adoption of the going concern assumption.

In reaching its conclusion on the going concern assessment, the directors also assessed the Group's assessment of severe but plausible downside scenarios related to its principal risks, including:

- passenger numbers at between 74% and 84% of pre-COVID levels in the year ending 29 April 2023 and for the remainder of the going concern period;
- commercial revenue at between 84% and 92% of pre-COVID levels in the year ending 29 April 2023;
- commercial revenue at between 92% and 101% of pre-COVID levels for the remainder of the going concern period;
- concessionary revenue at 91% of pre-COVID levels in the year ending 29 April 2023;
- concessionary revenue at 98% of pre-COVID levels for the remainder of the going concern period;
- vehicle mileage at 91% of pre-COVID levels for the duration of the going concern period;
- no additional government funding of zero emission buses, beyond awards already made.

The accounts of the Group and parent undertaking, Stagecoach Group Limited, include more details of the downside scenarios, mitigating actions, funding requirements and liquidity headroom. In the downside scenarios modelled as set out above, liquidity headroom exists in the Group and parent undertaking throughout the going concern period after taking account of controllable, plausible mitigating actions.

Notes to the financial statements (continued)

Registered No: SC190288

For the 52 week period ended 30 April 2022

1. Accounting policies (continued)

(e) Taxation

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

Corporation tax is provided on taxable profit at the current rate applicable. Tax charges and credits are accounted for through the same primary statement as the related pre-tax item.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is measured at the rates that are expected to apply in periods in which the temporary differences reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Management estimates amounts relating to uncertain tax treatments based on the applicable law and regulations, historic outcomes of similar audits and discussions, independent, external specialist advice and consideration of the progress on, and nature of, current discussions with the tax authority. Where management determines that a greater than 50% probability exists that the tax authorities would accept the positions taken in the tax return, amounts are recognised in the financial statements on that basis. Where the amount of tax payable or recoverable is uncertain, the company recognises a liability or asset based on either: management's judgement of the most likely outcome or, when there is a wide range of possible outcomes, a probability weighted average approach.

(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.

(g) Related party transactions

The Company has taken advantage of the IAS 24 exemption from having to provide details of transactions with fellow 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.

(i) Revenue

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.

(j) New accounting standards adopted during the period

There have been no new accounting standards, amendments to standards and interpretations that are mandatory for the first time for the financial period beginning 2 May 2021 that have any significant effect on the financial statements.

Notes to the financial statements (continued)

Registered No: SC190288

For the 52 week period ended 30 April 2022

1. Accounting policies (continued)

(k) Other new standards

Other new standards, amendments to standards and interpretations that are mandatory for the first time for the financial period beginning 2 May 2021, do not have any significant effect on the consolidated financial statements and are listed below.

	<i>Effective for annual periods beginning on or after</i>
<i>International Accounting Standards and Interpretations</i>	
Amendment to IFRS16, COVID-19 Related Rent Concessions (issued on 28 May 2020)	01 June 2020
Amendments to IFRS9, IAS39, IFRS7, IFRS4 and INFRS16 Interest Rate Benchmark Reform – Phase 2	01 January 2021
Amendments to IFRS16, Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)	01 April 2021

2. Finance charges and income

	2022	2021
	£000	£000
Finance charges		
Interest payable on loans from fellow group undertakings	-	(2,764)
Finance income		
Interest receivable on loans to fellow group undertakings	996	1,205

3. Profit before taxation

The remuneration of the auditors is not settled directly by the Company. Audit fees of £5,000 (2021: £5,000) 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/or other group companies. No significant part of the directors' remuneration is directly attributable to the Company (2021: £Nil).

The Company has no employees (2021: Nil).

4. Taxation

(a) Tax recognised in the income statement

	2022	2021
	£000	£000
Current tax:		
Amounts receivable from fellow subsidiary in respect of group relief	-	(277)
UK corporation tax on profits of the period	273	-
Adjustments in respect of prior period	107	64
Tax on profit on ordinary activities	380	(213)

Notes to the financial statements (continued)

Registered No: SC190288

For the 52 week period ended 30 April 2022**4. Taxation (continued)***(b) Factors affecting the tax credit for the period*

	2022	2021
	£000	£000
(Loss)/profit on ordinary activities before taxation	(2,116)	21,531
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(402)	4,091
<i>Effect of:</i>		
Impairment of investment in shares of subsidiary	2,707	-
Non-taxable UK dividends	(2,116)	(4,388)
Treatment of intercompany transactions	84	20
Adjustment in respect of prior periods	107	64
Current tax charge/(credit) for the period	380	(213)

5. Investments

Investments are stated at cost less any amounts provided for impairment.

The movement in the period was as follows:

	Subsidiary undertakings	Joint ventures	Total
	£000	£000	£000
Cost			
At beginning and end of period	189,705	126,543	316,248
Accumulated impairment losses			
At beginning of period	(164,705)	(110,139)	(274,844)
Impairment recognised in the period	-	(14,251)	(14,433)
At end of period	(164,705)	(124,390)	(289,277)
Net book value			
At beginning of period	25,000	16,404	41,404
At end of period	25,000	2,153	27,153

During the period, the Company further impaired its investment in the Joint Venture WCT Group Holdings Limited (previously Virgin Group Holdings Limited) at a cost of £14.3m.

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

Notes to the financial statements (continued)

Registered No: SC190288

For the 52 week period ended 30 April 2022**5. Investments (continued)**

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

	<u>Country of registration</u>	<u>Principal activity</u>
East Midlands Trains Limited	England	Train operator
South Yorkshire Supertram Limited	England	Tram operator
Stagecoach Supertram Maintenance Limited	England	Tram operator
South Yorkshire Supertram Operating Company Limited	England	Dormant
Stagecoach South Western Trains Limited	England	Train operator

The Company also had the following joint venture interests during the year:

	<u>Country of registration</u>	<u>% held at 30 April 2022</u>
WCT Group Holdings Limited	England	49

WCT Group Holdings Limited (previously Virgin Group Holdings Limited) is the holding Company of WCT Group Limited, which in turn is the holding Company of West Coast Trains Limited, WCT Sales Limited and Redstar Ticketing Limited.

6. Receivables

	2022	2021
	£000	£000
Amounts owed by group undertakings	72,582	48,673

Of amounts owed by group undertakings, £40,000,000 (2021: £40,000,000) relates to an interest-bearing loan to a fellow subsidiary undertaking which is repayable within one period and attracts interest at 2.5%. All other amounts due from fellow group undertakings accrue no interest and are repayable on demand.

7. Payables

	2022	2021
	£000	£000
Amounts owed to group undertakings	3,462	20
Corporation tax payable	273	-
	3,735	20

Notes to the financial statements (continued)

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For the 52 week period ended 30 April 2022

8. Ordinary share capital

	2022	2021
	£000	£000
<i>Allotted and paid</i>		
116,383 (2021: 116,383) ordinary shares of £1 each	116	116

9. Ultimate holding Company

The Company's immediate holding Company is Stagecoach Transport Holdings Limited (registered number SC183051). Its ultimate parent company as at 30 April 2022 was Stagecoach Group Limited (previously Stagecoach Group plc - registered number SC100764), registered in Scotland which heads of the only group in which the results of the Company were consolidated. The financial statements of both Stagecoach Group Limited and Stagecoach Transport Holdings Limited are available from the Company Secretary at the following address:

Stagecoach Group Limited
10 Dunkeld Road
Perth
PH1 5TW

10. Related parties

The company has taken advantage of the exemptions granted under IAS 24 by not disclosing details of sales and purchases with other members of the group headed by Stagecoach Group plc. Details of amounts owed to and from group undertakings are disclosed in aggregate in notes 6 and 7.

11. Post balance sheet events

(i) Ultimate parent company

During the period ended 30 April 2022, and as at the balance sheet date of 30 April 2022, the Company's immediate parent company was Stagecoach Transport Holdings Limited, as disclosed in note 13. The Company's ultimate parent company during the period ended 30 April 2022 and as at 30 April 2022 was Stagecoach Group plc ("the Group"). The Group was not under the control of any single party or, parties acting in concert. On 9 March 2022, the boards of Inframobility UK Bidco Limited and the Group announced they had reached agreement on the terms of a recommended all-cash offer for Inframobility UK Bidco Limited to acquire the entire issued share capital of the Group.

That offer became unconditional on 20 May 2022. Accordingly, with effect 20 May 2022, Inframobility UK Bidco Limited controls the Group. As of 12 August 2022, Inframobility UK Bidco Limited controls 100% of the Group's issued ordinary shares (excluding shares held in treasury) and voting rights. DWS Infrastructure has management control of the Group from 20 May 2022, although its indirect ownership interest in the Group is less than 2%. The Group's immediate parent company is therefore Inframobility UK Bidco Limited (registered number 13957417), registered in England and Wales. Its ultimate parent company is Pan-European Infrastructure III, SCSp ("PEIF III"), an infrastructure fund managed and advised by DWS Infrastructure. PEIF III is not under the control of any single party or, parties acting in concert.

The parent undertaking of the smallest group and the largest group, of which the company is a member and for which consolidated financial statements are expected to be prepared, if Inframobility UK Bidco Limited (registered number 13954049), a company registered in England and Wales, and registered address at Solent Business Park, Forum 4 C/O Aztec Financial Services (UK) Limited, Parkway South, Whiteley, Fareham, United Kingdom, PO15 7AD. That company has yet to produce its first financial statements.

Notes to the financial statements (continued)

Registered No: SC190288

For the 52 week period ended 30 April 2022

12. Post balance sheet events (continued)

(ii) De-listing of shares

On 28 June 2022, the listing of the Group's shares on the premium listing segment of the Official List, and the trading of the Group's shares on the London Stock Exchange's main market for listed securities, were cancelled.

(iii) Ultimate parent company name change

On 17 October 2022, the name of the Company's ultimate parent company "Stagecoach Group plc" was changed to "Stagecoach Group Limited".