

# Stagecoach Technology Limited

Annual report and financial statements for the year ended 30 April 2012

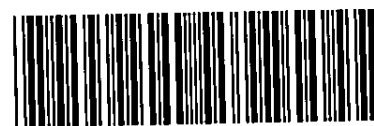
Registered office:

10 Dunkeld Road  
Perth  
PH1 5TW

Registered number:

SC199529

FRIDAY



\*S1WSXHU\*

SCT

05/10/2012

#635

COMPANIES HOUSE

**Directors' report**  
**For the year ended 30 April 2012**

Registered No: SC199529

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 2012.

**Principal activity and business review**

The principal activity of the Company is to invest in technology projects complementary to the businesses of the Stagecoach group and to provide technology services to other group companies.

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 profit for the year before tax amounted to £540,875 (2011: £54,583).

The directors do not propose a dividend (2011: £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 and their interests**

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

Alistair Smith  
Brian Coburn  
Ross Paterson

**Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

**Directors' report (continued)**  
**For the year ended 30 April 2012**

Registered No: SC199529

**Statement of directors' responsibilities (continued)**

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:

- 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 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. In May 2010, the indemnities were extended to the fullest extent permitted by law.

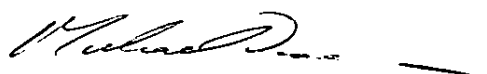
**Independent auditors and statement of disclosure of information to auditors**

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

24 August 2012

**Auditors' report**  
**For the year ended 30 April 2012**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAGECOACH TECHNOLOGY LIMITED**

We have audited the financial statements of Stagecoach Technology Limited for the year ended 30 April 2012 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 set out in the directors' report, 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 2012 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 matter 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.

**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.



Graham McGregor (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
24 August 2012  
3 STAGECOACH TECHNOLOGY LIMITED

**Profit and Loss Account**  
**For the year ended 30 April 2012**

	Notes	2012 £	2011 £
Turnover		1,078,176	466,692
Other operating costs		<u>(537,301)</u>	<u>(412,109)</u>
<b>Profit on ordinary activities before taxation</b>	2	<u>540,875</u>	<u>54,583</u>
Tax on profit on ordinary activities	3	(119,492)	(8,033)
<b>Profit for the financial year</b>		<u>421,383</u>	<u>46,550</u>

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

The results for each year are 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 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	4	258,782	517,559
Debtors: amounts falling due after more than one year	5	16,809	Nil
		<u>275,591</u>	<u>517,559</u>
<b>Current assets</b>			
Debtors	5	411,366	447,330
<b>Creditors: amounts falling due within one year</b>	6	(3,215,183)	(3,819,226)
<b>Net current liabilities</b>		<u>(2,803,817)</u>	<u>(3,371,896)</u>
<b>Total assets less current liabilities</b>		<u>(2,528,226)</u>	<u>(2,854,337)</u>
Provisions for liabilities	7	Nil	(95,272)
<b>Net liabilities</b>		<u>(2,528,226)</u>	<u>(2,949,609)</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	(2,528,228)	(2,949,611)
<b>Total shareholders' deficit</b>	9	<u>(2,528,226)</u>	<u>(2,949,609)</u>

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

Signed on behalf of the Board on 24 August 2012.



Ross Paterson  
Director

## Notes to the financial statements (continued)

### For the year ended 30 April 2012

#### 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 and net liabilities as at 30 April 2012, 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) 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 cash flows of the Company are included.

##### *(c) Turnover*

Turnover represents income earned from provision of information technology services. Turnover is recognised by reference to stage of completion of services provided under contractual arrangements as a proportion of total services provided.

##### *(d) Tangible fixed assets*

Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its estimated useful life, as follows:

IT equipment	3 years
--------------	---------

Assets under construction are not depreciated until they are available for use by the company.

##### *(e) Taxation*

In accordance with FRS 16, Corporation Tax is provided on taxable profits at the current rate. 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 pre-tax item.

In accordance with FRS 19, full provision is made for deferred tax on a non-discounted basis.

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

## **Notes to the financial statements (continued)**

**For the year ended 30 April 2012**

### *(e) Taxation (continued)*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

### *(f) Related party transactions*

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

## **2. Profit on ordinary activities before taxation**

The remuneration of the auditors is not settled directly by the Company. Audit fees of £8,271 (2011: £7,800) 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 (2011: £Nil).

The Company has no employees (2011: Nil).



## Notes to the financial statements (continued)

For the year ended 30 April 2012

### 3. Tax on profit on ordinary activities

#### (a) Analysis of charge for the year

	2012 £	2011 £
<b>Current tax:</b>		
UK corporation tax on profits for the period	159,531	(13,331)
Adjustments in respect of prior periods	72,042	(2,036)
Total current tax	231,573	(15,367)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(44,799)	21,364
Adjustment in respect of prior periods	(67,282)	2,036
Total deferred tax (note 7)	(112,081)	23,400
<b>Tax on profit on ordinary activities</b>	<b>119,492</b>	<b>8,033</b>

#### (b) Factors affecting the tax charge for the year

	2012 £	2011 £
Profit on ordinary activities before tax	540,875	54,583
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.84% (2011: 27.84%)	139,762	15,194
<i>Effect of:</i>		
Capital allowances more than depreciation	45,917	(28,525)
Group relief surrendered for nil consideration	(26,148)	Nil
Adjustments in respect of prior periods	72,042	(2,036)
	231,573	(15,367)

#### (c) Factors that may affect future tax charges

In the 2012 budget on 21 March 2012, the UK Government announced its intention to further reduce the UK Corporate Income Tax rate by another 1% to 22% (having previously stated the rate would reduce to 23% by 1% per annum over a three-year period). At 30 April 2012 the change in the rate of tax to 23% was not substantively in law, but a 1% decrease in the rate to 23% is expected to be enacted in the year ending 30 April 2013. Had this change of rate to 23% been substantively enacted as of the balance sheet date, the estimated impact on the balance sheet would be a reduction in the deferred tax asset of £700, from £16,809 to £16,109.

## Notes to the financial statements (continued)

For the year ended 30 April 2012

### 4. Tangible Fixed Assets

The movement in the year is summarised below:

	IT equipment £
<b>Cost or valuation</b>	
At beginning and end of year	<u>776,337</u>
<b>Accumulated depreciation</b>	
At beginning of year	(258,778)
Charge for year	<u>(258,777)</u>
At end of year	<u>(517,555)</u>
<b>Net book value</b>	
At beginning of year	<u>517,559</u>
At end of year	<u>258,782</u>

### 5. Debtors

	2012 £	2011 £
<i>Amounts falling due within one year:</i>		
Amounts due from group undertakings	411,366	5,232,674
Provision for doubtful debts	Nil	(4,799,069)
Prepayments	Nil	13,725
	<u>411,366</u>	<u>447,330</u>

Amounts due from group undertakings are interest free and repayable on demand.

	2012 £	2011 £
<i>Amounts falling due after more than one year:</i>		
Deferred tax asset (note 7)	<u>16,809</u>	<u>Nil</u>

### 6. Creditors: amounts due within one year

	2012 £	2011 £
Amounts owed to group undertakings	2,825,443	2,775,640
Accruals and deferred income	230,209	1,043,586
Corporation tax	159,531	Nil
	<u>3,215,183</u>	<u>3,819,226</u>

Amounts owed to group undertakings are interest free and are repayable on demand.

**Notes to the financial statements (continued)**  
**For the year ended 30 April 2012**

**7. Provision for liabilities**

	2012 £	2011 £
Deferred tax asset/(liability)	16,809	(95,272)

Deferred tax is calculated as follows:

	2012 £	2011 £
Accelerated capital allowances	16,809	(95,272)

A deferred tax asset/(liability) is recognised as follows:

	2012 £	2011 £
At beginning of year	(95,272)	(71,872)
Credit/(charge) for year (note 3a)	112,081	(23,400)
At end of year (note 5)	16,809	(95,272)

**8. Share capital**

	2012 £	2011 £
<i>Allotted and unpaid</i>		
2 ordinary shares of £1 each	2	2

**9. Reconciliation of movements in shareholders' deficit**

	Share capital £	Profit and loss account £	Total shareholders' deficit £
At beginning of year	2	(2,949,611)	(2,949,609)
Profit for the year	Nil	421,383	421,383
At end of year	2	(2,528,228)	(2,528,226)

**10. Ultimate holding company**

The Company's immediate holding company is Stagecoach Transport Holdings Limited (registered number SC183051) and its ultimate holding company and controlling party is Stagecoach Group plc (registered number SC100764), both 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.