

Stagecoach Technology Limited

Annual report and financial statements for the year ended 30 April 2010

Registered office:

10 Dunkeld Road
Perth
PH1 5TW

Registered number:

SC199529

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Directors' report

For the year ended 30 April 2010

Registered No: SC199529

The directors are pleased to present their annual report on the affairs of the Company, together with the financial statements and auditors' report for the year ended 30 April 2010.

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.

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 £111,397 (2009: loss - £107,355).

The directors do not propose a dividend (2009: £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 accounts 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 2010

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 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

13 August 2010

Auditors' report

For the year ended 30 April 2010

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 2010 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 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 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.

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 2010 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.

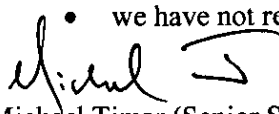
Opinion on other matter prescribed by the Companies Act 2006

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.


Michael Timar (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
13 August 2010

Profit and loss account
For the year ended 30 April 2010

	Notes	2010 £	2009 £
Turnover		562,321	Nil
Other operating costs		<u>(450,924)</u>	<u>(107,355)</u>
Profit/(loss) on ordinary activities before taxation	2	<u>111,397</u>	<u>(107,355)</u>
Taxation	3	(31,191)	30,059
Profit/(loss) for the financial year		<u>80,206</u>	<u>(77,296)</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.

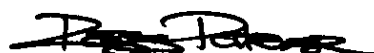
There is no difference between the profit or loss on ordinary activities before taxation and the retained profit or loss for the year, above, and their historical cost equivalents.

Balance sheet
As at 30 April 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	4	776,337	798,587
Investments	5	Nil	Nil
		<u>776,337</u>	<u>798,587</u>
Current assets			
Debtors	6	304,987	298,565
Creditors: amounts due within one year			
Amounts due to other group undertakings	7	(4,005,611)	(4,173,517)
		<u>(3,700,624)</u>	<u>(3,874,952)</u>
Net current liabilities			
		<u>(2,924,287)</u>	<u>(3,076,365)</u>
Total assets less current liabilities			
Provisions for liabilities	8	(71,872)	Nil
		<u>(2,996,159)</u>	<u>(3,076,365)</u>
Net liabilities			
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	(2,996,161)	(3,076,367)
		<u>(2,996,159)</u>	<u>(3,076,365)</u>
Total shareholders' deficit	10		

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

Signed on behalf of the Board on 13 August 2010.



Ross Paterson
 Director

Notes to the financial statements

For the year ended 30 April 2010

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 liabilities as at 30 April 2010, 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) 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

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

(e) Investments

Fixed asset investments are shown at cost less any amounts written off 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.

(f) 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.

Notes to the financial statements (continued)

For the year ended 30 April 2010

(f) Taxation (continued)

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.

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.

(g) 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.

Notes to the financial statements (continued)
For the year ended 30 April 2010

2. Profit/(loss) on ordinary activities before taxation

The remuneration of the auditors is not settled directly by the Company. Audit fees of £6,543 (2009: £6,761) 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 (2009: £Nil).

The Company has no employees (2009: Nil).

3. Taxation

(a) Analysis of charge/(credit) for the year

	2010 £	2009 £
Current tax:		
Amounts receivable from fellow subsidiaries in respect of group relief	(6,742)	(30,059)
Adjustments in respect of prior periods	(33,939)	Nil
Total current tax	(40,681)	(30,059)
Deferred tax:		
Origination and reversal of timing differences	37,933	Nil
Adjustment in respect of prior periods	33,939	Nil
Total deferred tax (note 8)	71,872	Nil
 Tax on profit/(loss) on ordinary activities	 31,191	 (30,059)

(b) Factors affecting the tax charge/(credit) for the year

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	111,397	(107,355)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28%	31,191	(30,059)
<i>Effect of:</i>		
Capital allowances more than depreciation	(37,933)	Nil
Adjustments in respect of prior periods	(33,939)	Nil
	(40,681)	(30,059)

(c) Factors that may affect future tax charges

In the 2010 budget on 22 June 2010, the UK Government announced its intention to reduce the UK Corporate Income Tax rate from 28% to 24% by 1% per annum over a four-year period. At 30 April 2010 no change in the rate of tax was substantively in law, but a 1% decrease in the rate to 27% is expected to be enacted in the year ending 30 April 2011. Had this change of rate to 27% been substantively enacted as of the balance sheet date, the estimated impact on the balance sheet would be a reduction in the deferred tax liability of £2,567, from £71,872 to £69,305.

Notes to the financial statements (continued)
For the year ended 30 April 2010

4. Tangible Fixed Assets

The movement in the year is summarised below:

	Assets under construction £
Cost or valuation	
At beginning of year	798,587
Additions	58,598
Disposals	(80,848)
At end of year	<u>776,337</u>
Depreciation	
At beginning of year	Nil
Charge for year	Nil
At end of year	<u>Nil</u>
Net book value	
At beginning of year	<u>798,587</u>
At end of year	<u>776,337</u>

Assets under construction relate to an ongoing project and will be depreciated once this project has been completed and the assets are available for use, which is expected to be within the next year.

5. Investments

	£
Net book value	
At beginning and end of year	<u>Nil</u>

The Company directly owns a 3.5% interest in Prepayment Cards Limited, a Company registered in England whose principal activity was the provision of smart card technology to transport operators. This investment has been written down to a net book value of £Nil (2009: £Nil) as a result of impairment losses in prior years. During the year ended 30 April 2007, Prepayment Cards Limited ceased trading and an application was made in February 2009 to strike of the company. The company was dissolved on 9 March 2010 and the Company's interest in the undertaking ceased at this time.

A further 20% interest in Prepayment Cards Limited is directly held by Stagecoach Europe Limited, a fellow subsidiary undertaking.

6. Debtors

	2010 £	2009 £
<i>Amounts due in less than one year:</i>		
Amounts due from group undertakings	5,070,740	5,030,059
Provision for doubtful debts	(4,799,069)	(4,799,069)
Prepayments	33,316	67,575
	<u>304,987</u>	<u>298,565</u>

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

Notes to the financial statements (continued)
For the year ended 30 April 2010

7. Creditors: amounts due within one year

	2010 £	2009 £
Accruals and deferred income	1,363,711	1,710,078
Amounts owed to group undertakings	2,641,900	2,463,439
	<u>4,005,611</u>	<u>4,173,517</u>

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

8. Provisions for liabilities

	2010 £	2009 £
Deferred tax	<u>71,872</u>	<u>Nil</u>

Deferred taxation is calculated as follows:

	2010 £	2009 £
Accelerated capital allowances	<u>71,872</u>	<u>Nil</u>

A deferred tax liability is recognised as follows:

	2010 £	2009 £
At beginning of year	Nil	Nil
Charge for year (note 3a)	71,872	Nil
At end of year	<u>71,872</u>	<u>Nil</u>

9. Called up share capital

	2010 £	2009 £
<i>Allotted, called-up and unpaid</i> 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Reconciliation of movements in shareholders' deficit

	Called up share capital £	Profit and loss account £	Total £
At beginning of year	2	(3,076,367)	(3,076,365)
Profit for the year	Nil	80,206	80,206
At end of year	<u>2</u>	<u>(2,996,161)</u>	<u>(2,996,159)</u>

Notes to the financial statements (continued)
For the year ended 30 April 2010

11. Ultimate holding company

The Company's immediate holding company is Stagecoach Transport Holdings plc (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.