

**FirstBus Investments Limited**

**Report and Financial Statements**

**31 March 2010**

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# **FirstBus Investments Limited**

## **Report and financial statements 2010**

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# **FirstBus Investments Limited**

## **Directors' report**

The directors have pleasure in submitting their annual report and financial statements for the year ended 31 March 2010

### **Principal activities**

The principal activity of the company is to act as a holding company. The company owns an investment in intermediate holding companies, FirstGroup Acquisitions Inc and FirstGroup America Inc via its 75% interest in FirstGroup Investment Partnership. The company's share in the assets, liabilities, income and expenditure of the Partnership is included in these accounts.

There will be no changes in the activity of the company for the foreseeable future.

### **Business review**

The Director's Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

### **Risks and uncertainties**

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund obligations as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk.

Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the directors consider the only financial risk to be that the entity is not able to pay its intercompany liabilities as they fall due.

Key management mitigate these risks by monitoring the company's financial position throughout the year.

The company does not manage its financial risk by the use of financial derivative instruments.

### **Going Concern**

The directors have considered the Going Concern assumption given the current economic climate and have formed the conclusion that there is a reasonable expectation that the company will continue to operate in the foreseeable future. The directors have considered the company forecasts and the financial commitment from the parent company in forming this judgement.

The parent company has provided the directors of the company with a letter confirming that it will make available such funds as may be required to enable the company to meet its obligations for a period of at least 12 months from signing the financial statements. The directors have made enquiries and understand that the parent company has adequate resources to be able to provide this financial support.

After making enquiries and considering the above facts, the directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going Concern basis in preparing the financial statements.

### **Financial matters**

The results for the financial year are given in the profit and loss account on page 7.

The directors do not recommend payment of a final dividend (2009 - £nil).

# **FirstBus Investments Limited**

## **Directors' report**

### **Directors**

The directors who held office throughout the year and subsequently appointed are as follows

J Carr (appointed 29 September 2009)

N K Chevis

D K Finch (resigned 1 May 2009)

Sir M Lockhead

B L Ruppel

### **Audit information**

Each of the persons who is a director at the date of approval of this report confirms that

- as far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provision of S418 of the Companies Act 2006

### **Auditors**

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors

And signed by order of the board

J Carr  
Director



14 December 2010

# **FirstBus Investments Limited**

## **Directors' report**

The directors are responsible for preparing the Annual 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 elected to prepare 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 judgments and accounting estimates that are reasonable and prudent, and
- 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FirstBus Investments Limited**

We have audited the financial statements of FirstBus Investments Limited for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet, the reconciliation of movement in shareholders' funds, the statement of total recognised gains and losses and the related notes 1 to 15. 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).

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 auditors' 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, 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 (APB's) Ethical Standards for Auditors.

### **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 31 March 2010 and of its losses 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.

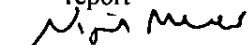
### **Opinion on other matter prescribed by the Companies Act 2006**

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.

  
Nigel Mercer (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, England  
17 December 2010

## **FirstBus Investments Limited**

### **Profit and loss account year ended 31 March 2010**

	Notes	2010 £'000	2009 £'000
<b>Operating profit</b>		-	-
Net interest payable	5	(5,911)	(4,651)
<b>Loss on ordinary activities before taxation</b>		(5,911)	(4,651)
Tax on loss on ordinary activities	6	1,620	1,202
<b>Loss for the year, transferred to reserves</b>	11	(4,291)	(3,449)

All activities relate to continuing operations

# FirstBus Investments Limited

## Balance Sheet At 31 March 2010

	Notes	£'000	2010 £'000	£'000	2009 £'000
<b>Fixed assets</b>					
Investments	7		<u>546,141</u>		<u>565,506</u>
<b>Current assets</b>					
Debtors	8	<u>45,400</u>		<u>28,132</u>	
<b>Creditors</b> amounts falling due within one year	9	<u>(287,103)</u>		<u>(268,167)</u>	
<b>Net current liabilities</b>			<u>(241,703)</u>		<u>(240,035)</u>
<b>Net assets</b>			<u>304,438</u>		<u>325,471</u>
<b>Financed by:</b>					
<b>Capital and reserves</b>					
Called up share capital	10		25,150		25,150
Share premium account	11		356,850		356,850
Profit and loss account	11		<u>(77,562)</u>		<u>(56,529)</u>
<b>Shareholders' funds</b>			<u>304,438</u>		<u>325,471</u>

These financial statements (Company Registration Number 02205797) were approved by the Board of directors on 14 December 2010 and were signed on its behalf by

J Carr  
Director





## **FirstBus Investments Limited**

### **Reconciliation of Movements in Shareholders' Funds**

**year ended 31 March 2010**

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Loss for the financial year	(4,291)	(3,449)
Foreign exchange translation differences	(16,742)	79,298
Net reduction to shareholders' funds	(21,033)	75,849
Opening shareholders' funds	325,471	249,622
Closing shareholders' funds	304,438	325,471

## **FirstBus Investments Limited**

### **Statement of Total Recognised Gains and Losses year ended 31 March 2010**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the financial year	(4,291)	(3,449)
Foreign exchange translation differences	(16,742)	79,298
Total recognised gains and (losses) for the year and since last report	<u>(21,033)</u>	<u>75,849</u>

# FirstBus Investments Limited

## Notes to the Financial Statements year ended 2010

### 1. Principal accounting policies

The accounting policies have been applied consistently throughout the current and preceding period

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The Directors' consideration of going concern is detailed in the Directors' Report.

#### (b) Group financial statements

The company has a 75% interest in FirstGroup Investment Partnership with the remaining 25% interest in FirstGroup Investment Partnership being held by a fellow group subsidiary.

As this partnership is considered to be a "Joint Arrangement that is Not an Entity" (JANE), the company's balance sheet and the profit and loss account includes the company's proportionate interest in the assets, liabilities and expenditure of the JANE in accordance with FRS 9 *Associates and Joint Ventures*.

Under the provisions of section 401 of the Companies Act 2006, and in accordance with paragraphs 21b and 21c of Financial Reporting Standard 2, the company is exempt from preparing consolidated financial statements by virtue of the fact that the company is a subsidiary of another company which prepares Group financial statements. The financial statements therefore present information about the company as an individual undertaking and not as a group.

#### (c) Cash flow statement

The company is a wholly owned subsidiary of FirstGroup plc, a company registered in Scotland. Accordingly, the company has taken advantage of the exemption offered by Financial Reporting Standard 1 enabling it not to produce a cash flow statement as the parent company has included a consolidated cash flow statement within its Group financial statements.

#### (d) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The taxation liability is reduced wholly or in part by the surrender of losses by Group undertakings. The tax benefits arising from Group relief are recognised in the financial statements of the surrendering undertaking.

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### (e) Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Exchange differences arising from the translation at the closing rate of investments in subsidiaries and associated undertakings are taken to reserves as are exchange differences arising on foreign currency borrowings which finance these investments.

# FirstBus Investments Limited

## Notes to the Financial Statements year ended 2010

### 2. Operating costs

The audit fees for the year of £1,000 (2009 £1,000) have been borne by other group companies

### 3. Employee numbers and costs

The company had no employees during the current and prior year

### 4. Directors' remuneration

D K Finch (resigned 1 May 2009), J Carr and Sir M Lockhead are directors of FirstGroup plc, the ultimate parent company, and their emoluments and pension details are disclosed in the financial statements of that company

N K Chevis and B L Ruppel received remuneration from FirstGroup Holdings Limited in the current and prior years

It is not considered practicable to allocate the remuneration between services provided to that company, and services provided in their capacity as directors to FirstBus Investments Limited

### 5. Net interest receivable and similar income

	2010 £'000	2009 £'000
<i>Interest payable</i>		
Amounts payable to other Group undertakings	5,911	4,651

### 6. Tax credit on loss on ordinary activities

	2010 £'000	2009 £'000
Current taxation		
- Group relief receivable	(1,620)	(2,118)
Total tax credit on loss on ordinary activities	(1,620)	(2,118)

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 28% (2009 28%) The actual current tax credit for the current and previous year differed from the standard rate for the reasons set out in the following reconciliation

	2010 %	2009 %
Standard rate of taxation	28.0	28.0
Factors affecting charge		
Expenses not deductible for tax purposes	(0.6)	(2.2)
Current taxation rate for the year	27.4	25.8

# FirstBus Investments Limited

## Notes to the Financial Statements year ended 2010

### 7. Fixed asset investments

	£'000
<b>Cost</b>	
At 1 April 2009	565,506
Foreign exchange movement	(19,365)
	<u>546,141</u>
At 31 March 2010	<u>546,141</u>

The subsidiary undertakings at the end of the year were as follows

FirstGroup Acquisitions, Inc – Dormant

FirstGroup America, Inc – Holding Company

FG Canada Investments Limited – Intermediate Company

Both FirstGroup Acquisitions, Inc and FirstGroup America, Inc are incorporated in the United States of America and are wholly owned subsidiaries of the FirstGroup Investment Partnership (investment holding company). The company has a 75% interest in FirstGroup Investment Partnership and the above investment in subsidiary undertakings reflects its share in the assets held in the partnership. The remaining 25% interest in FirstGroup Investment Partnership is held by a fellow group subsidiary.

All shares held in subsidiary undertakings are ordinary shares

### 8. Debtors

	2010 £'000	2009 £'000
<b>Amounts due within one year</b>		
Amounts owed by Group undertakings	<u>45,400</u>	<u>28,132</u>
Amounts owed by Group undertaking bear interest at market rates and are repayable on demand		

### 9. Creditors

	2010 £'000	2009 £'000
<b>Amounts falling due within one year</b>		
Bank overdraft	13	12
Amounts owed to Group undertakings	<u>287,090</u>	<u>268,155</u>
	<u>287,103</u>	<u>268,167</u>

Where applicable interest on "Amounts owed to Group undertakings" is charged at LIBOR plus 1% - 3% from group companies

# FirstBus Investments Limited

## Notes to the Financial Statements year ended 2010

### 10. Called up share capital

	2010 £'000	2009 £'000
<b>Authorised</b>		
25,150,000 ordinary shares of £1 each	25,150	25,150
<b>Allotted, called up and fully paid</b>		
25,150,000 ordinary shares of £1 each	25,150	25,150

### 11. Reserves

	Share premium account £000	Profit and loss account £000
At 1 April 2009	356,850	(56,529)
Other recognised gains and losses	-	(16,742)
Retained loss for the year	-	(4,291)
At 31 March 2010	356,850	(77,562)

### 12. Commitments

The company had no capital or any other commitments at 31 March 2010 and 31 March 2009

### 13. Contingent liabilities

The company has guaranteed the bank overdrafts of certain fellow subsidiary undertakings. The amount outstanding at the end of the year under the guarantees was nil (2009 - £nil)

### 14. Related party transactions

The company is taking advantage of the exemption under FRS8 *Related Party Disclosures* not to disclose transactions with Group companies that are related parties

### 15. Ultimate parent company

The directors regard FirstGroup plc, a company incorporated in Great Britain and registered in Scotland, as the ultimate and immediate parent and controlling company, which is the smallest and largest group that includes the company's results and for which Group financial statements are prepared

Copies of the accounts of FirstGroup plc can be obtained on request from Ground Floor, 50 Eastbourne Terrace, London, W2 6LG