

Rider Holdings Limited

Report and Financial Statements

29 March 2014

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Rider Holdings Limited

Report and financial statements 2014

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Rider Holdings Limited

Strategic report

The directors have pleasure in submitting their Strategic report for Rider Holdings Limited for the 52 week period ended 29 March 2014.

Principal activities

The company's principal activity is as a property holding company. The company receives income for services supplied to other group companies.

Business review

As shown in the company's profit and loss account on page 6, the company has £1.1 million operating profit in the current period (2013: £1.1 million). Profit after tax has decreased to £0.8 million (2013: £0.9 million).

The balance sheet on page 7 of the financial statements shows the company's financial position at the period end. Net assets have increased from £12.4 million to £13.2 million due to the profit made in the period.

Due to the nature of the company, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Going concern

At 29 March 2014 the company had net current liabilities of £1.7 million and net assets of £13.2 million. The directors have considered the going concern assumption given the current uncertainty of the 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, uncertainties 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.

Principal risks and uncertainties

There are a number of potential risks and uncertainties that could have an impact on the company's long-term performance. The directors have established an ongoing process for identifying, evaluating and managing the significant risks and uncertainties faced by the company and continue to assess these on a regular basis in the light of internal and external events.

Specific business risks faced by the company include the following;

Market risk

The fluctuations in the property market can affect the valuation of the company's property portfolio.

Economic risk

The company is affected by the general uncertainties over the economic outlook which may affect demand for the company's properties in the medium term.

Legal and regulatory risk

The directors are aware of the continual change in laws and other regulations and the increasing costs of compliance. The directors conduct regular reviews of safety procedures, equipment specifications, employment requirements, environmental procedures, insurance coverage and other areas to ensure they are appropriate and operating effectively.

Rider Holdings Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Liquidity risk

The company has no significant concentration of credit risk, with exposure spread over a large number of customers. The credit risk on liquid funds is limited because the counterparties are banks. In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments the company uses a mix of intercompany loans and finance leases.

Environmental risk

FirstGroup plc recognises the importance of its environmental policies, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the Group's Annual Report, which do not form part of this Report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Through our core business activities we are committed to providing a safe, good quality, reliable and cost effective public transport to all our customers. Our core business strategy is to increase customer numbers and encourage a greater move towards the use of bus transport. This will support the needs of society to achieve more sustainable travel. We recognise the environmental impacts arising from our business activities and are committed to reducing these through effective environmental management.

Approved by the Board of directors and signed on its behalf by:

D B Alexander
Director
28 August 2014



Rider Holdings Limited

Directors' report

The directors have pleasure in submitting their annual report and financial statements for the period ended 29 March 2014.

Results and dividends

The results for the financial period are given in the profit and loss account on page 6.

No dividends were paid during the period (2013: £nil).

Directors

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

D B Alexander	
T M Broxton	(Resigned 1 April 2014)
S D Pearson	(Appointed 1 April 2014)

Directors' and officers' liability insurance

Directors' and Officers' liability insurance is taken out by FirstGroup plc, the company's ultimate parent undertaking, for the benefit of the Directors and Officers of the company.

Directors' indemnity

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) were in force during the period and up to and including the date of the directors' report for the benefit of the directors of the company.

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 auditor is 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 auditor is aware of that information.

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

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
And signed by order of the board


D B Alexander
Director
28 August 2014

Rider Holdings Limited

Directors' responsibilities statement

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 period. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 AUDITOR'S REPORT TO THE MEMBERS OF RIDER HOLDINGS LIMITED

We have audited the financial statements of Rider Holdings Limited for the period ended 29 March 2014 which comprise the profit and loss account, the balance sheet, the reconciliation of movement in shareholders' funds, the note of historical cost profits and losses and the related notes 1 to 18. 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 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.

Respective responsibilities of directors and auditor

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 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.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 29 March 2014 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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.



James Boyle, CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Edinburgh, United Kingdom
28 August 2014

Rider Holdings Limited

Profit and loss account 52 weeks ended 29 March 2014

		52 weeks ended 29 March 2014 £000	52 weeks ended 30 March 2013 £000
	Notes		
Turnover	2	1,068	1,068
Operating costs		-	-
Operating profit and profit on ordinary activities before taxation	5	1,068	1,068
Tax on profit on ordinary activities	6	(261)	(198)
Profit for the period, transferred to reserves	14	807	870

All activities relate to continuing operations.

There are no recognised gains or losses in either the current or previous financial period other than the profit for that period and accordingly no statement of total recognised gains and losses has been prepared.

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

Rider Holdings Limited

Balance Sheet At 29 March 2014

	Notes	£000	29 March 2014 £000	£000	30 March 2013 £000
Assets employed:					
Fixed assets					
Tangible assets	7		14,873		15,135
Investments	8		300		300
			<u>15,173</u>		<u>15,435</u>
Current assets					
Debtors	9	-		23	
Creditors: amounts falling due within one period	10	<u>(1,685)</u>		<u>(2,754)</u>	
Net current liabilities			<u>(1,685)</u>		<u>(2,731)</u>
Total assets less current liabilities			<u>13,488</u>		<u>12,704</u>
Provisions for liabilities	11		<u>(269)</u>		<u>(292)</u>
Net assets			<u><u>13,219</u></u>		<u><u>12,412</u></u>
Financed by:					
Capital and reserves					
Called up share capital	13		500		500
Revaluation reserve	14		548		553
Profit and loss account	14		12,171		11,359
Shareholders' funds			<u><u>13,219</u></u>		<u><u>12,412</u></u>

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

These financial statements (Company Registration Number 2272577) were approved by the Board of directors on 28 August 2014 and were signed on its behalf by:

D B Alexander
Director



Rider Holdings Limited

Reconciliation of movements in shareholders' funds 52 weeks ended 29 March 2014

	52 weeks ended 29 March 2014 £000	52 weeks ended 30 March 2013 £000
Profit for the financial period	807	870
Opening shareholders' funds	<u>12,412</u>	<u>11,542</u>
Closing shareholders' funds	<u><u>13,219</u></u>	<u><u>12,412</u></u>

Rider Holdings Limited

Note of historical cost profits and losses 52 weeks ended 29 March 2014

	52 weeks ended 29 March 2014 £000	52 weeks ended 30 March 2013 £000
Profit before taxation for the financial period	1,068	1,068
Difference between the historical cost depreciation charge for the period calculated on the revalued amount	5	5
Historical cost profit on ordinary activities before taxation	<u>1,073</u>	<u>1,073</u>
Historical cost profit for the period retained after taxation	<u>812</u>	<u>875</u>

Rider Holdings Limited

Notes to the financial statements 52 weeks ended 29 March 2014

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, modified to include the revaluation of land and buildings, and in accordance with applicable United Kingdom accounting standards. The financial statements are made up to the Saturday nearest to the period end for each financial period.

(b) Going concern

At 29 March 2014 the company had net current liabilities of £1.7 million and net assets of £13.2 million. 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, uncertainties 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.

(c) Group financial statements

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.

(d) 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.

(e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided to write off the cost or valuation less residual value of tangible fixed assets over their estimated useful economic lives as follows:

Freehold buildings	-	50 years straight line
Other plant and equipment	-	3 to 8 years straight line

No depreciation is provided on freehold land or the land element of long leasehold properties.

Rider Holdings Limited

Notes to the Financial Statements (continued) **52 weeks ended 29 March 2014**

1. Principal accounting policies (continued)

(e) Tangible fixed assets and depreciation (continued)

The company has taken advantage of the transitional provisions of FRS 15 "Tangible Fixed Assets" and retained the book amounts of certain freehold properties which were revalued prior to implementation of that standard. The properties were last revalued at 1 March 1994 and the valuations have not subsequently been updated.

On a subsequent disposal of a revalued asset, the revaluation surplus or deficit relating to this asset is transferred to the profit and loss account reserve.

(f) Investments

Fixed asset investments are shown at cost less provision for impairment.

(g) 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 period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. 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.

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 the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Turnover and profit on ordinary activities before taxation

Turnover represents the amounts receivable for services supplied to other group companies during the period, including rental income. Turnover is recognised in the period in which the service is provided.

The whole of the turnover and profit on ordinary activities before taxation derives from the company's principal activities within the United Kingdom.

3. Employee numbers and costs

Employee costs during the period were £nil (2013: £nil) as the company has no employees during the period or the previous period other than the directors.

4. Directors' remuneration

None of the directors received emoluments from the company in either period. The two directors serving during the period (2013: two) are employees of other group companies. The directors received total emoluments of £411,000 (2013: £344,000) during the period, but it is not practicable to allocate their services between the subsidiaries of FirstGroup plc.

Rider Holdings Limited

Notes to the Financial Statements (continued) 52 weeks ended 29 March 2014

5. Profit on ordinary activities before taxation

	52 weeks ended 29 March 2014 £000	52 weeks ended 30 March 2012 £000
Profit on ordinary activities before taxation is stated after charging / (crediting)		
Depreciation and other amounts written off tangible fixed assets – owned	262	277
Recharge of depreciation to other group companies	(262)	(277)
	<u> </u>	<u> </u>

Auditor remuneration in respect of the audit of the statutory accounts of £2,000 (2013: £2,000) is borne by a fellow group company, First West Yorkshire Limited, in both the current and preceding period and is not recharged.

6. Tax charge on profit on ordinary activities

	52 weeks ended 29 March 2014 £000	52 weeks ended 30 March 2013 £000
Current taxation		
- Group relief payable	284	312
- Adjustments in respect of prior periods	-	(12)
Total current taxation	<u>284</u>	<u>300</u>
Deferred taxation		
- Origination and reversal of timing differences	15	3
- Adjustment in respect of prior periods	-	(92)
- Effect of change in tax rate on opening deferred tax balance	(38)	(13)
Total deferred taxation	<u>(23)</u>	<u>(102)</u>
Total tax charge on profit on ordinary activities	<u>261</u>	<u>198</u>

The standard rate of taxation for the period, based on the UK standard rate of corporation tax, is 23% (2013: 24%). The actual current tax charge for the current and previous period differed from the standard rate for the reasons set out in the following reconciliation:

	52 weeks ended 29 March 2014 %	52 weeks ended 30 March 2013 %
Standard rate of taxation	23.0	24.0
Factors affecting charge		
- Depreciation in excess of capital allowances	4.6	6.2
- Other timing differences	(1.0)	(1.0)
- Prior periods' tax charge	-	(1.1)
Current taxation rate for the period	<u>26.6</u>	<u>28.1</u>

During the period the UK government enacted legislation to reduce the main rate of UK corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. The impact of this rate reduction to 20% has reduced the deferred tax liability on UK timing differences.

Rider Holdings Limited

Notes to the Financial Statements (continued) 52 weeks ended 29 March 2014

7. Tangible fixed assets

	Land and buildings £000	Other plant and equipment £000	Total £000
Cost or valuation			
At 31 March 2013 and 29 March 2014	17,578	185	17,763
Depreciation			
At 31 March 2013	2,464	164	2,628
Charge for period	241	21	262
At 29 March 2014	2,705	185	2,890
Net book value			
At 29 March 2014	14,873	-	14,873
At 30 March 2013	15,114	21	15,135

The net book value of land and buildings comprises:

	29 March 2014 £000	30 March 2013 £000
Freehold	14,799	15,032
Short leasehold	53	61
Long leasehold	21	21
	14,873	15,114

Depreciation is not provided on the land element of freehold property which amounts to £6.4 million (2013: £6.4 million).

The assets which have been revalued comprise the following land and buildings

	29 March 2014 £000	30 March 2013 £000
At March 1994 professional revaluation	3,111	3,111
Aggregate depreciation thereon	(690)	(660)
Net book value	2,421	2,451
Historical cost of revalued asset	2,446	2,446
Aggregate depreciation based on historical cost	(562)	(537)
	1,884	1,909

Freehold and leasehold land and buildings were professionally valued by King Sturge & Co, Chartered Surveyors on the basis of open market value for existing use at 1 March 1994.

Rider Holdings Limited

Notes to the Financial Statements (continued) 52 weeks ended 29 March 2014

8. Fixed asset investments

	Subsidiary Undertakings £000
Cost	
At 31 March 2013 and 29 March 2014	476
Provision for impairment	
At 31 March 2013 and 29 March 2014	(176)
Net book value	
At 30 March 2013 and 29 March 2014	300

The principal subsidiary undertakings at the end of the period, and the nature of their business are:

Subsidiary undertakings	Country of incorporation	Principal activity	Holding	%
Rider Travel Limited	UK	Dormant	Ordinary shares	100
Sovereign Quay Limited	UK	Dormant	Ordinary shares	100
Reynard Buses Limited	UK	Dormant	Ordinary shares	100

9. Debtors

	29 March 2014 £000	30 March 2013 £000
Amounts due within one year		
Other prepayments and accrued income	-	23
	-	23

10. Creditors

	29 March 2014 £000	30 March 2013 £000
Amounts falling due within one year		
Amounts owed to group undertakings	1,685	2,748
Corporation tax	-	1
Accruals and deferred income	-	5
	1,685	2,754

Rider Holdings Limited

Notes to the Financial Statements (continued) 52 weeks ended 29 March 2014

11. Provisions for liabilities

	Deferred tax £000
At 31 March 2013	292
Charge to profit and loss account (note 6)	(23)
	<hr/>
At 29 March 2014	269
	<hr/>

12. Deferred taxation

Provision for deferred taxation consists of the following amounts:

	29 March 2014 £000	30 March 2013 £000
Capital allowances in excess of depreciation	269	370
Other timing differences	-	(78)
	<hr/>	<hr/>
	269	292
	<hr/>	<hr/>

13. Called up share capital

	29 March 2014 £000	30 March 2013 £000
Allotted, called up and fully paid 10,000,000 ordinary shares of 5p each	500	500
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14. Reserves

	Revaluation Reserve £000	Profit and loss account £000
At 31 March 2013	553	11,359
Difference between historical cost depreciation charge and the actual depreciation charge for the period on the revalued amount	(5)	5
Profit for the period	-	807
	<hr/>	<hr/>
At 29 March 2014	548	12,171
	<hr/>	<hr/>

15. Commitments

The company had no capital or similar commitments at 29 March 2014 or 30 March 2013.

16. Other commitments

The company is a member of a Value Added Tax ("VAT") group covering a number of subsidiary undertakings. All members of the VAT group are jointly and severally liable in respect of any VAT owed to HMRC.

17. Related party transactions

The company is taking advantage of the exemption under FRS8 not to disclose transactions with wholly owned group companies that are related parties.

Rider Holdings Limited

Notes to the Financial Statements (continued) **52 weeks ended 29 March 2014**

18. Ultimate parent company

The directors regard FirstGroup plc, a company incorporated in Great Britain and registered in Scotland, as the ultimate 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.

The company's immediate controlling party is Badgerline Yorkshire Limited.

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