Stagecoach Devon Limited

Financial statements for the year ended 30 April 2008

Registered number 3142135

Directors' report
For the year ended 30 April 2008

The directors present their report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 30 April 2008

Business review and principal activities
Stagecoach Devon Limited operates a fleet of 322 buses and employs 921 people in Devon

The results of the Company for the year ended 30 April 2008 show a pre-tax loss of £173,000 (2007 profit £39,000) and turnover of £32,615,000 (2007 £30,068,000) The company has net assets of £194,000 (2007 £694,000)

Business environment
The Company operates predominantly local bus services, carrying around 68,000 passengers a day These services are mainly operated on a commercial basis in a largely deregulated market We also operate tendered services, including school contracts, on behalf of local authorities and other public bodies The Company benefits from being part of the UK Bus Division of Stagecoach Group plc, a nationwide public transport operator

The Company operates in a competitive environment and differentiates itself from its competitors by

- Improving operational and engineering facilities,
- Focusing on recruitment and retention of drivers,
- Investment in new vehicles, and
- Strong focus on technology and innovation

Strategy
The Company's overriding objective is to achieve attractive and sustainable rates of growth and returns through organic growth, supplemented by targeted acquisitions where appropriate

There are several elements to the Company's strategy for growth They are

- Continued focus on value-for-money ticket offerings,
- Investment in new vehicles to maximise our customer's experience,
- Commitment to excellent customer service,
- Strong focus on the safety and security of passengers and staff, and
- Consistent excellent operational performance

Training and development
We have consistently sought to recruit and retain the best employees in the markets in which we operate

The Company invests significantly to ensure that our staff are properly trained and able to offer the best customer service The Company, under guidance from central UK Bus management, operates a National Vocational Qualification programme for all staff, as well as staff development, graduate trainee and apprentice engineer programmes

Future outlook
The current financial year to 30 April 2009 has started well and trading is in line with our expectations

We believe our value fares, continued innovation, investment in our fleet, commitment to staff training and continuous monitoring of operational efficiency will enable us to improve on our current level of performance in the future

Principal risks and uncertainties
The management of the business and the execution of the Company's strategy are subject to a number of risks

The management and reporting of risk is undertaken at Group level, rather than at an individual business unit level

The principal risks and uncertainties of Stagecoach Group plc, which includes those of the Company, are discussed in the Group's 2008 annual report, which does not form part of this report

Key performance indicators (KPI's)
The directors of Stagecoach Group plc manage the Group's performance on a divisional basis For this reason, the Company's directors believe that analysis using KPI's for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company The development, performance and position of the UK Bus Division of Stagecoach Group plc, which includes the Company, is discussed in the Group's 2008 annual report which does not form part of this report

Financial risk management
The Company's activities expose it to a variety of financial risks including the effects of changes in interest rates, credit risk and commodity prices The effects of changes in interest rates and commodity prices are managed at a Group level by a central Group treasury function The Company has implemented policies which require appropriate credit checks to be performed on potential customers before sales are made All credit checks are performed centrally by Stagecoach Services Limited, a fellow Group company

Results and dividends

The profit on ordinary activities after taxation amounted to £375,000 (2007 loss £305,000) This amount has been appropriated as follows

	2008	2007
	£000	£000
Profit/(loss) for the financial year	375	(305)
Dividend to parent company	(895)	Nil
Retained loss transferred to profit and loss account	(520)	(305)

Directors

The directors who held office during the year under review and up to the date of approval of these accounts were

C Brown
C G Hilditch Resigned 28 July 2008
L B Warneford

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing 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) The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 1985 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

Disabled persons
The Company recognises its obligations to give disabled people full and fair consideration for all vacancies within the statutory medical requirements which have to be met for certain grades of staff Wherever reasonable and practicable, the Company will retain newly disabled employees and at the same time provide fair opportunities for the career development of disabled people

Employee involvement
The Company is committed to employee participation and uses a variety of methods to inform, consult and involve its employees Employees participate directly in the success of the business through the Stagecoach Group's bonus and other remuneration schemes and are encouraged to invest through participation in share option schemes

Supplier payment policy
It is the Company's policy to settle the terms of payment with suppliers when agreeing each transaction or series of transactions, to ensure suppliers are aware of these terms and to abide by them Responsibility for the payment of suppliers lies with Stagecoach Services Limited, a fellow group company, hence trade creditors outstanding at the year end represented Nil days' purchases (2007 Nil days)

Fixed assets

In the opinion of the directors there is no material difference between the book and current open market value of interests in land and buildings

Auditors and disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information 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 a resolution concerning their re-appointment will be proposed at the next Annual General Meeting of the Company

Other

The Company maintains Directors' and Officers' Liability Insurance in respect of legal action that might be brought against its directors The Company has indemnified each of its directors and other officers of the Company against certain liabilities that may be incurred as a result of their offices

By order of the Board

A L Whitnall
Company Secretary

Daw Bank
Stockport
Cheshire
SK3 0DU

31 October 2008

Independent auditors' report to the members of Stagecoach Devon Limited:
We have audited the financial statements of Stagecoach Devon Limited for the year ended 30 April 2008 which comprise the Profit and loss account, the Balance sheet, the Reconciliation of movement in shareholders' funds and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, 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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Auditors' report (continued)
For the year ended 30 April 2008

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2008 and of its profit for the year then ended,

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and

- the information given in the Directors' report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Glasgow

14 November 2008

Profit and loss account

For the year ended 30 April 2008

	Notes	2008 £000	2007 £000
Turnover	2	32,615	30,068
Operating costs		(33,245)	(30,704)
Other operating income	3	674	846
Operating profit		44	210
Finance charges (net)	4	(217)	(171)
(Loss)/profit on ordinary activities before taxation	5	(173)	39
Taxation on (loss)/profit on ordinary activities	9	332	(344)
Exceptional taxation fundamental change in tax law and change in UK tax rate	9	216	Nil
Profit/(loss) for the financial year		375	(305)

The results for each year arise wholly from continuing operations

There is no difference between the loss on ordinary activities before taxation and the profit for the year stated above and the historical cost equivalents

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

Balance sheet
As at 30 April 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Tangible assets	10(a)	13,156	14,823
Investments	10(b)	137	137
		13,293	14,960
Current assets			
Stocks	11	220	180
Debtors	12	2,406	2,444
Cash at bank and in hand		1,834	2,432
		4,460	5,056
Creditors: Amounts falling due within one year	13	(13,178)	(13,847)
Net current liabilities		(8,718)	(8,791)
Total assets less current liabilities		4,575	6,169
Creditors Amounts falling due after more than one year	13	(2,798)	(3,650)
Provisions for liabilities and charges	15	(1,583)	(1,825)
Net assets		194	694
Capital and reserves			
Share capital	16	150	150
Contribution reserve	17	44	24
Profit and loss account	17	-	520
Shareholders' funds		194	694

Signed on behalf of the Board

C Brown
Director

31 October 2008

The accompanying notes form an integral part of this balance sheet

Reconciliation of movement in shareholders' funds

As at 30 April 2008

	2008 £000	2007 £000
Profit/(loss) for the financial year	375	(305)
Credit in respect of equity settled share based payments	20	9
Dividends	(895)	Nil
Net decrease in shareholder's funds	(500)	(296)
Opening shareholders' funds	694	990
Closing shareholders' funds	194	694

The accompanying notes form an integral part of this reconciliation

Notes to the financial statements
For the year ended 30 April 2008

1 Accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are

a) Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards In the United Kingdom

The Company is a wholly-owned subsidiary of Stagecoach Group plc and is included in the consolidated financial statements of Stagecoach Group plc which are publicly available Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 228 of the Companies Act 1985

At 30 April 2008, the Company had net current liabilities The Directors have received confirmation of continuing financial support from the ultimate holding company Accordingly, the financial statements have been prepared on the going concern basis

b) Cash flow statement

The Company is not required to prepare a cash flow statement under FRS 1 (revised), because it is a wholly owned subsidiary of Stagecoach Group plc, which prepares consolidated financial statements which are publicly available

c) Tangible fixed assets

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 Land and buildings and other fixed assets are shown at cost, net of depreciation and any provision for impairment as set out in note 10

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life, as follows

Freehold property	50 years
Public service vehicles (PSVs)	7 to 16 years
Plant and equipment	3 to 10 years
Motor cars and other vehicles	3 to 5 years
Furniture and fittings	3 to 10 years

Freehold land is not depreciated

d) Fixed asset investments

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

1 Accounting policies (continued)

e) Stocks

Stocks of parts and consumables are stated at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items Cost is determined using the first-in, first-out ("FIFO") or average cost method

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

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 rate 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) Hire purchase and lease obligations

Assets acquired under hire purchase contracts and finance leases are recorded in the balance sheet as an asset (at the equivalent of the purchase price) and as an obligation to pay future hire purchase capital instalments or finance lease rentals Assets held under hire purchase arrangements are depreciated over their useful life

Obligations from hire purchase contracts and finance leases within creditors represents the total of the capital payments outstanding at the balance sheet date Future finance charges are not included

The interest element of hire purchase and finance lease obligations are charged to the profit and loss account over the period of the hire purchase or finance lease

Rentals under operating leases are charged on a straight-line basis over the lease term

1 Accounting policies (continued)

h) Turnover

Turnover comprises gross revenue earned from bus and coach operations in the United Kingdom, and excludes future payments received on account Amounts receivable for tendered services and concessionary fare schemes are included within turnover

i) Grants

Bus service operators grant is credited to operating costs

Capital grants in respect of fixed assets are credited to the balance sheet and released to the profit and loss account over the useful lives of the assets to which they relate

j) Pension costs and other post retirement benefits

The Stagecoach Group Pension Scheme is a defined benefit scheme For the purposes of FRS 17, the contributions paid by the Company are accounted for as if the scheme were a defined contribution scheme, as the Company is unable to identify its share of the underlying assets and liabilities in the scheme

k) Dividends

Dividends on ordinary shares are recorded in the financial statements in the period in which they are approved by the shareholders, or in the case of interim dividends, in the period in which they are paid

l) Share based payments

Certain of the company's employees are granted equity settled share based payments by the parent company The company has applied the optional exemption contained within FRS 20, which allows it to apply the standard only to share options granted after the 7 November 2002 that have not vested by 1 May 2005

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period Fair value for equity-settled share based payments is estimated by use of the Black-Scholes pricing model

At each balance sheet date, before vesting, the cumulative expense is calculated based on management's best estimate of the number of equity instruments that will ultimately vest taking into consideration the likelihood of achieving non-market based vesting conditions The movement in the cumulative expense is recognised in the profit and loss account, with a corresponding entry in equity

Stagecoach Group plc operates an Executive Share Option Scheme which employees of the Company are eligible to participate in Details of the scheme are disclosed within the group's 2008 annual report (note 30), which does not form part of this report

2 Segmental information

The turnover and profit on ordinary activities before taxation were derived wholly from the Company's principal activity within the United Kingdom

3 Other operating income

	2008 £000	2007 £000
Advertising income	221	187
Property rental income	17	25
Government grant income	108	287
Other miscellaneous revenue	328	347
	674	846

4 Finance charges (net)

	2008 £000	2007 £000
Bank interest receivable	52	23
Bank loans and overdraft interest	(24)	Nil
Hire purchase and finance lease interest payable	(245)	(194)
	(217)	(171)

5 (Loss)/profit on ordinary activities before taxation

The (loss)/profit on ordinary activities before taxation for the year is stated after charging

	2008	2007
	£000	£000
Loss on sale of tangible fixed assets other than property	51	68
Depreciation		
- owned	1,032	1,037
- held under hire purchase and finance lease agreements	805	687
Operating lease charges		
- land and buildings	230	178
- plant and machinery	19	16

Auditors' remuneration is borne by the ultimate parent company

6 Dividends

	2008	2007
	£000	£000
Interim dividend paid to parent company £0 60 per ordinary share (2007 £Nil per ordinary share)	895	Nil

7 Staff costs

The average monthly number of persons employed by the Company (including executive directors) during the year was

	2008 Number	2007 Number
Operations	848	772
Administration and supervisory	73	65
	921	837

	2008 £000	2007 £000
The aggregate remuneration comprised		
Wages and salaries	16,855	14,883
Social security costs	1,482	1,280
Other pension costs (see note 19b)	2,828	3,659
Redundancy payments	8	Nil
Share based payment expense	20	9
	21,193	19,831

8 Directors' remuneration

	2008	2007
	£000	£000
Emoluments of directors (including pension contributions)	125	121

The above details of directors' emoluments include the emoluments of Les Warneford and Colin Brown, which are paid by a fellow subsidiary, Stagecoach Holdings Limited £23,735 of their total emoluments received (2007 £24,868) are apportioned to their services as directors of Stagecoach Devon Limited

The number of directors who were members of pension schemes at the year end was as follows

	2008	2007
	Number	Number
Defined benefit scheme	3	3

The number of directors who exercised share options during the year was as follows

	2008	2007
	Number	Number
Share option scheme	3	3

9 Taxation

a) (Credit)/charge for the year	2008 £000	2007 £000
Current tax		
UK corporation tax on profits of the year	Nil	220
Amounts payable to fellow subsidiary in respect of group relief	(367)	Nil
Adjustments in respect of prior years	61	10
Total current tax (credit)/charge	(306)	230
Deferred tax		
Origination and reversal of timing differences	(58)	126
Adjustments in respect of prior years	32	(12)
Exceptional fundamental change in basis of taxation and impact of reduction in UK tax rate on prior years deferred tax	(216)	Nil
Total deferred tax (note 15)	(242)	114
Tax on (loss)/profit ordinary activities	(548)	344

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

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (29 84%) The differences are explained below

	2008 £000	2007 £000
(Loss)/profit on ordinary activities before tax	(173)	39
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 29 84% (2007 30%)	(52)	12
Effect of		
Non tax deductible expenditure and other permanent differences	0	483
Share option deductions	(41)	Nil
Treatment of intercompany transactions	(177)	(149)
Loss/(gain) on sale of asset	(150)	Nil
Other timing differences	Nil	98
Share based payments (FRS20)	2	3
Capital allowances for period in excess of depreciation	51	(227)
Adjustments to tax charge in respect of previous years	61	10
Current tax (credit)/charge for year	(306)	230

10 Fixed assets

a) Tangible assets

The movement in the year is summarised below

	Freehold land and buildings £000	Leasehold land and buildings £000	PSVs £000	Plant and equipment and furniture and fittings £000	Total £000
Cost					
Beginning of year	1,136	2,551	26,322	2,168	32,177
Additions	Nil	130	4	72	206
Disposals	Nil	(1,149)	(2,858)	(80)	(4,087)
Transfers	Nil	Nil	2,265	24	2,289
End of year	1,136	1,532	25,733	2,184	30,585
Depreciation					
Beginning of year	(154)	(1,086)	(14,421)	(1,693)	(17,354)
Charge for year	(3)	(142)	(1,571)	(121)	(1,837)
Disposals	Nil	188	2,681	75	2,944
Impairment	Nil	Nil	(34)	Nil	(34)
Transfers	Nil	Nil	(1,134)	(14)	(1,148)
End of year	(157)	(1,040)	(14,479)	(1,753)	(17,429)
Net book value					
Beginning of year	982	1,465	11,901	475	14,823
End of year	979	492	11,254	431	13,156

The net book value of PSV assets under hire purchase and finance lease agreements, which have been capitalised and included in the above, is £6,108,000 (2007 £6,237,000) Depreciation of £805,000 (2007 £687,000) has been charged in the year in respect of these assets held under hire purchase or finance lease agreements

Freehold land amounting to £155,000 has not been depreciated (2007 £155,000)

10 Fixed assets (continued)

b) Investments

	2008	2007
	£000	£000
Subsidiary undertakings	137	137

The Company has investments in the following subsidiary undertakings

	Percentage Holding	Nature of Business
Devon General Limited	100%	Non Trading
Bayline Limited	100%	Non Trading

All the above holdings are of ordinary shares Both companies are registered in England and Wales

11 Stocks

	2008	2007
	£000	£000
Spares, consumables and fuel	220	180

In the opinion of the directors, the difference between the replacement cost of these stocks and their balance sheet value is not material

12 Debtors

	2008	2007
Amounts falling due within one year	£000	£000
Prepayments and accrued income	1,075	1,320
Amounts due from fellow group undertakings	1,331	1,124
	2,406	2,444

Amounts due from fellow group undertakings within one year accrue no interest and are repayable on demand

13 Creditors

	2008	2007
	£000	£000
Amounts falling due within one year		
Accruals and deferred income	1,634	1,419
Other taxes and social security costs	448	530
Hire purchase and finance lease obligations	988	956
Local authority grants	66	113
Corporation tax creditor	Nil	110
Other creditors	25	107
Amounts due to fellow group undertakings	10,017	10,612
	13,178	13,847
Amounts falling due after more than one year		
Hire purchase and finance lease obligations	2,794	3,570
Local authority grants	4	80
	2,798	3,650

Amounts due to fellow group undertakings within one year accrue no interest and are repayable on demand

14 Obligations under hire purchase and finance lease agreements

Amounts are repayable as follows

	2008	2007
	£000	£000
Amounts payable		
- less than one year	988	956
- between one and two years	644	950
- between two and five years	2,150	2,620
	3,782	4,526

15 Provisions for liabilities and charges

	2008 £000	2007 £000
Accelerated capital allowances	1,562	1,795
Other timing differences	21	30
Provision for deferred tax	1,583	1,825
Position at start of the year	1,825	1,711
Deferred tax (credit)/charge in profit and loss account for year (note 9a)	(242)	114
Provision at end of year	1,583	1,825

16 Share capital

	2008 £000	2007 £000
Authorised		
1,500,000 Ordinary shares of £0 10 each	150	150
Allotted, called up and fully paid		
1,500,000 Ordinary shares of £0 10 each	150	150

17 Reserves

The movement on reserves is summarised below

	Profit and loss account £000	Contribution reserve £000
At start of year	520	24
Retained loss for year	(520)	Nil
Credit in respect of equity settled share based payments	Nil	20
End of year	-	44

18 Capital commitments

	2008 £000	2007 £000
Contracted for but not provided	91	55

19 Guarantees and other financial commitments

a) Lease commitments

Annual commitments under non-cancellable operating leases are as follows

	2008 Land & buildings £000	2008 Other £000	2007 Land & buildings £000	2007 Other £000
Expiry date				
- within one year	8	3	Nil	17
- between two and five years	82	52	78	6
- after five years	132	Nil	88	Nil
	222	55	166	23

b) Pensions

The Company accounts for pensions in accordance with FRS 17 "Retirement Benefits"

The Stagecoach Group Pension scheme is a defined benefit scheme The Company, together with a number of companies within the Group headed by Stagecoach Group plc, makes contributions to the Scheme For the purposes of FRS17, the contributions paid by the Company are accounted for as if the scheme was a defined contribution scheme, as the Company is unable to identify its share of the underlying assets and liabilities in the scheme In the consolidated accounts of Stagecoach Group plc, the scheme as a whole is accounted for as a defined benefit scheme The consolidated accounts of Stagecoach Group plc provide further details of the scheme

The costs of contributions to the Group scheme amount to £1,028,000 (2007 £836,000), being 14 6% of pensionable salary , and are based on pension costs across the Group as a whole An additional £1,800,000 (2007 £2,823,000) of special contributions was also made to the scheme during the year An actuarial valuation of the Stagecoach Group Pension Scheme was undertaken on 5 April 2005 and a deficit of £72 0 million was identified

c) Contingent liabilities

The Company, together with certain other Group undertakings, is a member of a group for VAT purposes, and technically stands liable in the event of default by any other Group undertaking

20 Related party transactions

The Company has taken advantage of the exemptions granted under FRS 8 by not disclosing details of sales and purchases with other members of the group headed by Stagecoach Group plc Details of amounts due to and from fellow group undertakings are disclosed in aggregate in notes 12 and 13

21 Ultimate parent company

The company's immediate parent company is Stagecoach Bus Holdings Limited, registered in Scotland (registered number SC176671) The Company's ultimate parent company is Stagecoach Group plc, registered in Scotland (number SC100764), which heads the only group into which the results of the Company are consolidated The financial statements of the ultimate parent company are available from the following address

Stagecoach Group plc
Group Headquarters
10 Dunkeld Road
Perth
PH1 5TW