

Stagecoach Rail Limited

Financial statements for the year ended 30 April 2001

Registered office:

10 Dunkeld Road
Perth
PH1 5TW

Registered number:

SC086090



Directors' report

For the year ended 30 April 2001

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 2001.

Principal activity and business review

The company does not trade and is not expected to trade in the foreseeable future.

Results and dividends

The directors do not propose payment of a dividend (2000 - £Nil).

Directors and their interests

The directors of the company are listed below. The company is a wholly-owned subsidiary of Stagecoach Group plc. To comply, however, with the Companies Act at the time of the company's formation, which stipulated that there must be at least two shareholders, Brian Souter (a director of Stagecoach Group plc) was the registered owner of one of the two issued ordinary shares of £1 each. Brian Souter transferred this share to Stagecoach Group plc on 9 July 2001.

Brian Cox	- resigned 8 May 2001	
Benjamin Colson	- resigned 8 May 2001	
Keith Cochrane	- resigned 1 August 2000	- reappointed 8 May 2001
Graham Eccles	- appointed 8 May 2001	
Martin Griffiths	- appointed 8 May 2001	
Nicholas Guest	- appointed 11 June 2001	
Andrew Haines	- appointed 11 June 2001	
Allison Ingram	- appointed 27 May 2001	
Andrew Pitt	- appointed 27 May 2001	

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for keeping proper accounting records which 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. The directors 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.

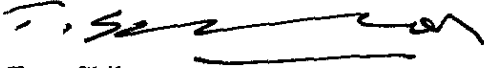
Directors' report (continued)

For the year ended 30 April 2001

Auditors

A resolution to re-appoint Arthur Andersen as auditors of the company will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'T. Skilton', with a horizontal line drawn underneath it.

Tony Skilton
Company Secretary

18 September 2001

Auditors' report
For the year ended 30 April 2001

To the shareholders of Stagecoach Rail Limited:

We have audited the financial statements on pages 4 and 5, which have been prepared under the historical cost convention and the accounting policies, set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 April 2001 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors
191 West George Street
Glasgow
G2 2LB

18 September 2001

Balance sheet
As at 30 April 2001

	Notes	2001 £000	2000 £000
Creditors : Amounts falling due within one year			
Amounts owed to other group undertakings		(768)	(768)
Net liabilities		<u>(768)</u>	<u>(768)</u>
Capital and reserves			
Equity share capital	3	Nil	Nil
Profit and loss account		(768)	(768)
Equity shareholders' deficit		<u>(768)</u>	<u>(768)</u>

There have been no movements in reserves or shareholders' funds during the year.

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

Signed on behalf of the Board on 18 September 2001



Martin Griffiths
Director

Notes to the financial statements

For the year ended 30 April 2001

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 have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

At 30 April 2001, the company had net 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. In any case, the directors of the company do not consider that the balance sheet prepared on a break-up basis would be materially different from that reported.

(b) Cash flow statement

As permitted by FRS 1 (Revised), 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.

2. Profit on ordinary activities before taxation

The company does not trade.

The remuneration of the auditors and the directors is borne by the ultimate holding company, Stagecoach Group plc. No significant part of the directors' remuneration is directly attributable to the company (2000 - £Nil).

The company has no employees (2000 - Nil).

3. Equity share capital

	2001 £	2000 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
<i>Allotted, called-up and unpaid</i>		
2 ordinary shares of £1 each	2	2

4. Ultimate holding company

The company's immediate and ultimate holding company is Stagecoach Group plc (registered number 100764), 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.