Registered number: SC128566

COMPANIES HOUSE
EDINBURGH

25 SEP 2018

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ARRIVA SCOTLAND WEST LIMITED

Directors' report and financial statements

For the Year Ended 31 December 2017

TUESDAY

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COMPANIES HOUSE

ARRIVA SCOTLAND WEST LIMITED

Company Information

Directors	N P Featham D Cocker
Company secretary	L Edwards
Registered number	SC128566
Registered office	The Ca'D'Oro 45 Gordon Street Glasgow Scotland G1 3PE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ

Contents

Directors' report
For the Year Ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the company was previously the operation of bus and coach services.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £5,000 *(2016: £272,000)*.

The company paid a dividend during the year of £5,000,000 (2016: £Nil).

DIRECTORS

The directors who served during the year, and up to the date of signing the financial statements, were:

N P Featham
D Cocker
P C Davison (resigned 3 February 2017)

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the audited financial statements unless 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 audited 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, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited 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 audited financial statements comply with the Companies Act 2006. 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
For the Year Ended 31 December 2017

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17 September 2018 and signed by order of the Board.

D Cocker
Director

Independent auditors' report to the members of Arriva Scotland West Limited

Report on the audit of the financial statements

Opinion

In our opinion, Arriva Scotland West Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual report"), which comprise: the Balance sheet as at 31 December 2017; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditors' report to the members of Arriva Scotland West Limited

Reporting on other information

The other information comprises all of the information in the Annual report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement in respect of the financial statements set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of Arriva Scotland West Limited

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled: to take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Michael Jeffrey

Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

17 September 2018

Statement of comprehensive income
For the Year Ended 31 December 2017

	Note	2017 £000	*2016 £000*
Cost of sales		-	*2*
Gross profit		-	*2*
Administrative expenses		(14)	*(9)*
Other operating income		-	*300*
Operating (loss)/profit	4	(14)	*293*
Interest receivable and similar income		9	*43*
(Loss)/profit on ordinary activities before taxation		(5)	*336*
Tax on (Loss) / profit on ordinary activities	6	-	*(64)*
(Loss)/profit for the financial year		(5)	*272*
Total comprehensive income for the financial year		(5)	*272*

The notes on pages 9 to 18 form part of these financial statements.

Balance sheet
As at 31 December 2017

	Note		2017 £000		*2016 £000*
Fixed assets					
Intangible assets	8		-		-
Tangible assets	9		-		-
			-		-
Current assets					
Debtors	10	**2,680**		*9,429*	
		2,680		*9,429*	
Creditors: Amounts falling due within one year	11	**(9)**		*(1,753)*	
Net current assets			**2,671**		*7,676*
Total assets less current liabilities			**2,671**		*7,676*
Net assets			**2,671**		*7,676*
Capital and reserves					
Called up share capital	13		**1,600**		*1,600*
Profit and loss account			**1,071**		*6,076*
			2,671		*7,676*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 September 2018.

D Cocker
Director

The notes on pages 9 to 18 form part of these financial statements.

Statement of changes in equity
For the Year Ended 31 December 2017

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2017	1,600	6,076	7,676
Comprehensive income for the year			
Profit for the financial year	-	(5)	(5)
Total comprehensive income for the year	-	(5)	(5)
Contributions by and distributions to owners			
Dividends paid (Note 7)	-	(5,000)	(5,000)
At 31 December 2017	1,600	1,071	2,671

Statement of changes in equity
For the Year Ended 31 December 2016

During 2016, capital reserves totalling £1,144,000 were transferred to the profit and loss reserve.

	Called up share capital £000	Capital reserves £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2016	1,600	1,144	4,660	7,404
Comprehensive income for the year				
Profit for the financial year	-	-	272	272
Total comprehensive income for the year	-	-	272	272
Transfer to profit and loss reserves	-	(1,144)	-	(1,144)
Transfer of capital reserve	-	-	1,144	1,144
At 31 December 2016	1,600	-	6,076	7,676

The notes on pages 9 to 18 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied to all years, unless otherwise stated. The financial statements have been prepared on the going concern basis under the historic cost convention and in accordance with the Companies Act 2006.

1.2 INTANGIBLE ASSETS

Other intangible assets, which relate to licences for the use of the Arriva brand name, are being amortised through the statement of comprehensive income over the licence period of 15 years.

1.3 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation. 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.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Public service vehicles	-	straight line over periods up to 15 years

1. **ACCOUNTING POLICIES (continued)**

1.4 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The company is a qualifying entity for the purpose of FRS 101 and Note 14 gives details of the company's ultimate parent and from where its consolidated financial statements, prepared in accordance with IFRS, may be obtained.

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which permits a qualifying entity to apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU, but makes amendments where necessary in order to comply with the Companies Act 2006.

The company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the company in these financial statements, the most significant of which are summarised above.

The equivalent disclosures are included in the consolidated financial statements of the ultimate parent company, Deutsche Bahn AG, in accordance with the application guidance of FRS 100 "Application of financial reporting requirements".

1. ACCOUNTING POLICIES (continued)

1.5 DEBTORS

Trade and other debtors are initially measured at fair value. Receivables for which there are substantial objective indications of an impairment are adjusted appropriately.

Trade and other debtors are considered to be impaired when there is objective evidence that the estimated future cash flows associated with the asset have been affected. In addition, certain trade and other debtors that are not considered to be individually impaired, may be assessed for impairment on a collective basis.

Loans and other non derivative financial assets, with fixed or determinable payments that are not quoted in an active market, are included within current assets, except for maturities greater than 12 months after the end of the reporting period. Those loans and other debtors which are deemed payable more than 12 months after the balance sheet date, are classed as debtors due more than one year.

1.6 CREDITORS

Trade creditors are obligations to pay for goods / services that have been acquired in the ordinary course of business are initially stated at fair value.

1.7 DIVIDENDS

Dividends are recognised in the company's financial statements in the period in which the dividends are paid to the shareholder.

1. **ACCOUNTING POLICIES**
(continued)

1.8 TAXATION

The tax charge or credit in the statement of comprehensive income represents the sum of the current tax charge or credit and the deferred tax charge or credit for the year. Tax is recognised within the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

The current tax charge or credit is based on the taxable profit for the year. Taxable profit can differ from the profit or loss before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, or that are never taxable or deductible. The company's liability or asset relating to current tax is calculated using rates prevailing during the year.

Where companies within the UK Group make payments for tax losses where the amount paid exceeds the tax value of the losses, any excess is reported as a movement through equity.

Deferred taxation is recognised on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and when the deferred taxation assets and liabilities relate to taxation levied by the same taxation authority, and the company intends to settle its current taxation assets and liabilities on a net basis.

Deferred tax assets and liabilities are not discounted.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Application of certain company accounting policies required management to make judgements, assumptions and estimates concerning the future as detailed below.

2.1 Impairment of debtors

The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See Note 10 for the carrying amount of debtors.

3. GENERAL INFORMATION

The company is a private limited company, incorporated and domiciled in the United Kingdom.

The registered company number is SC128566 and the address of the registered office is The Ca'D'Oro, 45 Gordon Street, Glasgow, Scotland, G1 3PE.

4. OPERATING (LOSS)/PROFIT

During the year, no director received any emoluments *(2016 - £NIL)*.

Fees paid to the company's auditors during the year in respect of the audit of the financial statements of the company was £3,000 (2016: £5,000).

5. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration *(2016 - £NIL)*.

6. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

	2017 £000	*2016 £000*
Corporation tax		
Current tax on (loss) / profit for the year	(1)	*67*
Adjustments in respect of prior years	1	*(27)*
Total current tax	-	*40*
Deferred tax		
Adjustments in respect of prior years	-	*24*
Total deferred tax (Note 12)	-	*24*
Taxation charge on (loss) / profit on ordinary activities	-	*64*

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than *(2016 - lower than)* the standard rate of corporation tax in the UK of 19.25% *(2016 - 20%)*. The differences are explained below:

	2017 £000	*2016 £000*
(Loss) / profit on ordinary activities before tax	(5)	*336*
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(1)	*67*
Effects of:		
Adjustments to tax charge in respect of prior years	1	*(3)*
Total tax charge for the year	-	*64*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

On 16 March 2016, the Chancellor announced that the main rate of UK Corporation Tax would reduce further to 17% on 1 April 2020. This change was enacted on 15 September 2016.

7. DIVIDENDS

	2017 £000	*2016 £000*
Dividends paid on ordinary shares	5,000	-
	5,000	-

8. INTANGIBLE ASSETS

	Licences £000
Cost	
At 1 January 2017 and 31 December 2017	800
Accumulated amortisation	
At 1 January 2017 and 31 December 2017	800
Net book value	
At 31 December 2017	-
At 31 December 2016	-

9. TANGIBLE ASSETS

	Public service vehicles £000
Cost	
At 1 January 2017	127
At 31 December 2017	127
Accumulated depreciation	
At 1 January 2017	127
At 31 December 2017	127
Net book value	
At 31 December 2017	-
At 31 December 2016	-

10. DEBTORS

	2017 £000	*2016 £000*
Amounts owed by group undertakings	2,679	*9,429*
Group relief receivable	1	-
	2,680	*9,429*

11. CREDITORS: Amounts falling due within one year

	2017 £000	*2016 £000*
Amounts owed to group undertakings	9	*1,681*
Corporation tax	-	*67*
Other creditors	-	*5*
	9	*1,753*

12. DEFERRED TAX ASSET

	2017 £000	*2016 £000*
At 1 January	-	*24*
Charged to comprehensive income (Note 6)	-	*(24)*
At 31 December	-	-

13. CALLED UP SHARE CAPITAL

	2017 £000	*2016 £000*
Authorised		
2,000,000 Ordinary shares of £1 each (2016: 2,000,000)	**2,000**	*2,000*
Allotted, called up and fully paid		
1,600,000 Ordinary shares of £1 each (2016: 1,600,000)	**1,600**	*1,600*

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Arriva UK Bus Holdings Limited (formerly Arriva (2007) Limited).

The ultimate parent company and ultimate controlling party is Deutsche Bahn AG, a company registered in Germany, which has prepared group financial statements incorporating the results of Arriva Scotland West Limited.

Copies of these financial statements can be obtained from Potsdamer Platz 2, 10785 Berlin.

Deutsche Bahn AG is the largest and smallest group to consolidate the financial statements of Arriva Scotland West Limited.

Information on Arriva Scotland West Limited can be obtained from the registered address of Arriva (2007) Limited, the UK immediate parent company, 1 Admiral Way, Doxford International Business Park, Sunderland, Tyne and Wear, SR3 3XP.

Transactions with other companies in the Deutsche Bahn Group are not specifically disclosed as the company has taken advantage of the exemption available under paragraph 17 of IAS 24 'Related party disclosures' for wholly-owned subsidiaries.