

# Stagecoach Bus Holdings Limited

Financial statements for the 52 week period ended 30 April 2022

Registered office:

10 Dunkeld Road  
Perth  
PH1 5TW

Registered number:

SC176671



# **Strategic report**

## **For the 52 week period ended 30 April 2022**

Registered No: SC176671

The directors are pleased to present their Strategic report for the 52 week period ended 30 April 2022.

### **Review of business**

The Company operates as an investment and holding Company and also hires out buses to various group undertakings.

The Company continues to hold major investments in bus operating companies here in the UK and will continue to look for transport opportunities in which to invest in the UK for the foreseeable future.

The Company reported a loss before taxation of £18.5m (2021: £31.8m loss). The variance on prior period is due to an impairment loss on the Company's investments being recognised in the prior period (see note 6) and lower finance cost in the current period due to a change in intra group financing arrangements.

### **Principal risks and uncertainties**

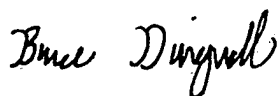
The Company's activities expose it to a variety of financial risks including the effects of changes in interest rates, foreign exchange rates and commodity prices. The directors of Stagecoach Group plc, the Company's ultimate parent, consider these financial risks in the context of the Group as a whole. For this reason, the Company's directors believe that a discussion of the Group's financial risks would not be appropriate for an understanding of the performance or position of the Company's business.

The principal risks and uncertainties of Stagecoach Group plc, which include the impact of those of the Company, are discussed in the Group's annual report (section 1.4.5 of the Strategic report), which does not form part of this report.

### **Key performance indicators (KPIs)**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Discussion on the KPIs affecting the Group as a whole can be found in the Group's annual report (section 1.4.6 of the Strategic report), which does not form part of this report.

On behalf of the Board



Bruce Dingwall  
Director  
28 October 2022

## **Directors' report**

### **For the 52 week period ended 30 April 2022**

Registered No: SC176671

The directors are pleased to present their annual report on the affairs of the Company, together with the audited financial statements and independent auditors' report for the 52 week period ended 30 April 2022.

#### **Results and dividends**

The results for the period have been discussed in the Strategic report on page 1.

The directors declared and paid interim ordinary dividends of £Nil (2021: £Nil). The directors do not propose a final ordinary dividend (2021: £Nil).

#### **Directors**

The directors of the Company who served during the period and up to the date of approval of the financial statements are listed below.

Bruce Dingwall  
Katrina Leese  
Karen Robbins  
Neil Micklethwaite (resigned 30 June 2022)  
Carla Stockton-Jones  
Danny Elford (appointed 16 May 2022)

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). 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 year.

In preparing these 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## **Directors' report (continued)**

### **For the 52 week period ended 30 April 2022**

Registered No: SC176671

#### **COVID-19**

Details on the actions taken by Stagecoach Group plc, which includes the Company, are set out in sections 1.3 and 1.4 of the Group's 2022 Annual Report with a further update in section 1.9 of the Group's 2022 Annual Report.

The Company was in a good financial position pre-COVID-19 and we have taken action to ensure it is well positioned to manage during this period of increased uncertainty. More details on the actions we have taken in relation to liquidity, funding and financial risk management are set out in section 1.6.10 of the Group's 2022 Annual Report, which also sets out our latest consolidated liquidity position. Section 3.11.1.3 includes comments on forecast liquidity.

#### **Going concern**

These financial statements have been prepared on a going concern basis. In applying the going concern basis, the directors have taken into account of the recent change in the Company's ownership, recovery from the COVID-19 situation, and increased and uncertain cost inflation. The Company is in a net current liabilities and net assets position as at 30 April 2022. The directors have also considered the Company's cash position and forecast cash flows for a period of 12 months from the date of approval of these financial statements, arising from the services to be rendered.

The directors have received confirmation from Stagecoach Group Limited, the Company's ultimate parent company, that Stagecoach Group Limited intends to provide financial support to the Company, to assist the Company in meeting its liabilities as and when they fall due, to the extent that resources are not otherwise available to the Company to meet such liabilities. Stagecoach Group Limited has confirmed that it has the ability to provide such support and intends to provide the support, as appropriate, for a period of at least 12 months from the date of approval of these financial statements. In applying the going concern basis, the Directors have also considered the past practice of Stagecoach Group Limited in providing financial support to the Company and its fellow subsidiaries.

The directors note that although Stagecoach Group Limited has indicated its intention to provide financial support to the Company as appropriate, there is no legally binding commitment to provide such support. The Directors consider that the reliance on the letter of support with such limitations results in a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern.

The directors cannot be absolutely certain that Stagecoach Group Limited will provide the Company with financial support if required but, having taken account of Stagecoach Group Limited's current intention, Stagecoach Group Limited's past practice, the COVID-19 situation, and increased and uncertain cost inflation, the Directors have a reasonable expectation that the Company will continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on basis other than going concern.

Refer to note 1 for further details on the going concern basis.

#### **Indemnification of directors and officers**

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

**Directors' report (continued)**  
**For the 52 week period ended 30 April 2022**

Registered No: SC176671

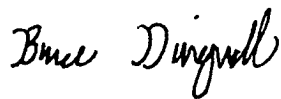
**Independent auditors and statement of disclosure of information to auditors**

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- So far as each of the directors are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware; and
- Each of the directors has taken steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act.

By order of the Board



Bruce Dingwall  
Director  
**28 October 2022**

# **Independent auditors' report to the members of Stagecoach Bus Holdings Limited**

## **For the 52 week period ended 30 April 2022**

### **Opinion**

We have audited the financial statements of Stagecoach Bus Holdings Limited for the period ended 30 April 2022, which comprise the Income Statement, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 April 2022 and of its loss 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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to Note 1 in the financial statements, which indicates the intention of the ultimate parent company to provide financial support on a non-binding basis. As stated in Note 1, these events or conditions indicate a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. 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.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent auditors' report to the members of Stagecoach Bus Holdings Limited  
(continued)  
For the 52 week period ended 30 April 2022**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

**Auditor's 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 auditor's 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.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant include compliance with applicable health & safety, environmental and data protection regulations, competition and consumer protection laws, labour regulations, employee rights laws, and to the reporting framework (FRS 101 and Companies Act 2006) and relevant tax compliance regulations in the UK.

## **Independent auditors' report to the members of Stagecoach Bus Holdings Limited (continued)**

### **For the 52 week period ended 30 April 2022**

- We understood how Stagecoach Bus Holdings Limited is complying with those frameworks by making enquiries of management, those charged with governance, internal audit, those responsible for legal and compliance procedures. We corroborated our enquiries through reading board minutes and papers provided to the Group Audit Committee, as well as other correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings. Where this risk was considered to be higher, we performed audit procedures to address the identified fraud risk. These procedures included testing journals indicating manual or unusual transactions based on our understanding of the business and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included reading board minutes to identify any non-compliance with laws and regulations and enquiries of senior management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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.

Ernst & Young LLP

Julie Cavin (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh  
28 October 2022



# Income statement

For the 52 week period ended 30 April 2022

Registered No: SC176671

	Notes	2022 £000	2021 £000
Revenue		42,815	22,627
Other operating charges		(51,302)	(38,909)
<b>(Loss)/profit before interest and taxation</b>		<b>(8,487)</b>	<b>(16,282)</b>
Finance costs	2	(9,975)	(15,483)
<b>Loss before taxation</b>	3	<b>(18,462)</b>	<b>(31,765)</b>
Taxation	4	1,316	2,529
<b>Loss for the financial period</b>		<b>(17,146)</b>	<b>(29,236)</b>

The accompanying notes are an integral part of this income statement.

There are no recognised gains or losses in either period other than the results reported above and therefore no separate statement of other comprehensive income is presented.

The results for each period reported above are derived wholly from continuing operations.

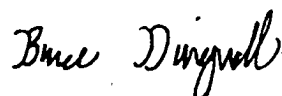
**Balance sheet**  
**As at 30 April 2022**

Registered No: SC176671

	Notes	2022 £000	2021 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Tangible assets	5	51,998	58,306
Investments	6	321,795	321,431
Deferred tax	7	-	-
		<b>373,793</b>	<b>379,737</b>
<b>Current assets</b>			
Receivables	7	212,507	146,046
Cash and cash equivalents		138	-
<b>Total assets</b>		<b>586,438</b>	<b>525,783</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	8	(559,169)	(477,005)
Provisions for liabilities	8	(152)	(329)
		<b>(559,321)</b>	<b>(477,334)</b>
<b>Non-current liabilities</b>			
Deferred tax	8	(2,273)	(897)
Finance lease payables	8	(16,665)	(22,226)
		<b>(18,938)</b>	<b>(23,123)</b>
<b>Total liabilities</b>		<b>(578,259)</b>	<b>(500,457)</b>
<b>Net assets</b>		<b>8,180</b>	<b>25,326</b>
<b>EQUITY</b>			
Ordinary share capital	9	283	283
Share premium account		60,569	60,569
Retained earnings		(52,672)	(35,526)
<b>Total equity</b>		<b>8,180</b>	<b>25,326</b>

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

The financial statements on pages 8 to 22 were approved by the Board of Directors on **28 October 2022** and signed on its behalf by:



Bruce Dingwall  
Director

**Statement of changes in equity**  
**For the 52 week period ended 30 April 2022**

Registered No: SC176671

	Ordinary share capital £000	Share premium £000	Retained earnings £000	Total equity £000
<b>As at 2 May 2020</b>	283	60,569	(6,290)	54,562
Loss for the financial period	-	-	(29,236)	(29,236)
<b>Total comprehensive expense for the period</b>	-	-	(29,236)	(29,236)
<b>As at 1 May 2021</b>	283	60,569	(35,526)	25,326
Loss for the financial period	-	-	(17,146)	(17,146)
<b>Total comprehensive expense for the period</b>	-	-	(17,146)	(17,146)
<b>As at 30 April 2022</b>	<b>283</b>	<b>60,569</b>	<b>(52,672)</b>	<b>8,180</b>

# Notes to the financial statements (continued)

Registered No: SC176671

For the 52 week period ended 30 April 2022

## 1. Accounting policies

A summary of the principal accounting policies is set out below. All principal accounting policies have been applied consistently throughout the period and the preceding period.

### *(a) Basis of preparation*

The Company is a private limited company registered in Scotland. The address of the Company's registered office is shown on the cover sheet and a description of the Company's principal activities are set out on page 1.

These financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46-52 of IFRS 2, 'Share-based payment'
- Paragraphs 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets'
- Second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120-127, and 129 of IAS 1 'Presentation of financial statements'
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 10(d), 10(f), 16, 38A-D, 40A-D, 111 and 134-136 of IAS 1 'Presentation of financial statements'
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures'

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.

### *(b) Basis of consolidation*

The Company is a wholly owned subsidiary of another United Kingdom Company, Stagecoach Group plc, which prepares consolidated financial statements including the Company. As permitted by Section 400 of the Companies Act 2006, the Company has not prepared consolidated financial statements.

### *(c) Cash flow statement*

As permitted by IAS 7 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 in which the cash flows of the Company are included.

### *(d) Going concern*

These financial statements have been prepared on a going concern basis. In applying the going concern basis, the Directors have taken into account of the recent change in the Company's ownership, recovery from the COVID-19 situation, and increased and uncertain cost inflation. The Company is in a net current liabilities and net assets position as at 30 April 2022. The directors have also considered the Company's cash position and forecast cash flows for a period of 12 months from the date of approval of these financial statements, arising from the services to be rendered. The Directors have received confirmation from Stagecoach Group Limited, the Company's ultimate parent company, that Stagecoach Group Limited intends to provide financial support to the Company, to assist the Company in meeting its liabilities as and when they fall due, to the extent that resources are not otherwise available to the Company to meet such liabilities.

## Notes to the financial statements (continued)

Registered No: SC176671

For the 52 week period ended 30 April 2022

### 1. Accounting policies (continued)

Stagecoach Group Limited has confirmed that it has the ability to provide such support and intends to provide the support, as appropriate, for at least 12 months from the date of approval of these financial statements. In applying the going concern basis, the directors have also considered the past practice of Stagecoach Group Limited in providing financial support to the Company and its fellow subsidiaries.

The directors note that although Stagecoach Group Limited has indicated its intention to provide financial support to the Company as appropriate, there is no legally binding commitment to provide such support. The Directors consider that the reliance on the letter of support with such limitations results in a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The directors cannot be absolutely certain that Stagecoach Group Limited will provide the Company with financial support if required but, having taken account of Stagecoach Group Limited's current intention, Stagecoach Group Limited's past practice, the COVID-19 situation, and increased and uncertain cost inflation, the directors have a reasonable expectation that the Company will continue to operate as a going concern for a period of at least 12 months from the date of approval of these financial statements. The financial statements do not reflect any adjustments that would be required to be made if they were prepared on basis other than going concern.

The Group going concern assessment performed by Stagecoach Group Limited (the "parent") was performed using financial forecasts for the period to 28 October 2023 and considering a wide range of downside scenarios. The forecasts of the parent indicate that the Group is projected to operate within its cash balances and available facilities for the going concern period.

The broader political and economic uncertainty coupled with the potential future impact on the Group and parent undertaking, Stagecoach Group Limited of the recent COVID-19 outbreak has been factored into the scenarios considered as part of the Group and parent's adoption of the going concern assumption.

In reaching its conclusion on the going concern assessment, the directors also assessed the Group's assessment of severe but plausible downside scenarios related to its principal risks, including:

- passenger numbers at between 74% and 84% of pre-COVID levels in the year ending 29 April 2023 and for the remainder of the going concern period;
- commercial revenue at between 84% and 92% of pre-COVID levels in the year ending 29 April 2023;
- commercial revenue at between 92% and 101% of pre-COVID levels for the remainder of the going concern period;
- concessionary revenue at 91% of pre-COVID levels in the year ending 29 April 2023;
- concessionary revenue at 98% of pre-COVID levels for the remainder of the going concern period;
- vehicle mileage at 91% of pre-COVID levels for the duration of the going concern period;
- no additional government funding of zero emission buses, beyond awards already made.

The accounts of the Group and parent undertaking, Stagecoach Group Limited, include more details of the downside scenarios, mitigating actions, funding requirements and liquidity headroom. In the downside scenarios modelled as set out above, liquidity headroom exists in the Group and parent undertaking throughout the going concern period after taking account of controllable, plausible mitigating actions.

#### *(e) Revenue*

Investment income comprises income from investment holdings. Income is accounted for on a receivable basis. Dividends receivable are recognised on the date on which they are declared.

## Notes to the financial statements (continued)

Registered No: SC176671

For the 52 week period ended 30 April 2022

### 1. Accounting policies (continued)

Turnover also includes income earned from the hire of public service vehicles to other operating companies. Revenue is recognised by reference to stage of completion of services provided under contractual arrangements as a proportion of total services provided. Revenue incidental to the Company's principal activity is reported as other operating income.

#### (f) *Other operating costs*

Other operating costs largely represent costs paid in respect of internal fuel derivatives entered into with other group undertakings and fluctuates according to the number and value of fuel contracts active each year.

#### (g) *Taxation*

Tax, current and deferred is calculated using tax rates and laws enacted or substantively enacted at the balance sheet date.

Corporation tax is provided on taxable profit at the current rate applicable. Tax charges and credits are accounted for through the same primary statement as the related pre-tax item.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is measured at the rates that are expected to apply in periods in which the temporary differences reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Management estimates amounts relating to uncertain tax treatments based on the applicable law and regulations, historic outcomes of similar audits and discussions, independent, external specialist advice and consideration of the progress on, and nature of, current discussions with the tax authority. Where management determines that a greater than 50% probability exists that the tax authorities would accept the positions taken in the tax return, amounts are recognised in the financial statements on that basis. Where the amount of tax payable or recoverable is uncertain, the Company recognises a liability or asset based on either: management's judgement of the most likely outcome or, when there is a wide range of possible outcomes, a probability weighted average approach.

#### (h) *Investments*

Fixed asset investments are shown at cost less any amounts written off for impairment. An impairment loss is recognised for the amount by which the carrying amount of the net investment exceeds its recoverable amount, being the higher of net realisable value and value in use. The value in use is determined using a pre-tax discount rate which reflects our current market assessments of the risks specific to the investment.

#### (i) *Tangible non-current assets*

Fixed assets are shown at historical cost or fair value on acquisition less accumulated depreciation and any provision for impairment. 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 less estimated residual value of assets on a straight-line basis over their estimated useful lives, as follows:

Passenger service vehicles	12-16 years
Plant & machinery	5 years

## Notes to the financial statements (continued)

Registered No: SC176671

For the 52 week period ended 30 April 2022

### 1. Accounting policies (continued)

#### (j) Related party transactions

The Company has taken advantage of the IAS 24 exemption from having to provide details of transactions with fellow wholly owned group undertakings.

#### (k) Hire purchase and lease obligations

Assets acquired under hire purchase and finance lease arrangements, where substantially all the risks and rewards of ownership of the asset have passed to the Company, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Fixed lease payments are apportioned between the finance costs, and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly against income and are reported within finance costs in the income statement.

Assets capitalised under finance leases and other similar contracts are depreciated over the shorter of the lease terms and their useful economic lives.

Assets capitalised under hire purchase contracts are depreciated over their useful economic lives.

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

The principal restriction on assets held under finance lease or hire purchase agreements is a restriction on the right to dispose of the assets during the period of the agreement.

#### (l) Dividends

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

#### (m) New accounting standards adopted during the period

There have been no new accounting standards, amendments to standards and interpretations that are mandatory for the first time for the financial period beginning 2 May 2021 that have any significant effect on the financial statements.

#### (n) Other new standards

Other new standards, amendments to standards and interpretations that are mandatory for the first time for the financial period beginning 2 May 2021, do not have any significant effect on the consolidated financial statements and are listed below.

	<i>Effective for annual periods beginning on or after</i>
<i>International Accounting Standards and Interpretations</i>	
Amendment to IFRS16, COVID-19 Related Rent Concessions (issued on 28 May 2020)	01 June 2020
Amendments to IFRS9, IAS39, IFRS7, IFRS4 and INFRS16 Interest Rate Benchmark Reform – Phase 2	01 January 2021
Amendments to IFRS16, Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)	01 April 2021

## Notes to the financial statements (continued)

For the 52 week period ended 30 April 2022

Registered No: SC176671

### 2. Finance income and costs

	2022	2021
	£000	£000
<b>Finance costs</b>		
Interest payable on loans from fellow group undertakings	(8,970)	(14,368)
Lease interest	(1,005)	(1,115)
	<u>(9,975)</u>	<u>(15,483)</u>

### 3. Loss before taxation

Loss before taxation is stated after charging:

	2022	2021
	£000	£000
Loss on sale of assets	27	62
Impairment of investments (note 6)	9,670	-
Loss on disposal of subsidiaries (note 6)	12,959	-
Depreciation – owned assets (note 5)	2,959	3,228
Depreciation – leased assets (note 5)	17,362	17,496
Settlement of asset lease	52	-
Operating lease charges	<u>2,058</u>	<u>485</u>

The remuneration of the auditors is not settled directly by the Company. Audit fees of £5,000 (2021: £5,000) were paid by the ultimate holding Company, Stagecoach Group plc, on behalf of the Company in respect of audit work performed in the UK.

The remuneration of the directors is borne by the ultimate holding Company, Stagecoach Group plc and/or other group companies. The Company has no employees (2021: Nil).

### 4. Taxation

#### (a) Tax recognised in the income statement

	2022	2021
	£000	£000
<b>Current tax:</b>		
Amounts receivable from fellow subsidiary in respect of group relief	(1,449)	(4,722)
Adjustments in respect of prior periods	(1,242)	(104)
Total current tax	<u>(2,691)</u>	<u>(4,826)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	390	2,330
Adjustments in respect of prior periods	986	(33)
Total deferred tax (note 8)	<u>1,376</u>	<u>2,297</u>
<b>Total tax reported in the income statement</b>	<u>(1,316)</u>	<u>(2,529)</u>



# Notes to the financial statements (continued)

Registered No: SC176671

For the 52 week period ended 30 April 2022

## 4. Taxation (continued)

(b) Factors affecting the tax (credit)/charge for the period:

	2022 £000	2021 £000
Loss on ordinary activities before tax	(18,462)	(31,765)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(3,508)	(6,034)
Effect of:		
Investment impairment	1,837	3,299
Non taxable UK dividends	(3,693)	(18)
Non tax deductible expenditure and other permanent differences	3,489	-
Treatment of intercompany transactions	269	360
Impact of reduction in UK tax rate on prior period deferred tax	546	-
Adjustments in respect of prior periods	(256)	(136)
Current tax credit for the period	(1,316)	(2,529)

(c) Factors that may affect future tax charges

The deferred tax balances have been calculated with reference to the enacted UK corporation tax rate as at balance sheet date of 30 April 2022 of 25%. On 24 May 2021, an increase in the rate to 25% from 1 April 2023 was substantively enacted.

## 5. Tangible non-current assets

	Passenger service vehicles (leased)	Passenger service vehicles (owned) £000	Plant & machinery £000	Total £000
<b>Cost</b>				
At beginning of period	66,213	45,534	1,839	113,586
Additions	14,033	-	-	14,033
Disposals	(13,413)	(1,032)	(21)	(14,466)
Transfers	-	788	47	835
At end of period	66,833	45,290	1,865	113,988
<b>Accumulated depreciation</b>				
At beginning of period	(30,095)	(23,603)	(1,583)	(55,281)
Charge for the period	(17,362)	(2,766)	(99)	(20,227)
Impairment	-	(94)	-	(94)
On disposals	13,413	985	21	14,419
On transfers	-	(760)	(47)	(807)
At end of period	(34,044)	(26,238)	(1,708)	(61,990)
<b>Net book value</b>				
At beginning of period	36,118	21,931	256	58,305
At end of period	32,789	19,053	156	51,998

**Notes to the financial statements (continued)**

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**For the 52 week period ended 30 April 2022****5. Tangible non-current assets (continued)**

Included in the net book value at end of period are the following amounts relating to right-of-use assets:

	<b>Passenger service vehicles</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Net book value at the beginning of the period	36,118	41,173
<b>Net book value at the end of the period</b>	<b>32,789</b>	<b>36,118</b>

Cash outflows of £18.2m in relation to leases and related interest have taken place during the 52 week period to 30 April 2022 (51 week period to 1 May 2021: £18.8m).

The income statement includes the following depreciation charges and other costs relating to leases:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Depreciation charge for right-of-use assets</b>		
Passenger service vehicles	17,362	17,496
<b>Total depreciation charge for right-of-use assets</b>	<b>17,362</b>	<b>17,496</b>
Expenses relating to short-term leases	2,058	485
<b>Lease costs included within operating profit</b>	<b>19,420</b>	<b>17,981</b>
Interest expense included within finance costs	1,005	1,115
<b>Lease costs included within profit before tax</b>	<b>20,425</b>	<b>19,096</b>

**6. Investments**

Investments are stated at cost less any provision for impairment.

The movement in the year was as follows:

	<b>Subsidiary undertakings</b>	<b>Joint ventures</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>			
At beginning of period	340,496	415	340,911
Additions	23,091	-	-
Disposals	(13,057)	-	-
At end of period	350,530	415	340,911
<b>Accumulated impairment losses</b>			
At beginning of period	(19,480)	-	(2,117)
Charge for the period	(9,670)	-	(17,363)
At end of period	(29,150)	-	(19,480)
Net book value at beginning of period	321,016	415	321,431
<b>Net book value at end of period</b>	<b>321,380</b>	<b>415</b>	<b>321,795</b>

During the year the Company increased its investments in megabus.com SAS (£22.3m) and recognised an addition for Lincolnshire Road Car Company (£0.8m). The Company fully impaired the additional investment in megabus.com SAS (£22.3m) and released impairments for Planet Coach SRL (£10.5m) and TravelHero (£2.1m) Limited upon dissolution.

**Notes to the financial statements (continued)**

Registered No: SC176671

**For the 52 week period ended 30 April 2022****6. Investments (continued)**

The directors believe that the carrying value of the investments is supported by their underlying assets.

The Company owned the following subsidiary undertakings (ordinary shares 100% owned and 100% voting rights unless otherwise stated) at 30 April 2022:

	<u>Country of registration</u>	<u>Principal activity</u>
Bluebird Buses Limited	Scotland	Bus service operating company
Busways Travel Services (1986) Limited	England	Dormant company
Busways Travel Services Limited	England	Bus service operating company
Busways Trustee (No. 1) Limited	England	Dormant company
Busways Trustee (No. 2) Limited	England	Dormant company
Cambus Limited	England	Bus service operating company
Cheltenham and Gloucester Omnibus Company Limited	England	Bus service operating company
Chesterfield Transport (1989) Limited	England	Dormant company
Chesterfield Transport EBT (number 2)	England	Dormant company
Chesterfield Transport Limited	England	Dormant company
Chesterfield Transport PST Limited	England	Pension guarantor company
Cleveland Transit Limited	England	Bus service operating company
East Kent Road Car Company Limited	England	Bus service operating company
East London Bus and Coach Company Limited	England	Bus service operating company
East London Bus Group Property Investments Limited	England	Property rental
East London Bus Limited	England	Bus service operating company
Fife Scottish Omnibuses Limited	Scotland	Bus service operating company
Formia Limited	England	Dormant company
Go West Travel Limited	England	Bus service operating company
Greater Manchester Buses South Limited	England	Bus service operating company
Grimsby Cleethorpes Transport Company Limited	England	Dormant company
Halliday-Hartle Travel (1988) Limited	England	Dormant company
Hastings and District Transport Limited	England	Dormant company
Highland Country Buses Limited	Scotland	Bus service operating company
KHCT (ESOP) Limited	England	Dormant company
KHCT (Holdings) Limited	England	Dormant company
Lea Interchange Bus Company Limited	England	Bus service operating company
Lincolnshire Road Car Company Limited	England	Bus service operating company
Megabus.com (UK) Limited	England	Inter-city coach operating company
Megabus.com SAS	France	Inter-city coach operating company
Midland Red (South) Limited	England	Dormant company
Nicecon Limited	Scotland	Dormant company
Planet Coach BVBA	Belgium	Inter-city coach operating company
Planet Coach GmbH	Germany	Inter-city coach operating company
PSV Claims Bureau	England	Claims handling company
Red and White Services Limited	England	Bus service operating company
Ribble Motor Services Limited	England	Dormant company
Sharpton Limited	England	Dormant company
South East London and Kent Bus Company Limited	England	Bus service operating company
Southdown Motor Services Limited	England	Dormant company

# Notes to the financial statements (continued)

For the 52 week period ended 30 April 2022

Registered No: SC176671

## 6. Investments (continued)

Stagecoach (North West) Limited	England	Bus service operating company
Stagecoach (South) Limited	England	Bus service operating company
Stagecoach Devon Limited	England	Bus service operating company
Stagecoach Rail Replacement (East) Limited	England	Bus service operating company
Stagecoach Services Limited	England	Support services company
Tees Valley Limited	England	Dormant company
Thames Transit Limited	England	Bus service operating company
The Yorkshire Traction Company (Trustee) Limited	England	Dormant company
The Yorkshire Traction Company Limited	England	Bus service operating company
Tyne and Wear Omnibus Company Limited	England	Dormant company
West Sussex Buses Limited	England	Dormant company
Western Buses Limited	England	Bus service operating company
Whites World Travel Limited	England	Dormant company

The Company also had the following joint venture interest during the period:

	<u>Country of registration</u>	<u>% held at 30 April 2022</u>
Scottish Citylink Coaches Limited	Scotland	35%
Crown Sightseeing Limited	England	33.3%

## 7. Receivables

	<b>2022</b>	2021
	<b>£000</b>	£000
<i>Current:</i>		
Amounts owed by group undertakings	<b>210,958</b>	141,126
Group relief receivable	<b>1,442</b>	4,720
Amounts owed by joint venture	<b>107</b>	200
	<b>212,507</b>	146,046

Amounts owed by joint venture is an interest-bearing loan which attracts interest based on Bank of England base rate plus a margin of 3%. All amounts owed by group undertakings are due within one period, accrue no interest and are repayable on demand.

## 8. Payables

	<b>2022</b>	2021
	<b>£000</b>	£000
<i>Current:</i>		
Amounts owed to joint venture	<b>1,750</b>	1,750
Amounts owed to group undertakings	<b>541,091</b>	406,597
Bank overdraft	-	54,795
Lease liabilities	<b>16,328</b>	13,863
Provisions for liabilities	<b>152</b>	329
	<b>559,321</b>	477,334

**Notes to the financial statements (continued)**  
**For the 52 week period ended 30 April 2022**

Registered No: SC176671

**8. Payables (continued)**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<i>Non-current:</i>		
Lease liabilities	<b>16,664</b>	22,226
Deferred tax	<b>2,273</b>	897
	<b>18,937</b>	23,123

The future minimum lease payments in respect of IFRS16 assets are as follows

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Not later than one year	<b>16,293</b>	14,844
Later than one year and not later than five years	<b>17,927</b>	22,924
Later than five years	-	-
Total lease payments	<b>34,220</b>	37,768
Lease finance charges	<b>(1,228)</b>	(1,679)
Carrying amount of lease liabilities	<b>(32,992)</b>	(36,089)

Of amounts owed to group undertakings, £360,000,000 (2021: £360,000,000) relates to an interest-bearing loan from SCUSI Ltd. This is repayable within one year and attracts interest at 2.5%. All other amounts owed to fellow group undertakings bear no interest and are repayable on demand. Amounts owed to joint venture is a non-interest-bearing loan which is repayable within ten years.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. The offset amounts are as follows:

The movement in deferred tax during the period was as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Asset/(Provision) at start of period	<b>(897)</b>	1,400
Deferred tax (charge)/credit in income statement (Note 4)	<b>(1,376)</b>	(2,297)
	<b>(2,273)</b>	(897)

Deferred tax included on the balance sheet comprises:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	<b>(2,273)</b>	(1,883)
Losses	-	986
Total provision for deferred tax asset/(liability)	<b>(2,273)</b>	(897)

The amount of deferred tax recognised in the income statement by type of temporary difference is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	<b>390</b>	114
Losses	<b>986</b>	(2,411)
	<b>1,376</b>	(2,297)

**Notes to the financial statements (continued)**  
**For the 52 week period ended 30 April 2022**

Registered No: SC176671

**9. Ordinary share capital**

	2022	2021
	£	£
<i>Allotted and unpaid</i>		
282,579 (2021: 282,579) ordinary shares of £1 each	<b>282,579</b>	<b>282,579</b>

**10. Ultimate holding Company**

The Company's immediate parent company is SCUSI Limited, registered in England and Wales (registered number 3787587). Its ultimate parent company as at 30 April 2022 was Stagecoach Group Limited (previously Stagecoach Group plc - registered number SC100764), registered in Scotland which heads of the only group in which the results of the Company were consolidated. The financial statements of both Stagecoach Group Limited and SCUSI Limited are available from the Company Secretary at the following address:

Stagecoach Group Limited  
10 Dunkeld Road  
Perth  
PH1 5TW

**11. Related parties**

The company has taken advantage of the exemptions granted under IAS 24 by not disclosing details of sales and purchases with other members of the group headed by Stagecoach Group plc. Details of amounts owed to and from group undertakings are disclosed in aggregate in notes 7 and 8.

**12. Post balance sheet events**

**(i) Ultimate parent company**

During the period ended 30 April 2022, and as at the balance sheet date of 30 April 2022, the Company's immediate parent company was SCUSI Limited, as disclosed in note 10. The Company's ultimate parent company during the period ended 30 April 2022 and as at 30 April 2022 was Stagecoach Group plc ("the Group"). The Group was not under the control of any single party or, parties acting in concert. On 9 March 2022, the boards of Inframobility UK Bidco Limited and the Group announced they had reached agreement on the terms of a recommended all-cash offer for Inframobility UK Bidco Limited to acquire the entire issued share capital of the Group.

That offer became unconditional on 20 May 2022. Accordingly, with effect 20 May 2022, Inframobility UK Bidco Limited controls the Group. As of 12 August 2022, Inframobility UK Bidco Limited controls 100% of the Group's issued ordinary shares (excluding shares held in treasury) and voting rights. DWS Infrastructure has management control of the Group from 20 May 2022, although its indirect ownership interest in the Group is less than 2%. The Group's immediate parent company is therefore Inframobility UK Bidco Limited (registered number 13957417), registered in England and Wales. Its ultimate parent company is Pan-European Infrastructure III, SCSp ("PEIF III"), an infrastructure fund managed and advised by DWS Infrastructure. PEIF III is not under the control of any single party or, parties acting in concert.

The parent undertaking of the smallest group and the largest group, of which the company is a member and for which consolidated financial statements are expected to be prepared, if Inframobility UK Midco Limited (registered number 13954049), a company registered in England and Wales, and registered address at Solent Business Park, Forum 4 C/O Aztec Financial Services (UK) Limited, Parkway South, Whiteley, Fareham, United Kingdom, PO15 7AD. That company has yet to produce its first financial statements.

## **Notes to the financial statements (continued)**

Registered No: SC176671

**For the 52 week period ended 30 April 2022**

### **12. Post balance sheet events (continued)**

#### **(ii) De-listing of shares**

On 28 June 2022, the listing of the Group's shares on the premium listing segment of the Official List, and the trading of the Group's shares on the London Stock Exchange's main market for listed securities, were cancelled.

#### **(iii) Ultimate parent company name change**

On 17 October 2022, the name of the Company's ultimate parent company "Stagecoach Group plc" was changed to "Stagecoach Group Limited".

#### **(iv) London bus acquisitions**

On 25 June 2022, the Group completed the acquisition of Kelsian Group's east London bus operations and depot at Lea Interchange for cash consideration of up to £20m. £10m was paid on completion, with a further £1m per annum payable for ten years commencing on the first anniversary following completion, subject to certain conditions.

On 27 August 2022, East London Bus and Coach Company, a subsidiary of Stagecoach Bus Holdings, purchased the trade and assets of HCT Group's "Red Bus" service for cash consideration of up to £3.8m. £3m was paid on completion, with a further £0.8m deferred subject to certain conditions.

#### **(v) Increase of share in Scottish Citylink Coaches Limited**

In July 2022, Stagecoach Bus Holdings Limited increased its share in Scottish Citylink Coaches Limited from 35% to 37.5%. Stagecoach Bus Holdings Limited received additional shares in Scottish Citylink Coaches Limited in exchange for the business assets relating to the retail and customer services operations for the marketing and sale of coach journeys within the United Kingdom under the 'megabus' brand; and between Plymouth and Bristol under the 'falcon' brand.