

Amended accounts

Company Registration No. SC330038

FirstGroup American Investments

Annual Report and Financial Statements

For the year ended 26 March 2022



FirstGroup American Investments

Annual report and financial statements

For the year ended 26 March 2022

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FirstGroup American Investments

Strategic report

The directors have pleasure in submitting the strategic report for the year ended 26 March 2022.

Principal activity

The company acts as an intermediate holding company for its subsidiary undertaking, FirstGroup US Holdings.

Business review

The company did not trade during the current or preceding year but as a result of the sale of First Student and First Transit received a dividend in specie for \$1,799,999,999 and subsequently declared a dividend for the same amount. The company made a loss of \$841,864,217. The company had net assets of \$nil as at 26 March 2022 (2021: \$2,641,864,000).

FirstGroup plc 'the Group' manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for understanding the development, performance or position of the business. The performance of the Group, which includes the company, is discussed in the Group's Annual Report for the year to 26 March 2022, which does not form part of this report and is publicly available.

The directors declared a dividend of \$1,799,999,999 (2021: \$nil).

Principal risks and uncertainties and financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from assets are not sufficient to fund obligations as they fall due.

The company does not manage its financial risk through the use of financial derivative instruments.

The principal risks and uncertainties and the financial risk management of the group is discussed in detail in the group's Annual Report for the year to 26 March 2022 which does not form part of this report and is publicly available.

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



J Bowen
Director

4 November 2022

395 King Street
Aberdeen
AB24 5RP

FirstGroup American Investments

Directors' report

The directors have pleasure in submitting the annual report and the financial statements for the year ended 26 March 2022. Information in relation to the future developments, principal risks and their management is included in the Strategic Report, as permitted by section 414 C (11) of the Companies Act 2006.

Principal activity

The principal activity of the company is to act as a holding company. There will be no change in the activity of the company for the foreseeable future.

Results and dividends

The company did not trade during the current or preceding year but as a result of the sale of First Student and First Transit received a dividend in specie for \$1,799,999,999 and subsequently declared a dividend for the same amount. The company made a loss of \$841,864,217.

The directors declared a dividend of \$1,799,999,999 (2021: \$nil).

Post balance sheet events

Post balance sheet events are discussed in note 11.

Directors

The directors who held office throughout the year and up to the date of this report were as follows:

J T Bowen
W Forbes
D Collie (resigned 30 June 2022)

Directors' and officers' liability insurance

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

Directors' indemnity

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

Going concern

At 26 March 2022, the company had net assets of \$nil.

After making appropriate enquiries and considering the economic climate, the directors have formed the conclusion that there is reasonable expectation that the company will continue in operational existence and have adequate resources for the foreseeable future.

The directors of the company also noted from the Group's full year results for the 52 weeks ended 26 March 2022 that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the 12 month period from the date on which the Group financial statements were approved. The Group considered whether any material uncertainties exist that cast doubt on the Group's ability to continue as a going concern over the next 12 months. Consistent with prior years, the Group's going concern assessment was based on a review of future trading projections, including whether the amended banking covenants are likely to be met and whether there is sufficient committed facility headroom to accommodate future cash flows for the going concern period. Further, the company has access to the FirstGroup plc's overdraft facility and receives a letter of support from the Group.

On 21 July 2021 the Group completed the sale of First Student and First Transit divisions to EQT Infrastructure for net disposal proceeds of \$3,194m (excluding earn out). The resultant gain on disposal was £501.1m which includes £450.6m of cumulative foreign exchange gains on these businesses since original acquisition recycled through the Income Statement. Following the receipt of the proceeds of sale, the Group completed the reorganisation of the Group's debt arrangements and settled the majority of its outstanding financial indebtedness.

On 21 October 2021, the Group completed the sale of Greyhound Lines, Inc. to a wholly-owned subsidiary of FlixMobility GmbH for a cash consideration of \$139.0m. The gain on disposal of Greyhound was £109.0m including £92.8m of cumulative foreign exchange gains on this business since original acquisition.

FirstGroup American Investments

Directors' report (continued)

Audit exemption

For the year ending 26 March 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is 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.

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



J Bowen
Director

4 November 2022

FirstGroup American Investments

Income Statement For the year ended 26 March 2022

	Note	2022 \$'000	2021 \$'000
Operating result		-	-
Investment impairment		(841,864)	-
Loss before tax		(841,864)	-
Tax on loss	6	-	-
Loss for the financial year		(841,864)	-

There are no recognised gains or losses other than those reflected in the income statement account for the current or preceding year. Accordingly, no separate statement of comprehensive income has been prepared.

FirstGroup American Investments

Statement of financial position As at 26 March 2022

	Note	2022 \$'000	2021 \$'000
Fixed assets			
Investments	5	-	2,641,864
Net assets		-	2,641,864
Capital and reserves			
Called up share capital	6	-	32
Share premium account	7	-	2,641,832
Shareholder's funds		-	2,641,864

Audit exemption statement

For the year ending 26 March 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;

The Director's acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

These financial statements of FirstGroup American Investments (Company Registration Number SC330038) were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



J Bowen
Director

4 November 2022

FirstGroup American Investments

Statement of changes in equity Year ended 26 March 2022

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 29 March 2020	32	2,641,832	-	2,641,864
Loss and total comprehensive income for the financial year	-	-	-	-
At 27 March 2021	32	2,641,832	-	2,641,864
Loss and total comprehensive income for the financial year	-	-	(841,864)	(841,864)
Capital reduction	(32)	(2,641,832)	2,641,864	-
Distributions and other	-	-	(1,800,000)	(1,800,000)
At 26 March 2022	-	-	-	-

FirstGroup American Investments

Notes to the Financial Statements For the year ended 26 March 2022

1. Principal accounting policies

The accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year.

General information and basis of accounting

FirstGroup American Investments is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 395 King Street, Aberdeen, AB24 5RP. FirstGroup American Investments is a private unlimited Company and is registered in Scotland.

The nature of the company's operations and its principal activities are set out in the Directors' Report.

The financial statements for the year ended 26 March 2022 include the results and financial position for the Company for the 52 weeks ended 26 March 2022 and the financial statement for the year ended 27 March 2021 include the results and financial position of the Company for the 52 weeks ended 27 March 2021.

The functional currency of FirstGroup American Investments is considered to be US Dollars because that is the currency of the primary economic environment in which the company operates. The financial statements are also presented in US Dollars.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis as described in the going concern statement in the Directors' Report on page 2 and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Under the provisions of section 400 of the Companies Act 2006, the company is exempt from preparing consolidated financial statements by virtue of the fact that the company is a subsidiary of FirstGroup plc which prepares group financial statements. These financial statements therefore present information about the company as an individual undertaking and not as a group.

FirstGroup American Investments meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and intra-group transactions.

Foreign exchange

Transactions denominated in foreign currencies are translated into US Dollars at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the year end date are translated at the rates ruling at that date.

Investments

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

Financial instruments

All financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are measured at transaction price (including transaction cost).

2. Critical accounting judgements and key sources of estimation uncertainty

Based on the nature of the business, the directors do not consider there to be any critical accounting judgements nor key sources of estimation uncertainty.

3. Employee numbers and costs

The company had no employees during the current and prior year and therefore no employee costs (2021: \$nil).

4. Directors' remuneration

Remuneration received by the directors in relation to qualifying services for the current year was \$nil (2021: \$nil).

FirstGroup American Investments
Notes to the Financial Statements (continued)
For the year ended 26 March 2022

5. Fixed asset investments		\$'000
Cost and net book value		
At 27 March 2021		2,641,864
Impairment		(841,864)
Return of investment		<u>(1,800,000)</u>
At 26 March 2022		<u>-</u>

6. Tax on loss		2022	2021
		\$'000	\$'000
Current taxation		-	-
Total tax charge		<u>-</u>	<u>-</u>

There is no tax charge as there has been no taxable activity during the year, the rate of taxation for the year is therefore nil rather than the UK standard rate 19% (2021: 19%). In the Spring Budget 2021 the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Legislation increasing the rate to 25% was substantively enacted on 24 May 2021. As the company has no transactions that give rise to timing differences, this rate change has no impact on these financial statements.

The actual current tax charge for the current and previous year differed from the standard rate for the reasons set out in the following reconciliation:

	2022	2021
	\$'000	\$'000
Loss before tax	(841,864)	-
Tax on loss at standard UK corporation tax rate of 19% (2021: 19%)	(159,954)	-
Factors affecting charge		
- Non-(taxable)/deductible income/expense	159,954	-
Total tax charge on loss	<u>-</u>	<u>-</u>

7. Called up share capital		2022	2021
		\$000	\$000
Allotted, called up and fully paid			
At 27 March 2021 and 26 March 2022		<u>-</u>	<u>32</u>

8. Share premium account		\$'000
At 27 March 2021		2,641,832
Capital reduction		(2,641,832)
At 26 March 2022		<u>-</u>

The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses.

9. Related party transactions

The company is taking advantage of the exemption under FRS 102 (para 33.1A) "Disclosure of related party transactions" with other wholly owned group companies. The ultimate parent company, FirstGroup plc, has prepared consolidated financial statements which include the results of the company and are available to the public.

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Notes to the Financial Statements (continued)
For the year ended 26 March 2022

10. Ultimate parent company

The directors regard FirstGroup plc, a company incorporated in United Kingdom and registered in Scotland, as the ultimate parent and controlling company, which is the smallest and largest group that includes the company's results and for which Group financial statements are prepared.

The company's immediate controlling party until 21 July 2021 was First Group America, Inc. Following the sale of First Student and First Transit the company's immediate controlling party is now First Bus Investments Limited.

Copies of the financial statements of FirstGroup plc can be obtained on request from 395 King Street, Aberdeen AB24 5RP, the registered address.

11. Post balance sheet events

There were no non-adjusting events since 26 March 2022.

No adjustments to the key estimates and judgements that impact the balance sheet as at 26 March 2022 have been identified.