

PSV Claims Bureau Limited

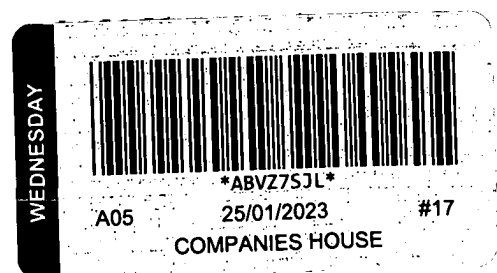
Financial statements for the 52 week period ended 30 April 2022

Registered office:

c/o Stagecoach Services Ltd
One Stockport Exchange
20 Railway Road
Stockport
Cheshire
SK1 3SW

Registered number:

2280592



Strategic report

For the 52 week period ended 30 April 2022

Registered Number: 2280592

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

Review of business

The principal activity of the Company is the provision of insurance claims handling and related services to public transport companies based within the UK. This activity is expected to continue for the foreseeable future.

The profit before taxation for the period was £2.0m (2021: £1.5m).

Principal risks and uncertainties

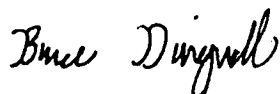
The Company's activities expose it to a variety of financial risks including the effects of changes in interest rates and foreign exchange rates. The directors of Stagecoach Group plc, the Company's ultimate parent, consider these financial risks in the context of the Group as a whole. For this reason, 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 2022 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 Number: 2280592

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

Results and dividends

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

An interim dividend of £Nil (2021: £Nil) was paid during the year. No final dividend (2021: £Nil) is proposed.

Directors

The directors of the Company who served during the year and up to the date of signing the financial statements are listed below:

Malcolm Marwick
Michael Vaux
Bruce Dingwall

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 period. 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 United Kingdom Accounting Standards, including FRS 101 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COVID-19

The COVID-19 situation has had a significant impact on the operations of the Company and whilst the financial impact to the Company of the COVID-19 situation has been limited, it has been necessary to meaningfully reduce staff costs. The directors were mindful of the interests of the Company's employees in its decision making. They therefore decided to take advantage of the Government's Coronavirus Job Retention Scheme ("CJRS") to furlough staff and avoid making significant redundancies in the short-term. The Company expects all furloughed staff to have returned to work by October 2022.

Directors' report (continued)

Registered Number: 2280592

For the 52 week period ended 30 April 2022

More 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 assets 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 of the Company. The ultimate parent has indemnified each of the Company's directors and other officers of the Company against certain liabilities that may be incurred as a result of their offices.

Directors' report (continued)

Registered Number: 2280592

For the 52 week period ended 30 April 2022

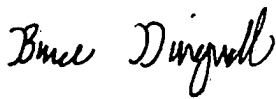
Independent auditors and statement of disclosure of information to auditors

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 PSV Claims Bureau Limited

For the 52 week period ended 30 April 2022

Opinion

We have audited the financial statements of PSV Claims Bureau 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 18 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 profit 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 PSV Claims Bureau 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 PSV Claims Bureau Limited (continued)

For the 52 week period ended 30 April 2022

- We understood how PSV Claims Bureau 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

Registered Number: 2280592

For the 52 week period ended 30 April 2022

	Notes	2022 £000	2021 £000
Revenue		32,707	33,992
Operating costs		(32,657)	(33,973)
Operating profit		50	19
Exceptional restructuring costs		-	(14)
Profit before interest and taxation		50	5
Finance income	3	1,997	1,545
Finance costs	3	(13)	(17)
Profit before taxation	4	2,035	1,533
Taxation	7	(430)	(290)
Profit for the financial period		1,605	1,243

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

The results for the year are derived wholly from continuing operations.

Statement of other comprehensive income
For the 52 week period ended 30 April 2022

Registered Number: 2280592

	2022	2021
	£000	£000
Profit for the financial period	1,605	1,243
Other comprehensive income/(expense):		
Actuarial gain/(loss) on retirement benefit obligations	428	363
Other comprehensive income/(expenses)	428	363
Tax (charge)/credit relating to actuarial gain/(loss) on retirement benefit obligations	(60)	(69)
Other comprehensive income/(expense) for the period, net of tax	368	294
Total comprehensive income for the period	1,973	1,537

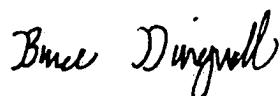
Balance sheet
As at 30 April 2022

Registered Number: 2280592

	Notes	2022 £000	2021 £000
ASSETS			
Non-current assets			
Tangible assets	8	-	-
Deferred tax	10	10	61
Retirement benefit asset	13	114	
		<u>124</u>	<u>61</u>
Current assets			
Receivables	9	95,347	80,336
Cash and cash equivalents		-	18,069
		<u>95,347</u>	<u>98,405</u>
Total assets		<u>95,471</u>	<u>98,466</u>
LIABILITIES			
Current liabilities			
Payables	11	(10,162)	(8,931)
Non-current liabilities			
Provision for liabilities and charges	12	(72,375)	(78,262)
Retirement benefit obligations	13	-	(312)
		<u>(72,375)</u>	<u>(78,574)</u>
Total liabilities		<u>(82,537)</u>	<u>(87,505)</u>
Net assets		<u>12,934</u>	<u>10,961</u>
EQUITY			
Ordinary share capital	15	-	-
Contribution reserve		12	12
Profit and loss account		12,922	10,949
Total equity		<u>12,934</u>	<u>10,961</u>

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

The financial statements on pages 8 to 25 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 Number: 2280592

	Ordinary share capital	Capital contribution reserve	Retained earning	Total equity
	£000	£000	£000	£000
As at 2 May 2020	-	12	9,412	9,424
Profit for the financial period	-	-	1,243	1,243
Other comprehensive loss for the period	-	-	294	294
Total comprehensive income for the period	-	-	1,537	1,537
As at 1 May 2021	-	12	10,949	10,961
Profit for the financial period	-	-	1,605	1,605
Other comprehensive income for the period	-	-	368	368
Total comprehensive income for the period	-	-	1,973	1,973
As at 30 April 2022	-	12	12,922	12,934

Notes to the financial statements (continued)

Registered Number: 2280592

For the 52 week period ended 30 April 2022

1 Accounting policies

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

(a) Basis of preparation

The Company is a private limited company registered in England. The address of the Company's registered office is shown on the cover page 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) 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 United Kingdom Company, Stagecoach Group plc, which prepares consolidated financial statements, which include a consolidated cash flow statement.

(c) 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 assets 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 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.

Notes to the financial statements (continued)

Registered Number: 2280592

For the 52 week period ended 30 April 2022

1 Accounting policies (continued)

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.

(d) *Tangible assets*

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

Plant and equipment	4 years
Furniture and fittings	4 years

Notes to the financial statements (continued)

Registered Number: 2280592

For the 52 week period ended 30 April 2022

1 Accounting policies (continued)

(e) Revenue

Revenue comprises insurance premium income. Income is recognised on an earned basis.

(f) 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 profits 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.

(g) Insurance

The Company handles claims in respect of traffic incidents and employee claims on behalf of public transport companies based within the UK. The Company protects against the cost of such claims through third party insurance policies. An element of the claims is not insured as a result of the "excess" on insurance policies.

Provision is made on a discounted basis for the estimated cost to the Company to settle claims for incidents occurring prior to the balance sheet date. The estimate of the balance sheet insurance provisions is based on an assessment of the expected settlement of known claims together with an estimate of settlements that will be made in respect of incidents occurring prior to the balance sheet date but for which claims have not yet been reported to the Company. The provision is set after taking account of advice from third party actuaries.

The costs incurred by the Company to purchase third party insurance policies and to settle claims are recharged in full to the public transport companies based within the UK that the Company provides claim handling services for.

(h) 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.

Notes to the financial statements (continued)

For the 52 week period ended 30 April 2022

Registered Number: 2280592

1 Accounting policies (continued)

(i) Pension costs and other post retirement benefits

The Company participates in a defined benefit scheme, the Stagecoach Group Pension Scheme, and a defined contribution scheme.

In respect of the defined benefit scheme, obligations are measured at discounted present value whilst scheme assets are recorded at market value. The recognised net asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the scheme. An economic benefit is available to the Company if it is realisable during the life of the scheme or on settlement of the scheme liabilities.

The operating and financing costs of the defined benefit plan is included within operating profit and is disclosed separately in the notes to the financial statements; service costs are spread systematically over the working lives of employees and financing costs are recognised in the periods in which they arise. Actuarial gains and losses are recognised immediately in the statement of other comprehensive income. Mortality rates are considered when retirement benefit obligations are calculated.

Past service costs and adjustments are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period (the vesting period), in which case the past service costs are amortised using a straight-line method over the vesting period.

A full actuarial valuation is undertaken triennially for the scheme and updated annually using independent actuaries following the projected unit credit method. The present value of the scheme obligations is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds which have terms to maturity equivalent to the terms of the related obligations. Experience adjustments and changes in assumptions which affect actuarial gains and losses are reflected in the actuarial gain or loss for the year.

For defined contributions schemes, the Company pays contributions to a separately administered pension scheme. Once the contributions have been paid the Company has no further obligations. The Company's contributions to defined contribution schemes are charged to the income statement in the period to which the contributions relate.

(j) Share-based payments

Certain of the Company's employees are granted equity settled share-based payments by the parent Company. The Company has applied the optional exemption contained within IFRS 2, which allows it to apply the standard only to share options granted after 7 November 2002 that had not vested by 1 May 2005.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period. In valuing equity settled transactions, no account is taken of any non-market-based vesting conditions and no expense is recognised for awards that do not ultimately vest as a result of failure to satisfy a non-market-based vesting condition. None of Stagecoach Group plc's equity settled transactions have any market based performance conditions.

Fair value for equity-settled share-based payments is determinable from the parent Company's quoted share price at the time of the award.

At each balance sheet date before vesting the cumulative expense is calculated based on management's best estimate of the number of equity instruments that will ultimately vest taking into consideration the likelihood of achieving non-market-based vesting conditions.

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

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1 Accounting policies (continued)

(k) 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.

(l) 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

2 Segmental information

The profit on ordinary activities before taxation was derived wholly from the Company's principal activity within the United Kingdom.

3 Finance income and costs

	2022	2021
	£000	£000
Finance income		
Bank interest receivable	3	3
Interest receivable on intercompany loan	1,994	1,542
Finance costs		
Bank charges	(6)	(6)
Pension interest	(7)	(11)
	<u>(13)</u>	<u>(17)</u>
Net finance income	<u>1,984</u>	<u>1,528</u>

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

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4 Profit before taxation

The profit before taxation for the period is stated after charging:

	2022	2021
	£000	£000
Staff costs		
- wages and salaries	805	828
- social security costs	60	60
- pension costs	103	88
- share-based payment expense (note 14)	-	-
	976	976

Audit fees of £5,000 (2021: £5,000) were paid by the ultimate parent Company, Stagecoach Group plc, on behalf of the Company in respect of audit work performed in the UK.

5 Directors' remuneration

No director received any remuneration in respect of duties as a director of this Company during the period or the preceding period.

The number of directors who were members of pension schemes was as follows:

	2022	2021
	Number	Number
Defined benefit scheme	2	2

6 Employee information

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

	2022	2021
	Number	Number
Administration and supervisory	37	40

7 Taxation

(a) Tax recognised in the income statement

	2022	2021
	£000	£000
Current tax:		
UK corporation tax on profits of the period	379	281
Adjustment in respect of prior periods	60	11
Total current tax	439	292
Deferred tax:		
Origination and reversal of temporary differences	(3)	(3)
Adjustments in respect of prior periods	(6)	1
Total deferred tax (note 10)	(9)	(2)
Tax on profit	430	290

Notes to the financial statements (continued)
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7 Taxation (continued)

(b) Factors affecting the tax charge for the period

The tax assessed for the year is equal to (2021: equal to) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£000	£000
Profit on ordinary activities before taxation	<u>2,035</u>	<u>1,533</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	387	292
<i>Effect of:</i>		
Treatment of intercompany transactions	(8)	(13)
Impact of reduction in UK tax rate on prior period's deferred tax	(3)	-
Adjustments in respect of prior periods	<u>54</u>	<u>11</u>
Current tax charge for the period	<u>430</u>	<u>290</u>

(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.

(d) Tax on items taken directly or transferred from equity

The components of tax on items taken directly to or transferred from equity are shown in the statement of comprehensive income on page 9 and the statement of changes in equity on page 11.

8 Tangible non-current assets

The movement in the year is summarised below:

	Plant and equipment and furniture and fittings £000
Cost	
At beginning and end of period	<u><u>73</u></u>
Accumulated depreciation	
At beginning and end of period	<u><u>(73)</u></u>
Net book value	
At beginning and end of period	<u><u>-</u></u>

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

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9 Receivables

	2022	2021
	£000	£000
<i>Current:</i>		
Amounts owed by group undertakings	95,331	80,323
Other debtors	16	13
	95,347	80,336
<i>Non-current:</i>		
Deferred taxation (note 10)	10	61

Of amounts owed by group undertakings, £80,000,000 (2021: £80,000,000) was an interest-bearing loan due from Stagecoach Group plc which attracted interest 2.5% and was repayable within one year. All other amounts owed by group undertakings accrued no interest and were repayable on demand.

10 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred taxes relate to the same fiscal authority. The offset amounts are as follows:

	2022	2021
	£000	£000
Deferred tax to be recovered after more than 12 months:		
Deferred tax asset	1	1
Other temporary differences	9	1
Pension temporary differences	-	59
Net deferred tax (liability)/asset	10	61

The movement in deferred tax during the period was:

At beginning of year	61	128
Charged to income statement (note 7)	9	2
Credited/(Charged) to equity	(60)	(69)
At end of period	10	61

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

	2022	2021
	£000	£000
Other short term differences	8	2
Pension temporary differences	1	-
Deferred tax income	9	2

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

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11 Payables

	2022	2021
	£000	£000
Trade creditors	266	188
Overdrafts	77	-
Accruals and deferred income	405	300
Other taxes and social security costs	9	15
Corporation tax	379	280
Amounts owed to group undertakings	9,026	8,148
	<u>10,162</u>	<u>8,931</u>

The amounts owed to group undertakings are interest free and repayable on demand.

12 Provisions for liabilities and charges

	Claims provision
	£000
At beginning of period	78,262
Provided in the period	32,562
Released in the period	(9,934)
Utilised in the period	(28,515)
At end of period	<u>72,375</u>

The claims provision relates to insurance reserves on incurred accidents where claims have not been settled. These are based on actuarial reviews and prior claims history. Claims are typically settled within 5 years of origination.

The amounts provided in the year and unwinding of discounts are recharged to related group entities and therefore the net income statement impact of the additional provision is nil.

13 Pensions

On transition to FRS 101, IAS 19 (2011 revised) Employee Benefits was adopted in place of FRS 17 Retirement Benefits.

The Company participates in the Stagecoach Group Pension Scheme defined benefit occupational pension schemes.

In addition the company contributes to defined contribution schemes for certain employees.

The Stagecoach Group Pension Scheme

The Stagecoach Group Pension scheme ('SGPS') is a defined benefit scheme. The Company, together with a number of companies within the Group headed by Stagecoach Group plc, makes contributions to the Scheme. For the purposes of FRS 101, the Company accounts for its portion of the retirement benefit obligation based on its share of contributions to the scheme. In the consolidated financial statements of Stagecoach Group plc, the scheme as a whole is accounted for as a defined benefit scheme. The consolidated financial statements of Stagecoach Group plc (note 23) provide further details of the scheme.

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

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13 Pensions (continued)

The amounts recognised in the balance sheet were determined as follows:

	2022	2021
	£000	£000
Equities	2,176	2,237
Bonds	633	601
Cash	116	113
Property	299	222
Fair value of plan assets	3,224	3,173
Present value of obligations	(3,049)	(3,485)
Withholding tax provision	(61)	-
Asset/(liability) recognised in the balance sheet	114	(312)

The amounts recognised in the income statement were as follows:

	2022	2021
	£000	£000
Defined benefit obligation		
Administration cost	3	3
Interest cost	7	11
Total income statement charge	10	14

The impact of the income statement charge can be analysed as follows:

	3	3
	7	11
Total included in staff costs (note 4)	3	3
Total included in interest receivable and similar charges (note 3)	7	11
	10	14

The amounts recognised within the statement of other comprehensive income were as follows:

	2022	2021
	£000	£000
Actual return less expected return on pension scheme assets	126	446
Experience gains and losses arising on the scheme liabilities	(95)	(86)
Changes in assumptions underlying the present value of the scheme liabilities	458	3
Withholding tax provision	(61)	-
Total actuarial gain/(loss) recognised	428	363

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

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13 Pensions (continued)

The movement in the asset/(liability) recognised in the balance sheet in respect of the defined benefit plan during the period under IAS 19 was:

	2022	2021
	£000	£000
Liability at the beginning of the period	(312)	(662)
Total expense	(2)	(14)
Actuarial gain/(loss)	428	363
Asset/(liability) at end of the period	114	(312)

The movement in fair value of the plan assets during the year under IAS 19 is as follows:

	2022	2021
	£000	£000
At beginning of period	2,821	2,821
Expected return on plan assets	446	446
Interest income	44	44
Administration costs	(2)	(2)
Benefits paid	(136)	(136)
At end of period	3,173	3,173

The movement in the present value of obligations recognised in the balance sheet in respect of the defined benefit plan during the year under IAS 19 is as follows:

	2022	2021
	£000	£000
At beginning of period	3,485	3,483
Past service costs	-	1
Interest cost	67	55
Actuarial gain – experience gains and losses	95	86
Actuarial loss – changes in assumptions	(458)	(4)
Benefits paid	(140)	(136)
At end of period	3,049	3,485

Notes to the financial statements (continued)

Registered Number: 2280592

For the 52 week period ended 30 April 2022

13 Pensions (continued)

The management and reporting of the Stagecoach Group Pension Scheme is undertaken at group level. A sensitivity analysis of significant actuarial assumptions is included within note 23 of the Group's 2022 annual report, which does not form part of this report.

The principal actuarial assumptions used were as follows:

	2022	2021
	%	%
Discount rate	3.2	2.0
Retail Prices inflation (RPI)	3.5	3.2
Consumer Prices inflation (CPI)	2.8	2.4
Rate of increase in pensionable salaries	3.3	2.9
Rate of increase of pension payment	2.9	2.7

The life expectancy assumptions used for each scheme are periodically reviewed. The weighted average life expectancies were:

	2022	2021
	Years	Years
Current pensioner aged 65 – male	19.5	19.5
Current pensioner aged 65 – female	22.7	22.6
Future pensioner at 65 (aged 45 now) – male	20.9	20.9
Future pensioner at 65 (aged 45 now) - female	24.1	24.2

14 Share-based payments

Buy As You Earn (BAYE) Scheme

BAYE enables eligible employees to purchase shares from their gross income. The Company provides two matching shares for every share bought from the first £10 of monthly investment, subject to a maximum Company contribution of shares to the value of £20 per employee per month.

If the shares are held in trust for five years or more, no income tax and national insurance will be payable. The matching shares will be forfeited if the corresponding partnership shares are removed from the trust within three years of award.

During the period to 30 April 2022 there were no BAYE transactions conducted. All movements in BAYE related shareholdings are due to changes in staffing.

At 30 April 2022, there were 23 (2021: 23) participants in the BAYE scheme who have cumulatively purchased 20,949 (2021: 20,949) shares with the Company contributing 13,830 (2021: 13,830) matching shares on a cumulative basis. Dividends have been reinvested in a further 7,093 (2021: 7,093) shares for these participants.

15 Share capital

	2022	2021
	£	£
Authorised		
1,000 (2021: 1,000) Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 (2021: 2) Ordinary shares of £1 each	2	2

Notes to the financial statements (continued)

For the 52 week period ended 30 April 2022

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16 Guarantees and other financial commitments

(a) Contingent liabilities

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

(b) Cross guarantees

The Company is subject to a cross corporate guarantee in relation to the Stagecoach Group Limited banking arrangements with the Bank of Scotland. There have been no instances where this guarantee has been called upon during the period and none are expected in the future.

17 Ultimate parent Company

The Company's immediate parent company is Stagecoach Bus Holdings 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 Stagecoach Bus Holdings Limited are available from the Company Secretary at the following address:

Stagecoach Group plc
10 Dunkeld Road
Perth
PH1 5TW

18 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 17. 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, is Inframobility UK Bidco 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)

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For the 52 week period ended 30 April 2022

18 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".