



ARTHUR ANDERSEN

Western Buses Limited

Financial statements for the year ended 30 April 2000 together
with the directors' and auditors' reports

Registered number: 131237



Directors' report

For the year ended 30 April 2000

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 30 April 2000.

Principal activities and business review

The company has not traded in the year, and the company is unlikely to trade in the foreseeable future.

Directors and their interests

The directors who held office during the year under review and in the subsequent period were:

Graeme H Torrance	
Kenneth Monaghan	
Samuel Greer	(appointed 1 May 1999)
David Reay	(appointed 30 August 1999)
Martin Griffiths	(appointed 1 August 2000)
Brian Cox	(appointed 1 August 2000)
Norman J Strachan	(resigned 31 August 1999)
William B Hinkley	(resigned 25 July 2000)
Keith R Cochrane	(resigned 1 August 2000)
Malcolm Howitt	(resigned 8 September 2000)

No director had any interest in the share capital of the company during the year.

The interest of Keith R Cochrane, William B Hinkley, Brian Cox and Martin Griffiths in the issued share capital of the company's ultimate parent company, Stagecoach Holdings plc, are disclosed in the financial statements of that company.

The interests of Malcolm Howitt in the issued share capital of Stagecoach Holdings plc are disclosed in the financial statements of Cleveland Transit Ltd.

The interests of David Reay in the issued share capital of Stagecoach Holdings plc are disclosed in the financial statements of Busways Travel Services Limited.

Other directors who have an interest in shares of the ultimate parent company, Stagecoach Holdings plc, are as follows:

	<u>Ordinary shares of 0.5p</u>		<u>Ordinary share options</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	Number	Number	Number	Number
Kenneth Monaghan	220	415	-	4,725
Graeme H Torrance	10,085	-	41,617	10,310
Samuel Greer	2,985	2,728	-	-

Directors' report (continued)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

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

By order of the Board

Frenchwood Avenue
Preston
PR1 4LU



David Reay
Company Secretary

24 November 2000



To the Shareholders of Western Buses Limited:

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the company's state of affairs at 30 April 2000 and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen

Chartered Accountants and Registered Auditors

191 West George Street
Glasgow
G2 2LB

24 November 2000

Balance sheet

At 30 April 2000

	Notes	2000 £000	1999 £000
Current assets			
Debtors	3	<u>2,750</u>	<u>2,750</u>
Net assets		<u>2,750</u>	<u>2,750</u>
Capital and reserves			
Equity share capital	4	<u>2,750</u>	<u>2,750</u>
Equity shareholders' funds		<u>2,750</u>	<u>2,750</u>

Signed on behalf of the board



David Reay
Director

24 November 2000

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

Notes to the financial statements

For the year ended 30 April 2000

1 Accounting policies

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

a) Basis of preparation

The financial statements of the company have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

b) Taxation

Since 1 August 1994, all corporation and deferred tax (including unprovided deferred tax) has been accounted for by the ultimate parent company, Stagecoach Holdings plc.

c) Pension costs

The company operated a defined benefit scheme.

The regular pension cost charged to the profit and loss account is calculated so as to produce a substantially level percentage of the current and future pensionable payroll. Variations from regular cost are allocated to the profit and loss account over the employees' average remaining service lives. Pension costs and liabilities are determined in accordance with actuarial advice.

e) Cash flow statement

As permitted by FRS 1 (Revised), no cash flow statement has been prepared for the company as it is a subsidiary undertaking of an EC registered parent whose group financial statements include a consolidated cash flow statement.

Notes to the financial statements (continued)

2 Information on directors and employees (continued)

Directors' remuneration

The remuneration of the directors was as follows:

	2000 £000	1999 £000
Emoluments	<u>156</u>	<u>276</u>

Pensions

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

	2000 Number	1999 Number
Defined benefit schemes	<u>10</u>	<u>2</u>

The following directors are paid by the ultimate parent company, Stagecoach Holdings plc, and details of their emoluments are disclosed in the financial statements of the company shown. None of their remuneration is incidental to their duties as directors of this company:

Keith R Cochrane	Stagecoach Holdings plc
Malcolm Howitt	Cleveland Transit Limited
David Reay	Busways Travel Services Limited
W B Hinkley	Stagecoach Holdings plc

The emoluments of all of the other directors include amounts paid as director of other Stagecoach Holdings plc subsidiaries. It is impractical to apportion the emoluments between these subsidiaries and therefore the emoluments disclosed do not include only the emoluments for the services as a director of Western Buses Limited.

3 Debtors

	2000 £000	1999 £000
Amounts owed by other group undertakings	<u>2,750</u>	<u>2,750</u>

Amounts owed by other group undertakings fall due after more than one year.

Notes to the financial statements (continued)

4 Equity share capital

	2000 £000	1999 £000
<i>Authorised:</i>		
3,000,000 ordinary shares of £1 each	3,000	3,000
<i>Allotted, issued and fully paid</i>		
2,750,000 ordinary shares of £1 each	2,750	2,750

5 Reserves

There have been no movements in reserves during the year.

6 Deferred taxation

From 1 August 1994, the date Western Buses Limited was acquired by Stagecoach Holdings plc, all corporation tax and deferred tax (including unprovided deferred tax) has been accounted for by the ultimate parent company, Stagecoach Holdings plc.

The full potential amount of deferred taxation on all timing differences is dealt with on a group basis in the financial statements of the ultimate parent company.

7 Contingent liabilities

The company has granted cross-guarantees and floating charges over its assets to secure certain borrowings of fellow group undertakings. The amount secured at 30 April 2000 was £Nil (1999 - £69.8 million).

8 Ultimate parent company

The company's immediate parent company is Stagecoach Express Limited, registered in Scotland (number 127800). The company's ultimate parent company is Stagecoach Holdings plc, registered in Scotland (number 100764), which heads the only group into which the results of the company are consolidated. The financial statements of the ultimate parent company are available to the public from the following address:

Stagecoach Holdings plc, Group Headquarters, 10 Dunkeld Road, Perth, PH1 5TW.