

Registered No: 04329621

Excelsior Coaches Limited

Annual Report and Financial Statements

Period ended 1 July 2017



Excelsior Coaches Limited

Directors

D A Brown
S P Butcher
A R Wickham
B Murray
S J Hamilton

Company secretary

C Ferguson

Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

Registered office

3rd Floor
41 - 51 Grey Street
Newcastle upon Tyne
NE1 6EE

Directors' Report

The directors present their annual report, together with the financial statements and auditors report for the period ended 1 July 2017.

Results and dividends

The loss for the 18 month period to 1 July 2017 amounted to £12,000 (year to 31 December 2015: profit of £91,000). This represents trading activities for the period 1 January 2016 to 4 October 2016.

No dividends were paid or proposed during the period (year to December 2015: £nil).

Principal activities and review of the business

The Company's principal activity was a coach operator for the period to 4 October 2016.

On 4 October 2017, the Excelsior Coaches Limited ("Company") was acquired by Go South Coast Limited. Go South Coast is a wholly owned subsidiary of The Go-Ahead Group plc ("Group"). All trading activities and assets of the Company were hived up into Go South Coast on 4th October 2016 and the Company ceased trading on that date.

Directors

The directors who served the Company during the period and up to date of approval of the financial statements were as follows:

P K Robins	(resigned 4 October 2016)
D A Brown	(appointed 4 October 2016)
S P Butcher	(appointed 4 October 2016)
A R Wickham	(appointed 4 October 2016)
B Murray	(appointed 4 October 2016)
E Wills	(appointed 4 October 2016, resigned 17 February 2018)
S J Hamilton	(appointed 4 October 2016)

Messrs Brown and Butcher were directors of the ultimate parent company, The Go-Ahead Group plc during the year.

Going concern

The Company ceased trade on 4 October 2016 and all trade and assets were hived up into Go South Coast Limited as at this date. It is the directors' intentions that the Company will remain dormant from 4 October 2016. The Company remains in existence as its debts are recovered and its liabilities settled. Accordingly the financial statements have been prepared on a basis other than going concern. There have been no adjustments to the financial statements as a result of preparing them on a basis other than going concern.

Risk management objectives and policies

The main risks associated with the Company's financial assets and liabilities are set out below. Given that the majority of the risks below derive from transactions with other group companies, the Company does not undertake any hedging activity locally. Significant financial risks from a group perspective are addressed on a case-by-case basis at group level.

Interest rate risk

All surplus cash is swept by the ultimate parent company, which is invested at a group level. Interest is charged at a variable rate on group loans. Therefore financial assets, liabilities, interest income and interest charges and cash flows can be affected by movements in interest rates. However, the exposure is reduced because of the group control.

Price risk

There is no significant exposure to changes in the carrying value of financial liabilities because all of these bear interest at floating rates. The Company is exposed to commodity price risk as a result of fuel usage. The Group closely monitors fuel prices and uses fuel derivatives to hedge its exposure to increases in fuel prices, when it deems this to be appropriate.

Directors' Report (continued)

Credit risk

The Company manages its debtors on an ongoing basis and significant resource is put into mitigating credit risk.

Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generated by its operations in line with group policies. A cash sweeping facility exists with the ultimate parent company and therefore further information regarding the liquidity risk can be found in the group financial statements. Capital expenditure is approved at group level.

Foreign currency risk

The Company has no foreign currency risk, all of the transactions, assets and liabilities are in sterling.

Events after the balance sheet date

There were no significant events occurring after the balance sheet date requiring disclosure in these financial statements.

Directors indemnities

The Go-Ahead Group plc ("Group") maintains directors' and officers' liability insurance, for both the plc and its subsidiaries, which gives appropriate cover for any legal action brought against its directors. The Group has also granted indemnities to each of its, and its subsidiaries, directors to the extent permitted by law. Qualifying third party indemnity provisions (as defined in Section 234 of the Act) were in force during the year ended 1 July 2017 and remain in force, in relation to certain losses and liabilities that the directors may incur to third parties in the course of acting as directors or employees of the Group or of any associated company. Neither the Group's indemnity nor its insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently.

Special provisions relating to small companies

The Company has taken exemption from the preparation of a strategic report under s414B of the Companies Act 2006.

Auditor

Deloitte LLP were appointed as auditor during the period.

Directors' responsibilities for audit information

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (this is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Registered office:
3rd Floor
41 - 51 Grey Street
Newcastle upon Tyne
NE1 6EE

On behalf of the Board



S P Butcher
Director
01 June 2018

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements for the period ended 1 July 2017 in accordance with applicable laws and regulations.

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

Independent auditor's report

to the members of Excelsior Coaches Limited

We have audited the financial statements of Excelsior Coaches Limited for the period ended 1 July 2017 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

Per note 2 of the financial statements, on 4 October 2016 Excelsior Coaches Limited was acquired by Go South Coast Limited, a wholly owned subsidiary of The Go-Ahead Group plc. All trading activities and assets of the Company were hived up into Go South Coast at this date and the Company ceased trading. Owing to the challenges in obtaining the detailed accounting records of the Company prior to the date of the acquisition we were unable to obtain sufficient appropriate audit evidence regarding the Company's transactions prior to the date of acquisition.

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion on financial statements paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 July 2017 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Excelsior Coaches Limited

Independent auditor's report to the members of Excelsior Coaches Limited

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

Arising from the limitation of our work referred to above:

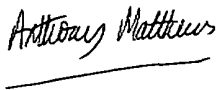
- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

Other matter

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.



Anthony Matthews (Senior Statutory Auditor)
for and on behalf of Deloitte LLP, Statutory Auditor
London, United Kingdom
01 June 2018

Income statement

for the period ended 1 July 2017

		<i>18 months to 1 July 2017</i>	<i>Year to 31 December 2015</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Revenue	3	1,413	4,970
Operating costs	4	(1,425)	(4,879)
(Loss)/profit before taxation		<u>(12)</u>	<u>91</u>
Tax on (loss)/profit	7	-	-
(Loss)/profit for the period		<u>(12)</u>	<u>91</u>

The above results are all from discontinued operations.

There are no items of comprehensive income in the period (year to December 2015: £nil), other than the profit for the year. Accordingly no Statement of Comprehensive Income is presented.

Statement of changes in equity

for the period ended 1 July 2017

	<i>Share capital £000</i>	<i>Retained earnings £000</i>	<i>Directors loans</i>	<i>Total equity £000</i>
At 31 December 2014	720	(354)	58	424
Profit and total comprehensive income for the year	-	91	-	91
Directors loan repayment	-	-	(58)	(58)
At 31 December 2015	<u>720</u>	<u>(263)</u>	<u>-</u>	<u>457</u>
Loss and total comprehensive income for the period	-	(12)	-	(12)
At 1 July 2017	<u>720</u>	<u>(275)</u>	<u>-</u>	<u>445</u>

Balance sheet

As at 1 July 2017

		1 July 2017	31 December 2015
	Notes	£000	£000
Assets			
Current assets			
Inventories	8	-	27
Debtors: amounts due within one year	9	445	510
Cash at bank		-	1
Total assets		<u>445</u>	<u>538</u>
Liabilities			
Current liabilities			
Creditors: amounts falling due within one year	10	-	(81)
Current tax liabilities	7	-	-
Total liabilities		<u>-</u>	<u>(81)</u>
Net assets		<u>445</u>	<u>457</u>
Capital and reserves			
Share capital	11	720	720
Retained earnings		(275)	(263)
Total equity		<u>445</u>	<u>457</u>

The financial statements were approved for issue by the Board of Directors on 01 June 2018 and signed on their behalf by:



S P Butcher
Director

Notes to the financial statements

for the year ended 1 July 2017

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Excelsior Coaches Limited (the “Company”) for the period ended 1 July 2017 were authorised for issue by the board of directors on 31 May 2018 and the balance sheet was signed on the board’s behalf by S P Butcher. The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company’s registered office is shown on page 1.

These financial statements were prepared, for the first time, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”).

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 14.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s ultimate parent undertaking, The Go-Ahead Group plc, includes the Company in its consolidated financial statements. The consolidated financial statements of The Go-Ahead Group plc are prepared in accordance with International Financial Reporting Standards, as adopted by the EU, and are available to the public and may be obtained from Companies House, Cardiff and The Go-Ahead Group plc website.

The financial statements have been prepared on a historical cost basis, as modified by financial instruments recognised at fair value. The presentation and functional currency used is sterling and amounts have been presented in round thousands (“£’000”).

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of IFRS 7 *Financial Instruments: Disclosures*
- the requirements in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of:
 - a) paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
 - b) paragraph 118(e) of IAS 38 *Intangible Assets*;
- the requirements of paragraphs 10(d), 111 and 134 of IAS 1 *Presentation of Financial Statements*;
- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirement of paragraph 17 of IAS 24 *Related Party Transactions*; and
- the requirements in IAS 24 *Related Party Transactions* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes to the financial statements

for the year ended 1 July 2017

2.2 *Critical judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There were no judgements identified by management (apart from those involving estimates) that have a significant effect on amounts recognised in the financial statements.

Key sources of estimation uncertainty

In the director's view, there are no key sources of estimation uncertainty that could have a significant risk of causing material adjustments to the carrying value of assets and liabilities within the next financial year.

2.3 *Significant accounting policies*

Going concern

The Company ceased trade on 4 October 2016 and all trade and assets were hived up into Go South Coast Limited as at this date. It is the directors' intentions that the Company will remain dormant from 4 October 2016. The Company remains in existence as its debts are recovered and its liabilities settled. Accordingly the financial statements have been prepared on a basis other than going concern. There have been no adjustments to the financial statements as a result of preparing them on a basis other than going concern.

Revenue

Revenue is recognised to the extent that it is probable that the income will flow to the Company and the value can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenue comprises revenue from coach transport services in the United Kingdom.

Inventories

Inventories of fuel and engineering spares are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost comprises direct materials and costs incurred in bringing the items to their present location and condition. Net realisable value represents the estimated selling price less costs of sale. Inventory is calculated using the first in first out method (FIFO).

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Operating lease agreements

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term.

Notes to the financial statements

for the year ended 1 July 2017

2.3 Significant accounting policies (continued)

Pensions

For defined contribution schemes, the amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Notes to the financial statements

for the year ended 1 July 2017

3. Revenue

The revenue and profit before tax are attributable to the one principal activity of the Company.

An analysis of revenue by class of business is given below:

	<i>18 months to 1 July 2017 £000</i>	<i>Year to 31 December 2015 £000</i>
Coach Hire	<u>1,413</u>	<u>4,970</u>

An analysis of revenue by geographical market is given below:

	<i>18 months to 1 July 2017 £000</i>	<i>Year to 31 December 2015 £000</i>
United Kingdom	<u>1,413</u>	<u>4,970</u>

4. Operating costs

	<i>18 months to 1 July 2017 £000</i>	<i>Year to 31 December 2015 £000</i>
Materials and external charges	702	2,739
Staff costs (note 5)	514	1,768
Administrative expenses	209	372
	<u>1,425</u>	<u>4,879</u>

5. Staff costs

	<i>18 months to 1 July 2017 £000</i>	<i>Year to 31 December 2015 £000</i>
Wages and salaries	470	1,617
Social security costs	41	141
Other pension costs	3	10
	<u>514</u>	<u>1,768</u>

The monthly average number of employees during the period to 4 October 2016 when all employee's were tupe'd to Go South Coast Limited was as follows:

	<i>18 months to 1 July 2017 No.</i>	<i>Year to 31 December 2015 No.</i>
	<u>45</u>	<u>45</u>

Notes to the financial statements

for the year ended 1 July 2017

6. Directors' emoluments

The directors received no emoluments from the Company during the period (year ended 31 December 2015: £nil).

Certain directors, from 4 October 2016, are also directors of Go South Coast Limited. These directors received total remuneration of £590,000 (2016: £546,000) from Go South Coast Limited during the year, but it is not practical to allocate this between their services as directors of Go South Coast Limited and their services to the Company.

During the current period, certain directors are also directors of The Go-Ahead Group plc. These directors received total remuneration of £1,223,000 (2016: £1,483,000) from The Go-Ahead Group plc during the year, but it is not practical to allocate this between their services as directors of The Go-Ahead Group plc and their services to the Group's subsidiaries. Further details on the remuneration of the directors of The Go-Ahead Group plc can be found in the consolidated financial statements, available as described in note 13.

7. Taxation

(a) Tax recognised in the income statement

The tax charge is made up as follows:

	18 months to 1 July 2017 £000	Year to 31 December 2015 £000
<i>Current tax:</i>		
UK corporation tax	-	-
Total current tax	-	-

(b) Reconciliation

A reconciliation of income tax applicable to accounting profit before tax at the statutory tax rates for the years ended 1 July 2017 and 31 December 2015 is as follows:

The tax assessed on the result for the year is the standard rate of corporation tax in the UK. The standard rate of corporation tax for the period ended 1 July 2017 was 19.8% (year to December 2015: 20%).

	18 months to 1 July 2017 £000	Year to 31 December 2015 £000
(Loss)/profit before tax	(12)	91
At United Kingdom tax rate of 19.8% (year to December 2015: 20%)	(2)	18
Utilisation of losses brought forward	-	(18)
Losses carried forward	2	-
Tax reported in the income statement (note 7(a))	-	-

Notes to the financial statements

for the year ended 1 July 2017

8. Inventories

	<i>1 July 2017</i>	<i>31 December 2015</i>
	<i>£000</i>	<i>£000</i>
Raw materials and consumables	-	27

The amount of any write down of inventory recognised as an expense during the period and prior year is immaterial.

9. Debtors

	<i>1 July 2017</i>	<i>31 December 2015</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	-	143
Amounts due from group undertakings	445	333
Other debtors	-	34
	<u>445</u>	<u>510</u>

All the above debtors fall due within less than 1 year.

Amounts due from group undertakings are repayable on demand.

10. Creditors: amounts falling due within one year

	<i>1 July 2017</i>	<i>31 December 2015</i>
	<i>£000</i>	<i>£000</i>
Trade creditors	-	44
Other creditors	-	1
Accruals and deferred income	-	36
	<u>-</u>	<u>81</u>

11. Share capital

		<i>Allotted, called up and fully paid</i>			
		<i>1 July 2017</i>		<i>31 December 2015</i>	
	<i>No.</i>	<i>£000</i>		<i>No.</i>	<i>£000</i>
Ordinary shares of £1 each	720,000	720		720,000	720

12. Related party transactions

The Company is a 100% subsidiary of The Go-Ahead Group plc. Advantage has been taken of the exemption in paragraph 8 (k) of Financial Reporting Standard 101 and transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member, have not been disclosed.

Notes to the financial statements

for the year ended 1 July 2017

13. Ultimate parent company and controlling party

The Company's immediate parent undertaking is Go South Coast Limited, a Company incorporated in England and Wales whose registered office is 3rd Floor, 41 - 51 Grey Street, Newcastle upon Tyne, NE1 6EE. In the directors' opinion the Company's ultimate parent company and controlling party is The Go-Ahead Group plc, a Company incorporated in England and Wales whose registered office is 3rd Floor, 41 - 51 Grey Street, Newcastle upon Tyne, NE1 6EE.

The Go-Ahead Group plc is also the parent undertaking of the Group of undertakings for which Group financial statements are drawn up, and it is also the largest and smallest parent company preparing group financial statements. The Go-Ahead Group plc is registered in England and Wales and copies of its financial statements can be obtained from Companies House, Cardiff.

14. Transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101. The accounting policies set out in note 2 have been applied in preparing the financial statements for the period ended 1 July 2017, the comparative information presented in these financial statements for the year ended 31 December 2015 and in the preparation of an opening FRS 101 balance sheet at 31 December 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

(a) Restatement of equity from UK GAAP to FRS 101

Reconciliation of equity as at 31 December 2014

	<i>UK GAAP</i>	<i>Effect of</i>	<i>FRS 101</i>
	<i>£'000</i>	<i>transition</i>	<i>£'000</i>
		<i>£'000</i>	
Equity	424	-	424

Notes to the financial statements

for the year ended 1 July 2017

14. Transition to FRS 101 (continued)

Restatement of balance sheet as at 31 December 2015

	UK GAAP £'000	Effect of transition £'000	FRS 101 £'000
Assets			
Current assets			
Inventories	27	-	27
Debtors: amounts due within one year	510	-	510
Cash at bank	1	-	1
Total assets	<u>538</u>	<u>-</u>	<u>538</u>
Liabilities			
Current liabilities			
Creditors: amounts falling due within one year	(81)	-	(81)
Current tax liabilities	-	-	-
Total liabilities	<u>(81)</u>	<u>-</u>	<u>(81)</u>
Net assets	<u>457</u>	<u>-</u>	<u>457</u>
Capital and reserves			
Share capital	720	-	720
Retained earnings	(263)	-	(263)
Total equity	<u>457</u>	<u>-</u>	<u>457</u>

(b) Effect on total comprehensive income

Restatement of income statement for year ended 31 December 2015

	UK GAAP £'000	Effect of transition £'000	FRS 101 £'000
Revenue	4,970	-	4,970
Operating costs	(4,879)	-	(4,879)
Profit before taxation	<u>91</u>	<u>-</u>	<u>91</u>
Tax on profit	-	-	-
Profit for the year	<u>91</u>	<u>-</u>	<u>91</u>