



Gibraltar Bus Company Limited

REPORT AND FINANCIAL STATEMENTS

31 March 2009

DATA ENTERED 15

Gibraltar Bus Company Limited

DIRECTORS, OFFICERS AND OTHER INFORMATION

DIRECTORS

Andrew Perera
Brian Delaney
Dilip Dayaram Tirathdas

SECRETARY

Christine Victory

REGISTERED OFFICE

6 Convent Place
Gibraltar

AUDITORS

Baker Tilly (Gibraltar) Limited
Chartered Accountants
Suite 5, International House, Bell Lane
Gibraltar

Gibraltar Bus Company Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of the Gibraltar Bus Company Limited for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of a public bus service for Gibraltar.

REVIEW OF THE BUSINESS

During the year ended 31st March 2009, operating losses amounted to £1.21M.

The table below shows the passenger usage. There was an increase in passenger usage of around 9.3% over the previous year. This is attributable mainly to a recovery in passenger numbers on Route 9 following the completion of beautification works at Market Place (which had resulted in traffic congestion and increased journey/wait times on what is a fairly short route) and continued growth in passenger numbers on Route 4.

| | Revenue ¹ £ | Passenger Usage |
|--------------------|---------------------------|-----------------|
| 2007 - 2008 | | |
| April – June | 190,731 | 459,068 |
| July – September | 228,422 | 536,186 |
| October – December | 190,268 | 459,489 |
| January – March | 177,691 | 440,652 |
| | <hr/> | <hr/> |
| | 787,112 | 1,895,395 |
| | <hr/> | <hr/> |
| 2008 - 2009 | | |
| April – June | 206,668 | 510,309 |
| July – September | 260,502 | 610,940 |
| October – December | 208,988 | 501,745 |
| January – March | 182,201 | 448,279 |
| | <hr/> | <hr/> |
| | 858,359 | 2,071,273 |
| | <hr/> | <hr/> |

¹ Excludes foreign exchange gains/losses

Post balance sheet events

On the 7th June 2010, the authorised share capital of the company was increased from 5,000,000 ordinary shares to 6,900,000 ordinary shares of £1.00 each. The additional 1,900,000 ordinary shares were allotted to the parent company on the 7th June 2010.

Future developments

The company is in the process of acquiring three new mini-buses for the Upper Town area which will double the capacity from 9 to 20 passengers per bus. In addition, changes to existing routes are being considered in conjunction with the Government's integrated traffic, parking and transport plan.

The company's primary task is to continue to provide an efficient and reliable service to all routes for the benefit of the community and visitors to Gibraltar. Additionally, we would like to encourage private vehicle users to make use of public transport in order to alleviate traffic congestion and contribute to a cleaner environment.

Gibraltar Bus Company Limited

DIRECTORS' REPORT

Results, dividends and movements on reserves

The results for the year are shown in the profit and loss account on page 7.

The directors do not recommend the payment of a dividend. The retained loss for the year of £1,209,416 has been taken to reserves.

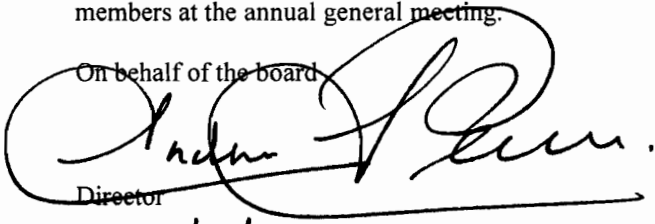
DIRECTORS

The directors of the company during the year and to the date of signing these accounts were as stated on page 1.

AUDITORS

A resolution to reappoint Baker Tilly (Gibraltar) Limited, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

On behalf of the board



Director

Date 13/9/10

Gibraltar Bus Company Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- d. 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 to enable them to ensure that the financial statements comply with the requirements of the Gibraltar Companies Act and Companies (Accounts) Act 1999. 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
GIBRALTAR BUS COMPANY LIMITED**

This report is made solely to the company's members, as a body, in accordance with section 182 of the Gibraltar Companies Act. 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.

Report on the Financial Statements

We have audited the financial statements of Gibraltar Bus Company Limited for the year ended 31 March 2009 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Directors' responsibilities

The directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with the Gibraltar Companies Act and the Companies (Accounts) Act 1999 and Gibraltar Accounting Standards (Gibraltar Generally Accepted Accounting Practice). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GIBRALTAR BUS COMPANY LIMITED - Continued**

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with Gibraltar Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its results for the year then ended.

Report on Other Legal and Regulatory Requirements

In addition to reporting on the financial statements, Gibraltar legal and regulatory requirements also require us to:

- (a) Report to you our opinion as to whether the financial statements have been properly prepared in accordance with the Gibraltar Companies Act and the Companies (Accounts) Act 1999.
- (b) State in our report whether in our opinion the information given in the Directors' Report is consistent with the financial statements.
- (c) Report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

Opinion

In our opinion, the financial statements have been properly prepared in accordance with the Gibraltar Companies Act and the Companies (Accounts) Act 1999 and the information given in the Directors' Report is consistent with the financial statements.

We have nothing to report to you in respect of our responsibility set out in (c) above.

Johann Olivera
Statutory auditor for and on behalf of

BAKER TILLY (GIBRALTAR) LIMITED
Registered auditors

Chartered Accountants
Suite 5, International House
Bell Lane
Gibraltar

Date *13/9/2010*

Gibraltar Bus Company Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2009

| | <i>Notes</i> | 2009 £ | 2008 £ |
|--|--------------|---------------------------|---------------------------|
| TURNOVER | 1 | 960,170 | 835,168 |
| Cost of sales | 2 | (1,956,645) | (1,801,714) |
| Gross loss | | <u>(996,475)</u> | <u>(966,546)</u> |
| Administrative expenses | 3 | (287,135) | (277,186) |
| Release of European Union grant | | 74,194 | 74,193 |
| OPERATING LOSS | | <u>(1,209,416)</u> | <u>(1,169,539)</u> |
| Other interest receivable and similar income | | - | 4,672 |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>(1,209,416)</u> | <u>(1,164,867)</u> |
| Tax on profit on ordinary activities | 6 | - | - |
| RETAINED LOSS FOR THE YEAR | 13 | <u><u>(1,209,416)</u></u> | <u><u>(1,164,867)</u></u> |

The operating loss for the year arises from the company's continuing operations. This loss is stated on a historical cost basis.


No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Gibraltar Bus Company Limited

BALANCE SHEET
as at 31 March 2009

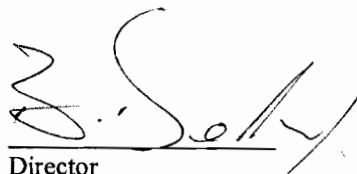
| | Notes | 2009 £ | 2008 £ |
|--|-------|-------------|-------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 1,236,511 | 1,459,966 |
| CURRENT ASSETS | | | |
| Debtors | 8 | 48,996 | 3,639 |
| Cash at bank and in hand | | 475 | 475 |
| | | 49,471 | 4,114 |
| CREDITORS: Amounts falling due and payable within one year | 9 | (82,520) | (342,632) |
| NET CURRENT LIABILITIES | | (33,049) | (338,518) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,203,462 | 1,121,448 |
| CREDITORS: Amounts falling due and payable after more than one year | 10 | (1,365,624) | - |
| DEFERRED INCOME | 11 | (370,977) | (445,171) |
| TOTAL ASSETS LESS LIABILITIES | | (533,139) | 676,277 |
| EQUITY CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 5,000,000 | 5,000,000 |
| Profit and loss account | 13 | (5,533,139) | (4,323,723) |
| SHAREHOLDERS' FUNDS | 13 | (533,139) | 676,277 |

Approved by the board on 13th SEPTEMBER 2010.



Director

ANDREW PERERA



Director

BRIAN DELANEY

Gibraltar Bus Company Limited

PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with Gibraltar Accounting Standards.

The financial statements have been prepared on a going concern basis as the Government of Gibraltar has confirmed to the directors that it will continue to support the company financially in order that it can meet its liabilities as they fall due.

TURNOVER

Turnover represents income earned from the provision of the local bus service.

EUROPEAN UNION GRANTS

European Union grants on capital expenditure are credited to a deferral account and are released to the profit and loss account over the life of the asset to which they relate.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

| | |
|-----------------------------------|-----------------------------|
| Buses | over 10 years |
| Premises and improvements thereon | over between 2 and 10 years |
| Plant & machinery | over between 3 and 10 years |
| Fixtures, fittings and equipment | over between 2 and 10 years |
| Computer equipment | over between 3 and 5 years |

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to the profit and loss account 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.

Gibraltar Bus Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from the provision of a public bus service in Gibraltar.

| Analysis of turnover: | 2009 £ | 2008 £ |
|---|----------------|----------------|
| Bus fares, including foreign exchange gains | 951,927 | 827,354 |
| Other income | 8,243 | 7,814 |
| | <u>960,170</u> | <u>835,168</u> |

2 COST OF SALES

| | 2009 £ | 2008 £ |
|------------------------------|------------------|------------------|
| Depreciation | | |
| Buses | 196,911 | 291,032 |
| Plant and machinery | 29,899 | 37,980 |
| Fuel and oil | 158,732 | 114,341 |
| Miscellaneous motor expenses | 1,696 | 1,240 |
| Staff costs | 1,304,384 | 1,147,659 |
| Vehicle insurance | 47,892 | 53,103 |
| Vehicle maintenance | 217,131 | 156,359 |
| | <u>1,956,645</u> | <u>1,801,714</u> |

3 ADMINISTRATION

| | 2009 £ | 2008 £ |
|--|----------------|----------------|
| Advertising | - | 485 |
| Audit and accountancy fees | 9,000 | 9,000 |
| Cleaning | 42,775 | 43,043 |
| Computer and wayfarer maintenance | 22,880 | 18,520 |
| Depreciation - computer & office equipment | 1,804 | 4,031 |
| Depreciation - furniture/fittings | 8,104 | 7,597 |
| Depreciation - premises | 20,752 | 20,197 |
| Electricity and water | 8,918 | 3,161 |
| Equipment hire | 1,647 | 1,579 |
| Miscellaneous expenses | 877 | 905 |
| Office stationery | 7,736 | 9,238 |
| Payroll services | 12,031 | 11,975 |
| Printing, postage and carriage | 1,625 | 3,676 |
| Professional fees | 6,660 | 24,192 |
| Repairs and renewals | 23,301 | 12,479 |
| Staff costs | 100,550 | 90,172 |
| Telephone | 10,767 | 11,038 |
| Training costs | 2,741 | - |
| Travel and entertainment | 488 | 1,584 |
| Uniforms | 4,479 | 4,314 |
| | <u>287,135</u> | <u>277,186</u> |

Gibraltar Bus Company Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

| | | | |
|----------|--|-----------------|-----------------|
| 4 | EMPLOYEES | <i>2009</i> | <i>2008</i> |
| | | <i>No.</i> | <i>No.</i> |
| | The average number of persons (including directors) employed by the company during the year was: | | |
| | Management and administration | 6 | 6 |
| | Drivers | 35 | 35 |
| | Bus inspectors | 3 | 3 |
| | Exterior vehicle maintenance | 2 | 2 |
| | | <hr/> 46 | <hr/> 46 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| | | <i>2009</i> | <i>2008</i> |
| | | <i>£</i> | <i>£</i> |
| | Staff costs for above persons: | | |
| | Wages and salaries | 1,276,403 | 1,125,920 |
| | Social security costs | 68,830 | 62,661 |
| | Other pension costs | 59,701 | 49,250 |
| | | <hr/> 1,404,934 | <hr/> 1,237,831 |
| | | <hr/> <hr/> | <hr/> <hr/> |

5 DIRECTORS' EMOLUMENTS

The directors are salaried employees and do not receive emoluments for their services as directors.

6 TAXATION

The company has no liability to tax in the current financial year as a result of the losses incurred.

Gibraltar Bus Company Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

7 TANGIBLE FIXED ASSETS

| | <i>Buses</i> | <i>Premises and improve- ments thereon</i> | <i>Plant and machinery</i> | <i>Fixtures, fittings and equipment</i> | <i>Computer equipment</i> | <i>Total</i> |
|-----------------------|------------------|--|--------------------------------|---|-------------------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| At 1 April 2008 | 1,957,288 | 197,103 | 240,420 | 64,660 | 18,894 | 2,478,365 |
| Additions | 17,752 | 9,626 | 2,246 | 2,937 | 1,454 | 34,015 |
| At 31 March 2009 | <u>1,975,040</u> | <u>206,729</u> | <u>242,666</u> | <u>67,597</u> | <u>20,348</u> | <u>2,512,380</u> |
| Depreciation | | | | | | |
| At 1 April 2008 | 774,863 | 68,041 | 136,737 | 21,763 | 16,995 | 1,018,399 |
| Charged in the year | 196,911 | 20,752 | 29,899 | 8,104 | 1,804 | 257,470 |
| At 31 March 2009 | <u>971,774</u> | <u>88,793</u> | <u>166,636</u> | <u>29,867</u> | <u>18,799</u> | <u>1,275,869</u> |
| Net book value | | | | | | |
| At 31 March 2009 | <u>1,003,266</u> | <u>117,936</u> | <u>76,030</u> | <u>37,730</u> | <u>1,549</u> | <u>1,236,511</u> |
| At 31 March 2008 | <u>1,182,425</u> | <u>129,062</u> | <u>103,683</u> | <u>42,897</u> | <u>1,899</u> | <u>1,459,966</u> |

8 DEBTORS

| | <i>2009</i> | <i>2008</i> |
|--------------------------------|---------------|--------------|
| | £ | £ |
| Prepayments and accrued income | 48,996 | 3,639 |
| | <u>48,996</u> | <u>3,639</u> |

9 CREDITORS: Amounts falling due within one year

| | <i>2009</i> | <i>2008</i> |
|------------|---------------|----------------|
| | £ | £ |
| Overdrafts | - | 290,699 |
| Accruals | 82,520 | 51,933 |
| | <u>82,520</u> | <u>342,632</u> |

Gibraltar Bus Company Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

| | | | |
|-----------|---|-------------|-------------|
| 10 | CREDITORS: Amounts falling due in more than one year | <i>2009</i> | <i>2008</i> |
| | | £ | £ |
| | Amounts due to related undertakings | 1,365,624 | - |

Amounts due to related undertakings represent an unsecured, interest free loan from the immediate parent (note 14) repayable within 6 years.

| | | | |
|-----------|----------------------------|----------------|----------------|
| 11 | DEFERRED INCOME | <i>2009</i> | <i>2008</i> |
| | | £ | £ |
| | Deferred income - EU Grant | | |
| | Brought forward | 445,171 | 519,364 |
| | Released in year | (74,194) | (74,193) |
| | As at 31 March | <u>370,977</u> | <u>445,171</u> |

| | | | |
|-----------|---|-------------|-------------|
| 12 | SHARE CAPITAL | <i>2009</i> | <i>2008</i> |
| | | £ | £ |
| | Authorised: | | |
| | 5,000,000 Ordinary shares of £1.00 each | 5,000,000 | 5,000,000 |
| | Allotted, issued and fully paid: | | |
| | 5,000,000 Ordinary shares of £1.00 each | 5,000,000 | 5,000,000 |

13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

| | <i>Share capital</i> | <i>Profit & Loss account</i> | <i>Total</i> |
|-------------------|--------------------------|--|------------------|
| | £ | £ | £ |
| At 1 April 2007 | 4,500,000 | (3,158,856) | 1,341,144 |
| Issue of shares | 500,000 | - | 500,000 |
| Loss for the year | - | (1,164,867) | (1,164,867) |
| At 31 March 2008 | <u>5,000,000</u> | <u>(4,323,723)</u> | <u>676,277</u> |
| Loss for the year | - | (1,209,416) | (1,209,416) |
| At 31 March 2009 | <u>5,000,000</u> | <u>(5,533,139)</u> | <u>(533,139)</u> |

Gibraltar Bus Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

14 PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Gibraltar Investment (Holdings) Limited. The ultimate controlling party is the Government of Gibraltar.

15 POST BALANCE SHEET EVENTS

On the 7th June 2010, the authorised share capital of the company was increased from 5,000,000 ordinary shares to 6,900,000 ordinary shares of £1.00 each. The additional 1,900,000 ordinary shares were allotted to the parent company on the 7th June 2010.