



**COLEMAN & WILLIAMS, LTD.**  
*A Professional Services Firm*

**Milwaukee County Transit System**

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Independent Public Accountants' Report  
On Applying Agreed-Upon Procedures  
Specified by Federal Transit Administration

Year ended December 31, 2010



**Independent Public Accountants' Report  
On Applying Agreed-Upon Procedures**

To the Board of Supervisors  
of the County of Milwaukee  
and the Federal Transit Administration:

The Federal Transit Administration has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics Form of the transit agency's annual National Transit Database (NTD) report:

1. A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
2. A system is in place to record data on a continuing basis, and the data gathering is an ongoing effort.
3. Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of 3 years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
4. A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
5. The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
6. The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles data, appear to be accurate.
7. Data are consistent with prior reporting periods and other facts known about transit agency operations.

We have applied the procedures to the data contained in the Federal Funding Allocation Statistics form for the fiscal year ending December 31, 2010. Such procedures, which were agreed to and specified by FTA in the Declarations section of the 2010 Reporting Manual and were agreed to by the Milwaukee County Transit System, (the agency), were applied to assist you in evaluating whether the agency complied with the standards described in the first paragraph of this part and that the information included in the NTD report Federal Funding Allocation Statistics form for the fiscal year ended December 31, 2010 is presented in conformity with the requirements of the Uniform System of Accounts and Records and Reporting System; Final Rule, as specified in 49



CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2010 Reporting Manual. The Agency's management is responsible for the Agency's accounting records. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is intended solely for your information and for FTA and should not be used by those who did not participate in determining the procedures.

The procedures were applied separately to each of the information systems used to develop the reported vehicle revenue miles, fixed guideway directional route miles, passenger miles, and operating expenses of Milwaukee County Transit System (the agency) for the fiscal year-ending December 31, 2010, for each of the following modes:

- Motor Bus - directly operated
- Van Pool - directly operated
- Vans, private carrier providing transit service under contract, and
- Taxis, private carrier providing transit service under contracts.

The procedures that we performed are summarized as follows:

- A. We read the Federal Transit Administration Reporting Manual (Reporting Manual) for the 2010 National Transit Database (NTD) Report Year, in particular, "Federal Funding Allocation Data Review Procedures "a" through "y" discussed in that publication (Federal Funding Allocation Test).
- B. We developed specified procedures tailored to the agency, as enumerated below, based on FTA's Federal Funding Allocation Data review requirements as set forth in the Reporting Manual.
- C. We reviewed with Mr. Glenn Nettesheim, Manager of Accounting and Payroll, and Mr. Mike Benes Contract Manager for Transit Plus, the agency's procedures related to the system for reporting and maintaining data in accordance with the NTD requirements and definitions set forth in 49 CFR Part 630. According to Mr. Mike Benes, Contract Manager, the agency has its own written procedures related to the system for reporting and maintaining Transit Plus data as documented in the 2010 Reporting Manual. (Reporting Manual Federal Funding Allocation Data review procedure "a").
- D. We discussed with Mr. Nettesheim the procedures referenced in procedure (C), above. We inquired whether the agency followed such procedures on a continuous basis and whether the procedures resulted in accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630. We were informed by Mr. Nettesheim that, to the best of his knowledge, the agency has followed such procedures on a continuous basis and that the agency's accumulation and reporting of data is consistent



with the NTD definitions and requirements as set forth in 49 CFR Part 630. (Reporting Manual Federal Funding Allocation Data review procedure "b").

- E. We inquired of Mr. Nettesheim concerning the retention policy that is followed by the agency with respect to source documents supporting the NTD data reported on the Federal Funding Allocation Statistics Form. Per Mr. Nettesheim, the documentation and source documents are retained by the agency for the three years following the year in which the report is due to the FTA. (Reporting Manual Federal Funding Allocation Data review procedure "c").
- F. For the purposes of motorbus testing, we identified the source documents that are to be retained by the agency for a minimum of three years. For each of the required documents listed below, we reviewed the source documents for the weeks identified. We located and observed the following source documents supporting NTD data reported on Form FFA-10 for the year ended December 31, 2010, and noted the documents had been properly retained:
- Schedule Miles Report (weeks 13, 26 and 43)
  - Deviation sheets (weeks 13, 26 and 43)
  - FTA on-off count sheets (weeks 13, 26 and 43)
  - Time sheets/cards (weeks 5, 24 and 48)
  - Payroll registers (weeks 5, 24 and 48)
- (Reporting Manual Federal Funding Allocation Data review procedure "d").
- G. For the purposes of vanpool testing, we identified the source documents that are to be retained by the agency for a minimum of three years. For each of the required documents listed below, we reviewed the source documents for the months of March, June and December 2010. We located and observed the following source documents supporting NTD data reported on Form FFA-10 for the year ended December 31, 2010 and noted the documents had been properly retained:
- Monthly Van Pool Mileage Report for each vehicle
  - Monthly Status Report
- (Reporting Manual Federal Funding Allocation Data review procedure "d").
- H. For the purposes of vans and taxis ("Transit Plus") testing, we identified the source documents that are to be retained by the agency for a minimum of three years. For each of the required documents listed below, we reviewed the source documents for the months of March, June and December 2010. We located and observed the following source documents supporting NTD data reported on Form FFA-10 for the year ended December 31, 2010 and noted the documents had been properly retained:
- Trip Vouchers
  - Detailed Billing Reports
  - Billing Summary Reports
- (Reporting Manual Federal Funding Allocation Data review procedure "d").



- I. We inquired of Mr. Nettesheim whether individuals, independent of the individuals preparing the source documents and posting the data summaries, review the source documents and data summaries for completeness, accuracy and reasonableness and how often such reviews are performed. We were informed that the source documents are independently reviewed on a weekly and monthly basis for motorbus and vanpool data, respectively. According to Mr. Benes, the source documents for Transit Plus are reviewed monthly. (Reporting Manual Federal Funding Allocation Data review procedure "e").
- J. We selected a random sample of source documents for procedure "d". We used the same documents to verify that supervisors' signatures were present as required by the agency's internal control structure. There were no instances of noncompliance noted (Reporting Manual Federal Funding Allocation Data review procedure "f").
- K. We obtained the worksheets utilized by the agency to prepare the final data, which are transcribed onto the Federal Funding Allocation Statistics form. We compared the periodic data included on the worksheets to the Form F-10 and tested the arithmetical accuracy of the summarization. (Reporting Manual Federal Funding Allocation Data review procedure "g").
- L. Per Mr. Nettesheim, for the purposes of motor bus passenger reporting, the agency uses an estimate of passenger miles based on statistical sampling; for the purposes of van pool passenger reporting, the agency uses actual passenger miles as calculated from the monthly Van Pool mileage reports. Per Mr. Benes, Transit Plus also uses actual passenger miles based on data received from the contractors. All methods used in 2010 are outlined and approved by the FTA as meeting the Section 15 reporting requirements in Circular UMTA C2710.1A (Reporting Manual Federal Funding Allocation Data review procedure "h").
- M. We discussed with Mr. Nettesheim the eligibility of the agency to conduct statistical sampling for passenger mile data every third year under the guidelines promulgated in 49 CFR Part 630. Mr. Nettesheim informed us that the agency is not eligible and statistical sampling must be done annually. (Reporting Manual Federal Funding Allocation Data review procedure "i").
- N. Per discussion with Tom Winter, Manager of Planning, the UTMA Trips System is used to generate the random sample selections of the trip data to be tested. These random selections are generated quarterly, listed by week, and the trip selections are assigned to the automatic passenger counter system (APC) for a specific day. The APC will record the run number, bus number, time of trip, number of passengers both boarding at stops and remaining on the bus in-between stops. This information is then processed in the Traffic Department. (Reporting Manual Federal Funding Allocation Data review procedure "j").
- O. We selected a random sample of the source documents for accumulating Motor Bus passenger mile data and determined that they were complete, (all required data were recorded) and that the computations were accurate. We reviewed the source documents for weeks 10,15,18,26,28,38,40,46,48,50 and 52 in 2010. We noted that the passenger mile data was complete and no mathematical errors existed. (Reporting Manual Federal Funding Allocation Data review procedure "k").



- P. For the purposes of Van Pool reporting, we selected a random sample of the source documents for accumulating passenger mile data and determined they were complete (all the required data was recorded) and that the computations were accurate. We reviewed the source documents for the following vehicles: Vehicle #VP-27, #VP-36 and #VP-39. We noted the passenger and actual revenue mile data was complete and no mathematical errors existed. (Reporting Manual Federal Funding Allocation Data review procedure "k").
- Q. For the purposes of Transit Plus reporting, we selected a random sample of the source documents for accumulating passenger mile data and determined they were complete (all the required data was recorded) and that the computations were accurate. We reviewed the source documents for the months of March, September and December 2010. We noted the passenger and actual revenue mile data was complete and no mathematical errors existed. (Reporting Manual Federal Funding Allocation Data review procedure "k").
- R. We discussed with Glenn Nettesheim, procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of motorbus vehicle revenue. In order to determine if the stated procedures were followed, we selected a random sample of the source documents used to record charter and school bus mileage and proved the arithmetical accuracy of the computations. We selected three weeks (weeks #8, 27 and 46) and reviewed the scheduled miles reports and the deviation sheets used to arrive at the actual vehicle miles for those weeks. We noted that all school bus and charter mileage was properly excluded and amounts were computed correctly. These deviation sheets also included trips that were scheduled but missed and as such were properly deducted as well from the actual vehicle miles. (Reporting Manual Federal Funding Allocation Data review procedure "L").
- S. Per Mr. Nettesheim, the vehicle revenue mile data for motor bus is calculated using schedules. The missed trips and school trips are deducted via the deviation sheets. Deadhead miles are systematically excluded from the summarization. For the purposes of Van Pool and Transit Plus reporting, vehicle logs are used to compute the vehicle revenue mile data. We selected a random sample of documents and verified that deadhead miles were not included in the calculation. (Reporting Manual Federal Funding Allocation Data review procedure "m").

T. Operating Expense Reconciliation for Motor Bus:

Operating expense per ledger	\$131,144,310
Operating Cross-charges per DPW ledger	2,415,747
Non-Operating costs included in ledger	1,025,273
Tire Lease	487,455
Marketing Grant	1,025,520
Planning	187,500
Less: Contracted services	(2,199,350)
Lease	(22,252)
Total operating expense per Form FFA-10	\$134,064,230
Operating Expense per Form F-30	\$134,064,230



Operating Expense Reconciliation for Van Pool:	
Operating expense per ledger	\$ 133,938
Operating expense per Form FFA-10	\$ 133,938
Operating Expense Reconciliation for Transit Plus:	
Operating expense per ledger	\$ 26,053,195
Operating Cross charges per DPW ledger	79,193
Miscellaneous expenses	2,453
Less: Contracted services	(41,486)
<u>Total operating expense per Form FFA-10</u>	<u>\$ 26,093,355</u>
Operating expense per Form F-30	\$ 26,134,841

(Reporting Manual Federal Funding Allocation Data review procedure "t").

- U. We inquired of Mr. Benes the agency contracts for transportation service. We were informed that the agency contracts for transportation service and that purchased transportation fare revenues are retained by the contract service providers. We obtained documentation of the retained fare revenue amount as reported by the contract service provider and agreed this amount to retained fare revenues reported on Form B-30 by the agency. The FFA-10 report shows MCTS reported about \$26,093,355 of expenses on the FFA-10 report and on the F-30 report was \$26,134,841 a difference of \$41,486 which is the amount for Waukesha Metro (5096).
- V. We were informed, by Mr. Benes, that the agency contracts for transportation service with contractors that operated fewer than 100 vehicles for the agency's contracted service at peak. MCTS purchases transportation from four different contractors. We were provided with 4 out of the 4 independent contractor's auditor's reports. Copies of the reports are attached to this report. (Reporting Manual Federal Funding Allocation Data review procedure "v").
- W. We obtained a copy of the contracts for the purchase of transportation service and read them to determine that the contracts specify the specific mass transportation services to be provided by the contractors, specify the monetary consideration obligated by the agency for the service, specify the period covered by the contracts, and that this period is the same as the period covered by the agency's NTD Report, and is signed by the representatives of both parties to the contract. We noted no exceptions. We also inquired of Mr. Benes regarding the retention of the executed contracts, and were told that copies of the contracts are retained for a minimum of three years. (Reporting Manual Federal Funding Allocation Data review procedure "w").



X. We compared the motorbus data reported on the Federal Funding Allocation form (Form FFA-10) to comparable data for the prior report year and calculated the percentage change from the prior year to the current year. We also compared Van Pool data and Transit Plus data reported on the Form FFA-10 to comparable data for the prior report year and calculated the percentage change from the prior year to the current year. We noted motorbus and Transit Plus vehicle revenue miles, passenger mile and operating expense data did not increase or decrease by more than 10 % from last year. We also noted that Van Pool vehicle revenue miles, passenger miles and operating expense data did not change by more than 10% from the prior year.

Y. Percentage change in the following for motorbus data:

	<u>2010</u>	<u>2009</u>	<u>Change %</u>
Vehicle revenue miles	15,640,870	15,988,024	-2%
Passenger miles	129,194,355	140,160,585	-8%
Operating expense data	136,263,580	136,209,165	0%

Percentage change in the following for Van Pool data:

	<u>2010</u>	<u>2009</u>	<u>Change %</u>
Vehicle revenue miles	288,159	270,616	6%
Passenger miles	1,212,607	1,188,193	2%
Operating expense data	133,938	129,003	4%

Percentage change in the following for Transit Plus data:

	<u>2010</u>	<u>2009</u>	<u>Change %</u>
Vehicle revenue miles	4,691,633	5,072,196	-8%
Passenger miles	6,957,482	7,412,421	-6%
Operating expense data	26,093,355	25,960,257	1%

(Reporting Manual Federal Funding Allocation Data review procedure "y").

As a result of performing the procedures described above we did not identified any noncompliance with FTA mandated standards.

Z. The following Reporting Manual Federal Funding Allocation Data review procedures were not applicable to the agency and therefore, were not performed:

Reporting Manual Federal Funding Allocation Data review procedure n, o, p, q, r, s, and x.





**COLEMAN & WILLIAMS, LTD.**  
*A Professional Services Firm*

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the Federal Funding Allocation Statistics Form. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Also, we do not express an opinion on the transit agency's system of internal control taken as a whole.

This report relates only to the information described above, and does not extend to the transit agency's financial statements taken as a whole or the forms in the transit agency's NTD report other than the Federal Funding Allocation Statistics Form, for any date or period.

This report is intended solely for the information and use of the Board of Supervisors of the County of Milwaukee, the FTA, and the agency, and is not intended to be and should not be used by anyone other than those specified parties.

*Coleman & Williams, Ltd.*

Milwaukee, Wisconsin  
May 2, 2011

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## INDEPENDENT AUDITORS' REPORT

The Members  
American Logistics Company, LLC  
Santa Ana, California

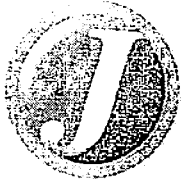
We have audited the accompanying balance sheet of American Logistics Company, LLC (the Company) as of December 31, 2010, and the related statements of income, members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

*Rosner Brown Touchstone & Keller, LLP*

March 31, 2011



JANNSEN + COMPANY

CPA & Accounting Services  
Information Technology  
Wealth Management  
Human Resources  
Payroll Specialists

### Independent Auditor's Report

Board of Directors  
American United Taxicab Co., Inc.  
Milwaukee, Wisconsin

We have audited the accompanying balance sheets of American United Taxicab Co., Inc. as of December 31, 2009 and 2008 and the related statements of income and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American United Taxicab Co., Inc. as of December 31, 2009 and 2008, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Jannsen + Company, S.C.*

Certified Public Accountants

October 22, 2010

Owners  
Transit Express, Inc., and Transit Express Services, Inc.  
Page 4  
June 17, 2010

During our audit, we noted other matters involving internal control and its operation that we have reported below:

- We recommend that strong password controls be implemented in the Companies' new financial accounting software, Adagio. Passwords should not be shared and should be changed periodically.
- We recommend that user access rights within Adagio be set at the minimum levels those employees with access need to complete their regular duties.
- We recommend that better evidence be maintained of compensating reviews of bank statements, reconciliations, invoice approvals, etc., such as initials, stamps, etc.

We appreciate the opportunity to be of service to Transit Express, Inc., and Transit Express Services, Inc.

This letter is intended solely for the use of the owners, management, the Milwaukee County Department on Aging, and the Milwaukee County Department of Public Works and is not intended to be, and should not be, used by anyone other than these specified parties. Distribution of this letter by the specified parties to other third parties does not constitute designation of those third parties as "users" or "specified parties" with respect to this letter or the matters addressed herein, nor does it permit those third parties to use or rely upon this letter for any purpose.

Sincerely,



Wipfli LLP

Enc.

# Independent auditors' report to the members of FirstGroup plc

We have audited the Group financial statements of FirstGroup plc for the year ended 31 March 2010 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated cash flow statement, and the related notes 1 to 37. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors' 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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Group 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 (APB'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 Group'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.

## OPINION ON FINANCIAL STATEMENTS

In our opinion the Group financial statements:

- ▶ give a true and fair view of the state of the Group's affairs as at 31 March 2010 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

## SEPARATE OPINION IN RELATION TO IFRSs AS ISSUED BY THE IASB

As explained in note 2 to the group financial statements, the group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

## OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the Group Financial Statements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

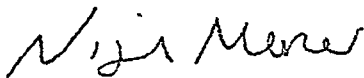
- ▶ certain disclosures of Directors' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- ▶ the Directors' statement contained within the Corporate Governance Report in relation to going concern; and
- ▶ the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

## OTHER MATTER

We have reported separately on the parent company financial statements of FirstGroup plc for the year ended 31 March 2010 and on the information in the Directors' Remuneration Report that is described as having been audited.



**Nigel Mercer (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
12 May 2010

## Independent auditors' report to the members of FirstGroup plc

We have audited the parent company financial statements of FirstGroup plc for the year ended 31 March 2010 which comprise the balance sheet, and the related notes 1 to 12. 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).

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 auditors' 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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent company 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 (APB'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 parent 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.

### OPINION ON FINANCIAL STATEMENTS

In our opinion the parent company financial statements:

- ▶ give a true and fair view of the state of the parent company's affairs as at 31 March 2010;
- ▶ 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.

### OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- ▶ the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- ▶ the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent company financial statements.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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:

- ▶ adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the parent company financial statements and the part of the Directors' Remuneration Report to be audited 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.

### OTHER MATTER

We have reported separately on the Group financial statements of FirstGroup plc for the year ended 31 March 2010.



**Nigel Mercer (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
12 May 2010