

STRONGER TOGETHER



Go North East
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SCREEN WASH

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HBC



OVERVIEW

Go North East is the region's largest bus company, operating a fleet of nearly 700 buses and coaches, and employing more than 2,000 people. Providing good value bus services that meet our customer needs is what we are about. Continuously challenging ourselves to improve and innovate is how we go about it.

Covering most of Tyne & Wear, County Durham, Northumberland and into Teesside we have an extensive network of services across North East England. Our buses serve the north east cities of Newcastle upon Tyne, Sunderland and Durham, connecting these and our other major towns and villages with the regions key employment, education and leisure destinations.

WHERE WE OPERATE



2015 HIGHLIGHTS

- Talking bus audio visual announcements fitted to over 20% of our fleet
- Encouraging disabled passengers to access bus travel with the launch of our industry leading Accessibility Guide
- Free customer WiFi on over 20% of our fleet
- The only regional firm to be named in the UK's Top Ten 'socially devoted' companies – beating big names including EE, Next, Boots and Aldi for social media engagement with customers.*

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£6.9m

investment in 47 new buses

67m

passenger journeys

92%

customer satisfaction

£99m

revenue



For more information about The Go North East visit: www.simplygo.com

FOLLOW US ON SOCIAL MEDIA

 [facebook.com/simplyGNE](https://www.facebook.com/simplyGNE)

 [@gonortheast](https://twitter.com/gonortheast)

* Independent report published by socialbakers.com

We're part of the
Go-Ahead
Group

MANAGING DIRECTOR'S MESSAGE



Kevin Carr,
Managing Director

“2014/15 has been a year of notable challenges for Go North East. Despite poor economic conditions, including the highest unemployment rate in the country, we have maintained a decent level of business. Our 2,100 people continue to do us proud.”

Despite this, we continue our ongoing battle to secure the future of our services, in the best interests of the business, passengers and the taxpayer. We continue to lobby and fight our corner, opposing this controversial proposal.

We invest heavily in listening to our customers and finding out exactly what they want from us. We do this through thorough research. We have a Passenger Panel of 1,500 customers who regularly take part in surveys to help us shape our offer.

Customers are telling us they appreciate free WiFi, next-stop-announcements and comfortable seats. Now one in five of our vehicles have these features. And one in ten have sockets that allow customers to charge their mobiles and tablets. And, not wanting to boast, but we have the biggest, comfiest cushions on our seats – that are at least twice the size of our competitors’.

HIGHLIGHT

Focused on innovating to improve services. Our strategy is to increase the quality and therefore increase passenger volumes and foster customer loyalty



£7m has been spent on 47 new and upgraded buses. This investment comes just 18 months after we spent £30m on 100 new vehicles and a new super depot in Gateshead.

This year has seen a tremendous amount of work going on behind the scenes to develop our Real Time Information tracking system. Knowing exactly where all of our 680 buses are at any one time is set to significantly improve services by boosting reliability and improving information for passengers. The same technology will be released in an updated Go North East app, which will enable customers to see when the bus is approaching, counting down until arrival.

Our communication with customers remains a key strength, with all buses carrying timetable leaflets, service information sent to specific highlighted postcodes, targeted email communications and our use of social media has won us national acclaim.

We maintain a strong ethos of supporting and rewarding our employees. We have annual long service awards and staff awards, as well as a staff benefits scheme. We are blessed with a very low staff turnover.

This year saw us step-up our efforts to secure a solid workforce for the future and tackle our ageing employee demographic. We have launched a brand new apprenticeship scheme, designed specifically for us. And we have recruited our biggest number of apprentices for many years.

OUR REPORTING STRUCTURE

We are committed to operating our bus services in a safe, environmentally and socially responsible manner



SOCIETY

To run our companies in a safe, socially and environmentally responsible manner.



CUSTOMERS

To provide high quality, locally focussed passenger transport services.



OUR PEOPLE

To be a leading employer in the transport sector.



FINANCE

To run our business with strong financial discipline to deliver sustainable shareholder value.

Visit www.go-ahead.com/sustainability to find out more about our approach →

ADDITIONAL OP CO INFO

Our emphasis remains on improving service, through communications with our customers. Our Facebook and Twitter activities have, with around 75,000 followers, more readers than most of our regional newspapers.

Smart and mobile technologies are constantly being improved and the new updated Go North East app, now features real time and the ability to buy M-Tickets.

Visit www.go-ahead.com/sustainability to find out more about our approach →



We support a number of key organisations that provide invaluable services to the public we serve in the North East. These include one of the North’s biggest leisure and educational attractions, Beamish Museum; music centre, The Sage Gateshead; national centre for children’s books, Seven Stories; and the foundation support organisation of Durham County Cricket Club – to name but a few.

WHEN IT COMES TO DRIVER TRAINING, WE ARE OFFICIALLY TOP OF THE CLASS

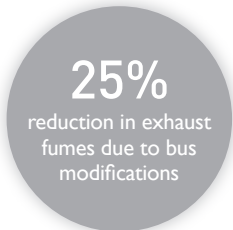
Our Driver Training department went through a rigorous independent audit by the Joint Approvals Unit for Periodic Training (JAUPT) and passed with flying colours!

JAUPT’s auditor was very pleased with the quality of the centre and the courses that we deliver. They couldn’t find any faults at all within any of the audit criteria. This is no mean feat. Centre audits, which must be carried out at least every five years, examine 72 individual aspects of systems, procedures and training.

The audit tells us we are carrying out our training to the highest possible standard. This is a double endorsement for us, following the results of a staff survey which showed that our drivers rate our training highly.

Go North East has authority to conduct tests for the initial acquisition of Driver CPC for newly qualified PCV license holders. We are also authorised to provide periodic training for existing PCV license holders to enable them to complete the compulsory 35 hours of training within each 5-yearly cycle.

KEY HIGHLIGHTS



“We are on a mission to have the greenest fleet in our region. This quest saw thirty of our Volvo B9 double deck buses retrofitted with cutting-edge hybrid technology.”

ONE-OFF ACCIDENTS DOWN THANKS TO NEW WAY OF DEALING WITH MINOR INCIDENTS

Drivers told us that they wanted more support when errors are made, rather than discipline. So we reviewed our Conduct Management Policy. And we developed the Performance Coaching part of it.

Under the old system when a driver made a minor mistake they were progressed through the disciplinary process. This meant they were off the road and needed union representation.

With performance coaching, managers instead have an informal chat with the driver and talk through what happened. The driver and their manager then discuss what could be done to prevent it happening again.

The move has seen accidents reduced by 10%. Go North East now has the third lowest accident rate across Go Ahead Group's entire bus division. We currently have 21.4 accidents per million miles travelled. Of course, we are striving to cut the accident rate even further:

ENVIRONMENT

We are on a mission to have the greenest fleet in our region. This quest saw thirty of our Volvo B9 double deck buses retrofitted with cutting-edge hybrid technology developed by Formula One racing.

The modifications have cut exhaust fumes by 25% and generated fuel savings of more than 20%. The work was part-funded by £472,000 from the Clean Vehicle Technology Fund (CVTF) and we also invested £700,000 in the exciting project.

The system - called Gyrodrive - is based on Formula One race technology developed in the UK. It helps increase the efficiency of each bus by using less fuel and reducing carbon emissions. It works by using a high speed flywheel made of carbon fibre to store the energy generated by a bus when it brakes. It then uses this stored energy to power an electric motor which helps accelerate the bus back up to speed.

The system was fitted to our Cobalt Clipper and Fab 56 double deck buses.

CASE STUDY



A lesson in media.

North East children are enjoying learning about the media in a new, unforgettable learning experience, thanks to Go North East.

We are sponsoring a schools programme which is part of the education arm of Durham County Cricket Foundation – called Learning Beyond The Boundary.

As part of the initiative, primary school children are able to visit the media suites at Emirates Durham International Cricket Ground – including the Sky Sports TV studio.

The children are taught how the media report on sporting events and are given the chance to record their own television and radio broadcasts. They each get a DVD of their performance to take home.

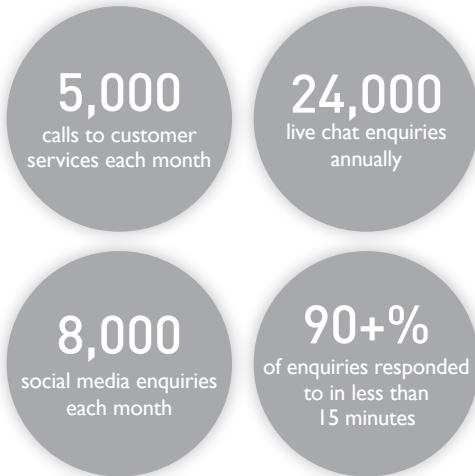
A class from Finchale Primary School in Newton Hall was the first to complete the course and really enjoyed it. The pupils were thrilled at meeting cricket stars Calum MacLeod, Keaton Jennings and Michael Richardson.

CUSTOMERS

We make over 70 million customer journeys happen each year. And we are very proud that 92% of our passengers surveyed by independent body, Passenger Focus, say that they are satisfied with our service.

Customer service remains one of our key focuses. In today's fast-moving age of live, on-the-go, communication, we have an impressive track record of fast and quality responsiveness to customer queries and questions.

KEY HIGHLIGHTS



LISTENING TO OUR CUSTOMERS... AND LEARNING

Our aim is to build strong customer loyalty. To support this we believe in investing in customer research. Most importantly, we act on what our passengers tell us.

A good example of this in practice is our commitment to individual route branding for our buses.

According to recent research we carried out, 81% of our customers love their bus brand and 87% think it makes their bus much easier to identify.

The survey about brand perception was carried out by researchers, BlueGrass, also shows that 81% of people still recognise that Go North East runs their bus route.

It was a bold move to give identities to all our routes but we have seen it pay off in terms of the benefits it has brought to customers. We know from the research that people talk about our buses almost like they are human because they have a catchy name and a bright, eye catching identify.

We now manage 48 individual brands. We have found that the brands help raise awareness of services much better than a one-size-fits-all corporate livery on all buses.

A panel of 652 customers were surveyed through face-to-face interviews and online methods.

"We now manage 48 individual brands. We have found that the brands help raise awareness of services much better than a one-size-fits-all corporate livery on all buses."

Our recruitment strategy places high priority on appointing employees that excel at interacting with customers. Long gone are the days when just good driving skills were required to be one of our drivers.

Today it's all about ensuring we meet and exceed customer expectations – whether that is at the bus stop or bus station, at home when they access our company online, or when they are on our buses.

IMPROVING ACCESS FOR ALL OUR CUSTOMERS

Champion swimmer, Josef Craig MBE, helped us officially launch our new Accessibility Guide in September 2014.

Paralympic gold medal winner Josef, who has cerebral palsy, helped us raise awareness of the guide which helps customers with a disability travel more easily and safely on our buses.

A new guide called 'Access for All' was also developed for our drivers to help them support our disabled passengers.

The launch of the Accessibility Guide took place at the north's largest independent living fair, Disability North.

The guide explains all about access ramps, space for wheelchairs and mobility scooters, assistance dogs, our Easy Access Guarantee, Bridge Cards and concessionary travel.

All of our regular services provide easy access for passengers by providing kneeling low floor and ramp access buses. Our award winning Easy Access Guarantee also provides the added reassurance that, should a problem occur, a complimentary taxi will be arranged. We also continue to invest in 'talking bus' technology whereby bus stops are announced and displayed to customers on board.

CASE STUDY

Bus users are benefitting from 15 brand new buses, worth over £2m, which we have been introduced as part of a £7m investment boost to improve services.

Local people have been joining in some family fun events to help launch the Coast and Country service. Giant garden games, goody bags, a 'selfie' bus, Metro Radio and a van serving free ice creams were just some of the things on offer at the launches.

Passengers travelling on the Coast & Country route will now enjoy free on-board wifi, be able to charge their devices on the go with USB and plug sockets and will never miss their stop thanks to 'talking bus' next-stop-announcements. The new buses also have leather seats, LED lighting and a new, fresh, eye catching livery.

The route has been given a new name and brand - Coast & Country - to reflect that it follows the coast to country cycle track from Consett to Sunderland passing through Stanley, Chester-le-Street and Washington.

The new vehicles are also cleaner and greener because they are fitted with the latest micro hybrid engine technology which recovers braking energy to power on board systems.



Michelle Watson (left) and Laura Holding (right) have some fun at a Coast and Country launch event



OUR PEOPLE

We are the third largest employer in the north east. 2,026 people make the wheels turn on our 680 buses. Day in. Day out

IMPROVED EMPLOYEE ENGAGEMENT

This year we made huge strides towards improving the way we engage with our staff. Our new employee newsletter On the Go aims to keep everyone informed about news that is relevant to them, from across the company.

A previous employee survey revealed that staff felt underappreciated. Therefore, the employee newsletter is heavily focused on ensuring people who do good at their job, gets a 'thank you'. The publication includes a regular feature called 'Toot Toots to the Terrific' which is comprised of positive customer feedback about employees. We also set-up Listening Groups to ensure staff have a voice on any issues important to them.

We are also investing in a new website called 'Simply Ideas'. This is a dedicated staff website that encourages employee engagement in giving feedback to challenges that the business faces, and also drawing on the expertise of staff to improve the business.

TRAINING

Our staff participated in 4,734 training days and £762,662 was spent on employee development.

2014 saw us step-up our efforts to bring new, younger employees into the company and address skills shortages in our industry.

KEY HIGHLIGHTS

4734

The combined number of training days

SIMPLY IDEAS

employee engagement website

10.5%

employee turnover

£762,662

spent on employee development

“Twenty-four budding mechanical and electrical engineers and coach builders are currently learning on the job for the next four years at our eight depots.”

We have formed a new partnership with Gateshead College and taken on our largest intake of apprentices in many years. The move will help us prepare for replacing our ageing workforce.

Twenty-four budding mechanical and electrical engineers and coach builders are currently learning on the job for the next four years at our eight depots.

The apprentices will be trained locally on a brand new apprenticeship course designed especially for Go North East. The company's trainees were previously trained at Coventry College.

The move will reduce our spend on recruiting and training-up engineers from other industries, simply because there are not enough bus engineers out there. We also have a responsibility to the industry to introduce as many apprentices as we can.

The new apprentices will, for the first time, be multi-disciplined. This means as well as becoming a recognised craftsman in their main trade, they will also be trained to Level 2 in another discipline, for example, an electrician will also receive mechanical training and vice versa.



Go North East 2015 apprentices get to work on their new careers.

CELEBRATING MILESTONES

We rolled out the red carpet at the Hilton hotel in Gateshead to applaud our stalwart staff and thank them for their loyalty and hard work. They collected their honours from MD Kevin Carr and were announced on to the stage by star DJ and comedian, Alfie Joey.

Stuart Irwin and David Cheetham picked up rare 50-year long service awards and six employees – Colin Douglas, Joyce Dunn, Nick Pearson, Jeff Gibbs, Jim Walker, Gordon Marley – collected gongs for their 45 years' service.

The award winners were given gifts ranging from £300 to £800 and enjoyed drinks, music, a three course dinner and dancing. Many of the award winners brought along their partners to help them celebrate.

Joyce Dunn, who joined us when she was just 15 years old, said: "I'm ecstatic and delighted about my 45 year award. I think it's an achievement. I don't know where the time's gone.

"I got lost on the way home on my first day and ended up in tears. My dad said, right that's it, you're leaving this job and going back to school. But I didn't and here I am, 45 years later."



Kevin Carr, Stuart Irwin and David Cheetham



FINANCE

Go North East is part of The Go-Ahead Group plc.

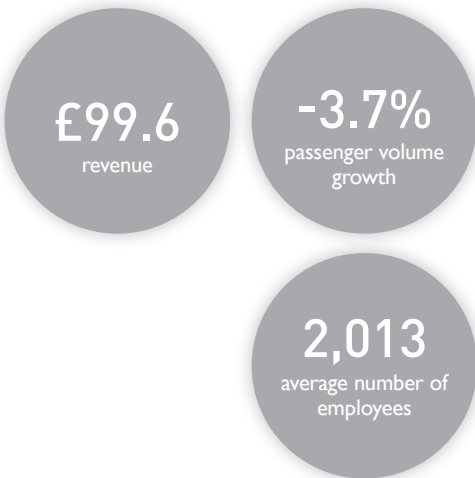
Go-Ahead makes a contribution to the UK economy through the employment of 26,000 people, the taxes the company pays, payments to its suppliers and the contribution its rail franchises make to Government finances.

SUPPORTING THE UK ECONOMY

Public transport brings benefits to individuals, communities and the nation as a whole. Economically, it connects workers to jobs and enables trade. Socially, it provides access to employment, education, and health care, and unites friends and family. For many, especially older people, people with disabilities and children, public transport is often the only viable option.

During the year, Go-Ahead made a direct contribution to the economy through the £20.3m we paid in UK corporation tax and its net increase in contributions to the DfT in the year was £191.9m, up to £255.9m. Indirectly, we also support economic growth through the employment of 26,000 people; investing £1.08bn in staff; and by providing millions of people with the means to travel to work, shops and other key services and leisure activities every day.

KEY HIGHLIGHTS



FAIR TAX MARK

Go-Ahead is the first FTSE 350 company to be awarded the Fair Tax mark for being a good taxpayer, open about its tax affairs and paying the right amount of corporation tax at the right time and in the right place. A fair tax system is to the benefit of everyone and crucial to support a vibrant mixed economy.

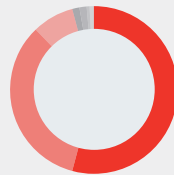
ETHICAL PROCUREMENT

Go-Ahead's ethical procurement is embedded in its supply chain procurement and management processes. As a buyer of goods and services we have a responsibility for the supply chains from which these goods and services come into the organisation. We will take into account ethical as well as commercial and technical factors, when considering which suppliers to partner with.

The company encourages its suppliers to adhere to similar high standards of corporate responsibility and to have in place appropriate safeguards against bribery, corruption and facilitation payments. In particular, Go-Ahead expects its suppliers to be committed to high standards of health and safety and demonstrate a respect for the environment.

THE GO-AHEAD GROUP ECONOMIC CONTRIBUTION

£3,215.2m



■ Payments to suppliers	£1,746.8m
■ Staff costs	£1,079.6m
■ Net rail contribution to DfT	£255.9m
■ Economic value retained by shareholders	£52.2m
■ Capital expenditure	£42.3m
■ Corporation tax payments to Government	£20.3m
■ Finance costs	£18.1m

KEY DATA

Go North East	2014/2015	2013/2014
Society		
Carbon emissions per passenger journey (%)	0.85	0.83
Water used per passenger journey (l)	0.51	0.52
Recycling rate (%)	58.71	56
RIDDOR accidents per 100 employees	1.4	0.9
Accidents per million miles	17	21.4
Community spend per employee (£)	17.72	18.08
Customers		
Customer satisfaction (%)	92	92
Punctuality (%)	88	94.6
Our people		
Employee engagement index (%)	44	43
Absenteeism (%)	3.8	3.8
Employee turnover (%)	11.2	10.5
Diversity by gender (%)		
– Women	8.3	8.5
– Men	91.7	91.5
Finance		
Revenue (£m)	99.6	99
Passenger volume growth (%)	-3.7	n/a

For information on the full Group data, please visit our corporate website www.go-ahead.com →

MORE INFORMATION

You can find out more about Go North East by visiting our website www.simplygo.com and more information on how Go North East manages sustainability can be found by visiting www.go-ahead.com/sustainability

If you have any comments, views or ideas on how we might improve, or have any thoughts on other issues that we should address in this report, please write to:

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BUREAU
VERITAS

Summary Verification Statement

from Bureau Veritas UK Ltd

For the seventh year, Bureau Veritas UK Ltd has worked with The Go-Ahead Group plc to verify selected sustainability key performance indicator (KPI) data contained within the Group's annual report.

The information and data reviewed for this verification process relates to the period from 28 June 2014 to 27 June 2015.

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