Company Registration No. 01072023 (England and Wales)

H. LUCKETT & CO. LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

H. LUCKETT & CO. LIMITED

COMPANY INFORMATION

Directors	Mr C Hardy	(Appointed 15 August 2022)
	Mr A M Carter	
	Mr T F Stables	
	Mr J Stamp	(Appointed 15 August 2022)
Secretary	Mr S Callander	
Company number	01072023	
Registered office	National Express House Birmingham Coach Station Mill Lane, Digbeth Birmingham B5 6DD	
Auditor	Deloitte LLP Four Brindleyplace Birmingham B1 2HZ	

H. LUCKETT & CO. LIMITED

CONTENTS

H. LUCKETT & CO. LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present the strategic report for H. Luckett & Co. Limited (the "Company") for the 12 months ended 31 December 2021. The Directors in preparing the Strategic Report, have complied with Section 414c of the Companies Act 2006.

Review of the business and outlook and principal actvities
Our Purpose, Vision and Values

The Group's Vision is to be the world leader in mass transit and lead in safety, reliability and environmental standards that customers trust and value, and is rooted in a belief that driving modal shift from cars to high quality mass transit is fundamental to a safe, green and prosperous future. The Group's Purpose is to help lead this modal shift by making mass transit an increasingly attractive option for all its customers by earning their loyalty by providing safe, reliable and great value multi-modal services on clean and green vehicles. The Company, as a subsidiary of National Express Group (NEG) PLC, has adopted this same Purpose and its strategy is geared towards achieving the same.

The Company has also adopted the same core five Values as NEG PLC as they provide the best framework to deliver the Group's and Company's renewed Vision and Purpose. These Values are:

- Safety – to be the safest mass transit operator in the communities we serve
- Excellence – to be the leader in every market we operate in, trusted to deliver service excellence, consistently
- Customers – to be the most trusted and valued mass transit partner
- People – to be the place to work in mass transit
- Community and Environment – to be the world's greenest mass transit operator; a trusted partner to the communities we serve

Our Values make clear our priorities and form the foundations of the Group's culture:

- Safety is our highest priority and underpins everything we do. The safety of our operations gives our customers trust in our services. The additional anti-Covid health and safety measures the Company has deployed on its services has enhanced our customers' trust and our own peoples' confidence and thereby preserving both their loyalties.
- The excellence of our operations including technologies enhances our customers' experience gaining their loyalty and, hence driving growth. During the pandemic this excellence has also enabled us to agilely scale our operations up and down to meet our customers' demands and to reflect constantly changing external circumstances, complying with legal restrictions, maintaining customer satisfaction and saving critical costs.
- We invest in our people by respecting their rights, rewarding them fairly and developing their talent creating a workforce who serve our customers. The dedication and skill of our people and ability to adapt to constant changing working practices enabled us to continue to provide critical transport services during the pandemic.
- We serve the communities we operate in by providing transport which connects people in a way that reduces harm to the environment versus other forms of transport.

Strategic Report – s.172(1) Statement

This statement is made in accordance with section 414CZA Companies Act 2006 (as amended).

In accordance with their duties under section 172(1) Companies Act 2006, the Company's Directors have collectively, and individually, acted in a way that they consider, in good faith, promotes the success of the Company for the benefit of its members as a whole.

In doing so they have had regard, not just to financial factors – denoted by the £ symbol – but also the factors specified in s.172(1)(a) to (f) Companies Act 2006 (the "Factors") and given due attention and prominence to each of these factors, as demonstrated below – denoted by the symbols shown below.

The table below explains why the Directors always have regard to the Factors in their decision-making:

Factor	**Explanation of why the Directors have regard to this Factor**
(a) The likely consequences of any long-term decision	Our Vision – which is to be the world leader in mass transit and lead in safety, reliability and environmental standards, and is rooted in a belief that driving modal shift from cars to high quality mass transit is fundamental to a safe, green and prosperous future - means that we must make decisions for the long-term and that we must also consider the impacts of such long-term decisions as regards their ability to further and achieve our Vision. Further information about the Group's Vision, and how this has formulated our Purpose and is underpinned by our Values, is set out on page 1.
(b) The interests of the Company's employees	Our employees and members of our wider workforce are our most valuable asset. They are the key to realising our Vision and achieving our Purpose. See Directors' Report, page 7, for information about how we engage with our employees to enable us to take their interests and views into account in decision-making.
(c) The need to foster business relationships with stakeholders	Our customers are the heart of our business and we strive to earn their loyalty by providing safe, reliable and great value multi-modal services. We also foster strong relationships with other key stakeholders including our partner operators, central and local government and transport authorities, our regulators, industry groups and our other suppliers. See Directors report, page 9, for who our key stakeholders are and how we foster relationships with them to enable us to take their interests and views into account in decision-making.
(d) The impact of the Company's operations on the community and environment	We play a vital role in the communities we serve by connecting the people who live in those communities with their work, leisure, family and friends. We are also focused on reducing the environmental impact of our operations. Per passenger, coach travel is less polluting than trains and vastly better than petrol and diesel cars. As such, modal shift (getting people out of cars and onto coaches) is the single most important thing we can do. Because of this, we take both the community and the environment into careful consideration in our decision-making
e) Maintaining a reputation of high standards and business conduct	Our reputation is key. It underpins our ability to earn the loyalty of our customers and thereby to grow our business through increased commercially contracted revenue. Our Group prides itself on being one of, if not the, safest transport service providers in the world. As a coach operator, we are also required to hold and maintain a PSV operator licence, pursuant to which we must meet a requirement of good repute. We will always therefore consider the importance of our reputation when making decisions.

Strategic Report – s.172(1) Statement (continued)

(f) Acting fairly between members of the Company	Being wholly owned subsidiary, the Company has a sole shareholder, National Express Group PLC. The Company always seeks to act in the best interests of both the sole shareholder and the wider Group, in order to assist in delivering the wider Group's aims and objectives. See page 18 of the Financial Statements for information on financial performance.

The table below describes certain key decisions taken by the Directors of the Company during its financial period ended 31 December 2021 and how such Directors had regard (among other matters) to the Factors in relation to those decisions:

Key Board Decision	**Factor(s)**	**Explanation of how the Directors have had regard to such Factors**
Temporary shut-down of certain operations and furlough or lay-offs of colleagues		The decision to temporarily shut down the NX white coach network services was in direct response to reduced customer demand and increased government restrictions. This was vital to reducing variable costs and cash outflow connected with services where revenue was severely impacted. The use of CJRS until September 2021 was also approved as this was key to the prospect of saving colleagues' jobs in the longer term and protecting local communities.
Further investment in health and safety		From early in the pandemic, the directors approved the implementation of additional health and safety measures to protect customers and employees from Covid-19. These included the distribution of PPE, enhanced cleaning regimes, social distancing measures and working from home in line with government guidance. As a result of the decision to invest, fewer customers and employees have been be exposed to Covid-19, the Company's reputation as a trusted and responsible provider/employer would be maintained and the Company would play in the vital efforts to reduce the spread of Coronavirus in the community.
Continued relationship with trusted vehicle suppliers to ensure all new coaches are to most modern standard and meet all environmental standards	£	These relationships ensure we can purchase vehicles for the most economic value and that all vehicles we operate are to the most modern standard in terms of emissions. In addition, maintaining a modern fleet ensures that customers are able to travel in comfort. We have continued to engage with our vehicle suppliers during the pandemic to ensure supply of key components has continued
Continuation of various contracts with sports clubs, schools and Local Businesses to provide transportation services to their teams	£	The continuation of these service allows us to continue to foster good business relationships with clients by providing quality mass transit services to such customers and securing a source of revenue, to the long-term benefit of the Company

Results and dividend

2021 has been another challenging year for the Company due to the significant impact of the Covid-19 pandemic and effect on public transport. The Company has had to be agile and often make quick and effective decisions to respond to these challenges.

The Company endured a difficult start to the year with the third national lockdown commencing on 6th January and as a result reduced demand and increased government restrictions.

In addition to the temporary staff savings enabled through the Government's Coronavirus Job Retention Scheme (CJRS), measures were taken to reduce variable costs. This was made all the more necessary due to the continued imposition of social distancing on public transport until May 2021

As restrictions eased through Q2 revenue began to recover, reaching 55% of pre-covid levels by November. However the loss of revenue due to Covid-19 could not be covered by the cost savings and this has resulted in an operating loss of £4.42m (2020: loss £2.17m), after accounting for separately disclosed exceptional Covid-19 related costs of £1.90m (2020: £0.78m). The loss before tax was £4.45m (2020: loss £2.27m).

Shareholders' funds decreased to £0.28m (2020: £3.70m), in the year to 31 December 2021.

The directors do not propose a dividend and no dividend was paid during the year (2020: nil).

The company's key financial performance indicators during the period were as follows:

		2021	2020	% change
Operating (loss)/profit	£000s	(4,419)	(2,165)	(104)
Turnover	£000s	6,738	12,209	(45)
Shareholders' funds	£000s	280	3,700	(92)
EBITDA margin		(40%)	(3%)	(1233)
Average Number of Employees		170	194	(12)

Future developments

The Directors' focus is volume and revenue growth whilst ensuring cost control is maintained.

Principal risks and uncertainties

The Company is subject to internal and external risk factors. External risks include general economic conditions, fuel costs and political/regulatory changes. Internal risks include failure of internal controls and employee retention.

Economic conditions – Revenue for the Company may be affected by lower passenger demand. The impact of the COVID pandemic is causing uncertainty in the market and causing Public & Private Sector customers to cut budgets for travel requirements. Covid pandemic & Brexit could affect the value of sterling which could risk travel and tourism industry in the UK. This can be managed through proactive cost control, revenue management systems and the careful economic modelling of new and existing contracts.

Extended Covid-19 impact – Revenue for the company was impacted by the pandemic as inbound tourism and commuter numbers significantly reduced. The directors mitigated the impact of COVID by utilising all government support schemes to their maximum, actively managing costs and redirecting resources to new business opportunities. Once restrictions are lifted and mobility recovers, there may be lasting implications such as residual fear of travelling on public transport.

In addition, the directors note that, National Express Group PLC has around £1.0 billion of overdraft and undrawn committed facilities that it can draw upon and has committed to support the company.

Fuel costs – Fuel costs constitute a high proportion of the costs of the Company and consequentially, to the extent that price increases cannot be passed on to the customers, increases in fuel costs will affect profitability.

Political/regulatory changes – Changes to government policy, funding regimes or the legal and regulatory framework may result in structural market changes or impact the Company's operations in terms of reduced profitability, increased costs and/or a reduction in operational flexibility or efficiency. The Company mitigates this risk by constant monitoring of the political landscape and focuses on effective stakeholder management and operational excellence.

Internal controls – Lack of internal controls could impact the profitability of the Company. The Company mitigates this risk by close monitoring of balance sheet and cash controls and continuous investment in organisational and technical measures to protect data.

Employee retention – Lack of available management talent/leadership skills could inhibit growth. Shortages in drivers and other key staff can disrupt operations and lead to wage cost inflation.

The Directors evaluate the above risks and the results are discussed at management level prior to being presented to the Board.

Further discussion of these risks and uncertainties, in the context of the Group as a whole is provided in the Business Review of the National Express Group PLC 2021 Annual Report and Consolidated Financial Statements.

On behalf of the board

Tom Stables
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Mr T F Stables
Director

Date: 28.9.22

H. LUCKETT & CO. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The Company is one of the leading private coach hire companies in the South with an outstanding reputation for coach services. The Company is renowned for its ability to provide the very best luxury coach hire services while adhering to duty of care legislation, giving complete peace of mind. The Directors' focus is the continued integration with the Group and volume, revenue growth whilst ensuring cost control is maintained.

Results and dividends

The results for the year are set out on page 17.

No ordinary dividends were paid. The directors do not propose to pay a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C Hardy	(Appointed 15 August 2022)
Mr A M Carter	
Mr M R Jordan	(Retired 12 November 2021)
Mr A J W Lawman	(Resigned 15 August 2022)
Mr T F Stables	
Mr J Stamp	(Appointed 15 August 2022)

Secretaries

The secretaries who held office during the period were as follows:

Ms J Myram	(Resigned 6 May 2022)
Mr S Callander	(Appointed 13 June 2022)

Directors' indemnity

In line with market practice and the company's Articles, each Director may have the benefit of a deed of indemnity from the company, which may include provisions in relation to duties as a Director of the company or an associated company, qualifying third party indemnity provisions and protection against derivative actions.

Going concern

After making enquires, the Directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future, being at least twelve months from the date of signing the financial statements.

National Express Group PLC, has confirmed in a signed letter of support that it will make funding available to the Company to enable it to meet its debts as they fall due for repayment for a period of at least one year following the signature date of these Financial Statements. Accordingly, the Financial Statements have been prepared on a going concern basis. The Directors note that even in light of the Covid 19 pandemic, National Express Group PLC has around £1.0 billion of overdraft and undrawn committed facilities that it can draw upon.

Health and Safety

Safety continues to be of paramount importance to the Company. Health and safety standards and benchmarks have been established and the performance against these is closely monitored.

Employee engagement statement

This statement is made in accordance with paragraph 11(1) of Part 4 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

Providing information to employees, consulting and engaging with employees and taking employees' interests and views into account

The Company places considerable value on engagement with its employees (and members of its wider workforce) and various methods are used to communicate and engage with them, including:

- the regular issue of business-related newsletters providing information about the Company's performance and other matters of interest to staff, including business and operational successes and challenges such as new coach routes, contract wins, new business partnerships, outsourcing opportunities, cost reduction measures and new policies and procedures;
- the regular posting of operational related notices, on Company depot noticeboards for those workers who do not work at a computer or have a work email address, or on the Company's intranet sites and by email for those workers who do, providing information about operational matters, such as route and rota changes, local congestion, accident hot-spots and ticketing changes;
- one-to-team communications between team leaders and their teams, and one-to-one communications between line managers and their direct reports raising awareness of matters covered by corporate communications and newsletters, dealing with team priorities and objectives or dealing with matters relevant to individual employees;
- formal consultation with employees where required in accordance with applicable law;

Involving employees in Company performance

Our Values underpin our strategy and are key to the fulfilment of our Purpose. As such, the promotion of our Values and our encouragement that every member of the Company's workforce live by them is the most effective way of involving them in the Company's performance. Every year, employees can nominate their colleagues for demonstrating behaviours which exemplify our Values. The winners in each value category are given a cash prize and nominated for Group awards. The overall winners of the Group Values Awards are chosen at an annual event in London which brings employees from across the Group's global businesses together to honour and congratulate their achievements.

The Company, as a member of a Group with a large proportion of the workforce based internationally, does not operate an all employee share scheme. Rather, the Company and its Group place emphasis on fair pay structures and local bonus and loyalty schemes to recognise and reward excellent performance and loyalty.

Promoting common awareness among employees of financial and economic factors affecting Company performance

The Company's Directors and members of its executive management teams have an in-depth understanding of the financial, economic and other factors, such as safety, which affect the Company's performance and they have developed key performance indicators (KPIs) for each of these and regularly track and report against such KPIs at the committee meetings of the Company's Board of Directors.

Equal opportunities

The Company is an equal opportunities employer and, in line with the Group's Equal Opportunities Policy, treats all employees equally, irrespective of race, gender, disability, age, sexual preference, marital status, employment status, religious or political beliefs and social background.

The Company also gives full and fair consideration to disabled applicants for employment having regard to their skills and capabilities, as confirmed in the Group Recruitment and Selection Policy, and recognises its obligations in connection with the continuing employment and training of members of the workforce who have become disabled whilst in the Company's employment. Where an employee becomes disabled, the objective is to retain their services wherever possible. The Company also works to ensure the continued career development of disabled persons including through training and promotion wherever their skills and capabilities permit.

The Company promotes an environment free from discrimination, harassment or victimisation and a culture in which members of the workforce are able to raise concerns without suffering detrimental treatment. To this end, the Company has in place comprehensive policies and procedures which are designed to enable the workforce and others to raise any concerns they have, including a confidential whistleblowing helpline.

Stakeholder Engagement Statement

This statement is made in accordance with paragraph 11(B) of Part 4 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

The Company strives to be a proactive and trusted partner to its key stakeholders, by seeking to understand their priorities and form alliances with them, as investing in long-term relationships helps us deliver our business objectives more effectively and mitigates potential barriers in doing so. The Company does this by identifying and prioritising stakeholders across its business and maintaining a different engagement strategy with them depending on their importance to its business. The table below sets out who the Company's key stakeholders are, why they are key stakeholders and how the Company engages with them:

Key stakeholder	Why a key stakeholder?	How we engage with key stakeholders
Workforce	The Company's best asset is its workforce and is key in achieving the Company's Purpose by upholding its Values and thereby helping to deliver its Vision, particularly by their adherence to the Company's safety and operational standards and their provision of excellent customer service.	We engage with our workforce via regular business newsletters, operational notices, one-to-team and one-to-one meetings, dialogue with Trade Unions, recognition and reward schemes and employee surveys. **Engagement focus in 2021:** With the unprecedented changes in working practices driven by our response to the pandemic we significantly increased engagement: • enhanced health and safety briefings • support for remote working practices • wellbeing support during periods of furlough • more frequent business updates
Customers	Our customers are the heart of our business and the source of our revenue so we strive to earn their loyalty by providing safe, reliable and great value multi-modal services on clean and green vehicles and by providing a great customer experience.	We engage with our customers and receive feedback from them directly on the phone, through our website, on-line chat facilities, customer surveys and social media. **Engagement focus in 2021:** We have been in constant contact with our customers to understand their changing needs in the context of the pandemic: • Reassurance of safety measures for passengers • No quibble reimbursement for cancelled travel • Flexing services and schedules in line with changing travel restrictions
Other Suppliers and Business Partners	Our other suppliers, such as vehicle, parts, tyre and fuel suppliers and our IT, API, sales & marketing and payment provider suppliers are also key to helping us to deliver our services in an effective and efficient way.	We also have contracts with all these suppliers and our procurement or IT or marketing teams manage the relationship with them by working collaboratively to agree and then comply with mutually acceptable contract terms and ensure there are no disruptions to the supply chain. **Engagement focus in 2021:** We have have worked closely with our suppliers to mitigate the impact of the pandemic on the Company's resources: • Delaying orders • Extending payment terms and adjusting contracts to reflect changed circumstances • Developing critical new supplier relationships with PPE suppliers

Regulators including: • Traffic Commissioner • DVSA • DVLA	The Traffic Commissioner - as the operating license authority - and the DVSA and DVLA - as regulators of vehicle standards and driver licensing - are vital to the lawful operation of our coach services.	We ensure that we keep the Traffic Commissioner fully appraised of any changes or developments through regular communication. We work collaboratively with the DVSA to ensure our vehicles adhere to their standards and with the DVLA to ensure our drivers are duly licensed. **Engagement focus in 2021:** • Clarifying evolving laws and guidance on travel restrictions and associated safety guidelines updates
Industry and interest groups	We are a member of the Confederation of Public Transport (CPT) These stakeholders enhance our knowledge and boost our influence.	We attend regular meetings of the CPT to discuss issues of general importance to the bus & coach industry and to collaborate with them on raising these issues to political or national attention where appropriate .

Principal risks and uncertainties, dividends and future developments
The key risks, dividends and future developments of the Company are described in the Strategic Report.

In terms of future development, the directors intend to continue to control costs in the Company and exploit all commercial opportunities that arise. There will also be continued focus on integrating the business within the wider National Express Group Plc.

Financial risk management
The financial risk management objectives and policies of the Company are monitored as part of the wider Group. Details of the risks and exposure of the Group to financial risk including; credit risk, liquidity and market risk are provided in the National Express PLC Annual Report and Accounts 2021.

Auditor
Deloitte LLP have indicated their willingness to be re-appointed for another term. Appropriate arrangements have been put in place for them to be re-appointed as auditor in the absence of an Annual General Meeting.

Directors' statement as to disclosure of information to auditor
The Directors who held office at the date of approval of the Directors' Report confirm that:

- to the best of each Director's knowledge there is no information relevant to the preparation of their audit report to which the Company's auditor is unaware; and
- each Director has taken all steps that 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 confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

Approved for issue by the board of directors

Tom Stables

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Mr T F Stables
Director

Date: 28.9.22

H. LUCKETT & CO. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF H. LUCKETT & CO. LIMITED

Opinion

In our opinion the financial statements of H. Luckett & Co. Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related Notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and in-house legal counsel about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Revenue recognition: the procedures performed to address the significant risk included agreeing that a sample of transactions recorded at the end of the financial year, and those at the start of the subsequent financial year, were included within the correct accounting period accounting period, as well as the testing of management's controls around revenue recognition.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or 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; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report
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.

Jonathan Dodworth

Jonathan Dodworth (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

Date: 29 September 2022

H. LUCKETT & CO. LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Revenue	4	6,737,748	12,209,066
Operating costs		(10,185,928)	(15,075,326)
Other operating income		924,856	1,478,753
Exceptional items	5	(1,895,343)	(777,643)
Operating loss	6	(4,418,667)	(2,165,150)
Interest payable and similar expenses	9	(28,123)	(106,623)
Loss before taxation		(4,446,790)	(2,271,773)
Tax on loss	10	1,027,095	432,776
Loss and total comprehensive income for the financial year		(3,419,695)	(1,838,997)

All revenue has derived from continuing operations.

H. LUCKETT & CO. LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Non-current assets					
Intangible assets	12		468,556		35,787
Tangible fixed assets	13		8,251,213		12,369,467
Deferred tax asset	21		546,603		-
			9,266,372		12,405,254
Current assets					
Stocks	14	49,832		207,539	
Debtors	15	10,537,110		8,220,341	
Cash at bank and in hand		181,446		3,186	
		10,768,388		8,431,066	
Creditors: amounts falling due within one year	17	(18,826,581)		(15,201,607)	
Net current liabilities			(8,058,193)		(6,770,541)
Total assets less current liabilities			1,208,179		5,634,713
Creditors: amounts falling due after more than one year	17		(299,557)		(945,213)
Provisions for liabilities					
Deferred tax liabilities	21		-		(522,083)
Other provisions	22		(628,200)		(467,300)
Net assets			280,422		3,700,117
Capital and reserves					
Called up share capital	24		10,000		10,000
Profit and loss reserves			270,422		3,690,117
Total equity			280,422		3,700,117

Included within net assets are the following assets and liabilities related to disposal groups classified as held for sale (see note 16): Assets held for sale £1,680,802 (2020 - £Nil); Liabilities directly associated with assets held for sale £Nil (2020 - £Nil).

H. LUCKETT & CO. LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements for H.Luckett & Co Limited were approved by the board of directors and authorised for issue on ..28.9.22........ and are signed on its behalf by:

Tom Stables
....
Mr T F Stables
Director

Company Registration No. 01072023

The notes on pages 20 to 36 form part of these financial statements.

H. LUCKETT & CO. LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 September 2019		10,000	5,558,281	5,568,281
Loss and total comprehensive income for the period		-	(1,838,997)	(1,838,997)
Dividends	**11**	-	(29,167)	(29,167)
Balance at 31 December 2020		10,000	3,690,117	3,700,117
Loss and total comprehensive expense for the year		-	(3,419,695)	(3,419,695)
Balance at 31 December 2021		10,000	270,422	280,422

1 Accounting policies

Company information
H. Luckett & Co. Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The registered office is National Express House, Birmingham Coach Station, Mill Lane, Digbeth, Birmingham, B5 6DD. The company's principal activities and nature of its operations are disclosed in the directors' report.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial information has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of revenue from contracts with customers;
- disclosure of capital lease accounting;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- comparative narrative information; and
- related party disclosures for transactions with the parent or wholly owned members of the group.

Where required, equivalent disclosures are given in the group accounts of National Express Group PLC. The group accounts of National Express Group PLC are available to the public and can be obtained as set out in note 26.

Reporting period
The financial statements cover the year ended 31 December 2021. The prior period covers a 16 month period from the 1 September 2019 to 31 December 2020. The date of the company accounting period was amended during the period ended 31 December 2020 to align with the National Express Group Plc following the change in ownership in that period. As a result, the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1 Accounting policies **(Continued)**

1.2 Going concern

National Express Group PLC, has confirmed in a signed letter of support that it will make funding available to the Company to enable it to meet its debts as they fall due for repayment for a period of at least one year following the signature date of these Financial Statements. Accordingly, the Financial Statements have been prepared on a going concern basis. The Directors note that even in light of the Covid 19 pandemic, National Express Group PLC has around £1.0 billion of overdraft and undrawn committed facilities that it can draw upon.

Thus, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of signing the Financial Statements. Accordingly, the Financial Statements has been prepared on a going concern basis.

1.3 Revenue

Revenue represents income from Coach Hire services provided during the year excluding VAT and is *recognised based upon departure date.*

The company recognises revenue from the following major sources:

- Contract revenue
- Passenger revenue
- Private hire
- Other revenue

The nature, timing of satisfaction of performance obligations and significant payment terms of the company's major sources of revenue are as follows:

Contract revenue

For the purposes of disclosures, the Company has applied the term contract revenues to describe documented contracts that typically cover periods of at least one year, excluding concessions and subsidies.

Revenues relating to the provision of transport services are recognised as the services are provided and in accordance with the terms of the contract. Revenue relating to any additional performance measures in the contract are recognised when the performance has been met and in accordance with the terms of the contract.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring services to the customer. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is resolved and when it becomes highly probable that a significant revenue reversal will not occur.

Passenger revenue

Revenue is recognised by reference to the date of customer travel. Revenue from tickets that cover more than one day, for example monthly travel cards and season tickets, are initially deferred as a liability and released to the Profit and Loss Account over the period of the ticket.

Deferred income liability is reduced when an eligible cancellation arises. Also, where applicable, deferred income is reduced for ticket breakage, being the portion of future travel that is not expected to be exercised.

Private hire

Revenue is recognised over the period in which the private hire is provided to the customer.

Other revenue

Revenues for non-passenger services are recognised when the performance of the service has been fulfilled and in accordance with the terms of the contract.

1 Accounting policies **(Continued)**

1.4 Intangible assets other than goodwill
Acquired and internally developed software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software or fair value if acquired as part of a business combination. Computer software that is integral to a tangible fixed asset is recognised within property, plant and equipment. Amortisation is charged on a straight-line basis over the expected useful lives of the assets as follows:

- over the estimated useful life (3 to 7 years)

1.5 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20 - 25% reducing balance
Plant and equipment	25% reducing balance
Computers	25 - 50% reducing balance
Motor vehicles	10 - 50% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of comprehensive income.

1.6 Impairment of tangible and intangible assets
At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks
Stocks are valued at the lower of cost (which includes transportation / delivery where applicable) on LIFO basis and net realisable value after making due allowances for obsolete and slow moving stock.

1.8 Non-current assets held for sale
Fixed assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Fixed assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.9 Cash at bank and in hand
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.10 Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies **(Continued)**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies (Continued)

1.17 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within tangible fixed assets, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other tangible fixed assets. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.18 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

2 Adoption of new and revised standards and changes in accounting policies

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below. There are no key sources of estimation uncertainty.

Critical accounting judgements
Certain directly attributable expenses resulting from the Covid-19 pandemic are considered to involve critical judgment. Specifically, judgement has been required to identify incremental costs associated with the pandemic that are not expected to arise in future periods and do not form part of the underlying operating activities of the Company.

4 Revenue

	2021	2020
	£	£
Revenue analysed by class of business		
Private hire	2,169,303	2,999,917
Contract revenue	1,644,422	5,962,510
Other	16,900	36,665
Intergroup charges	2,907,123	3,209,974
	6,737,748	12,209,066

	2021	2020
	£	£
Other Operating Income		
Grants received	924,856	1,478,753

All revenue is driven by UK operations.

Government grants have been received in relation to the COVID-19 pandemic that continued into 2021.
There are no unfulfilled conditions or contingencies attached to these grants.

5 Exceptional items

	2021	2020
	£	£
Expenditure		
Exceptional items	1,895,343	777,643

5 Exceptional items (Continued)

Total exceptionals of £1,895,343 (2020: £777,643) relates to:

1. **Onerous Contract - Schools £387,135 (2020: £469,550)**
   School contracts tend to attract very low prices, and in isolation are not commercially viable to operate without the addition of "mid-day work", which when combined with the school contracts, becomes profitable. Due to the outbreak of Covid-19, demand for other "mid-day work" has significantly reduced which renders the contracts loss-making. A revised assessment of the onerous contracts has been made for the 2021/22 academic year.

2. **Impairments and associated charges £390,095 (2020: £Nil)**
   Due to the Covid-19 pandemic, the company has experienced a significant fall in private hire and passenger numbers in line with the UK travel restrictions. The requirement for Coaches has been significantly reduced in 2021, with fewer vehicles required to deliver our customer's requirements also resulting in fewer cascade opportunities for fleet. It is due to the ongoing Covid-19 pandemic whose impact could not reasonably have been foreseen and its significant impact on the travel and particularly coach sector, that the Directors have reviewed and identified the revised fleet requirement, and all vehicles that are deemed to be excess to fleet requirements have been reclassified as "held for sale" under IFRS 5. The review resulted in impairment charges totalling £390k.

3. **Business Restructuring £1,114,097 (2020: £225,971)**
   In completing the business restructure that started in 2020, a number of critical business projects have taken place, focussed heavily on the simplification and standardisation of the business operational, finance and IT systems. The costs attributable to the business restructure are considered to be one off costs to support the strategic direction of the business, and therefore costs associated within these projects which interrelate are considered exceptional in nature.

4. **One off costs £4,016 (2020: £82,122)**
   The Company incurred one-off charges relating to incremental health and safety costs.

6 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Government grants	(924,856)	(1,478,753)
Fees payable to the company's auditor for the audit of the company's financial statements	15,000	17,375
Depreciation of property, plant and equipment - owned assets	1,070,876	2,060,649
Depreciation of property, plant and equipment - right of use assets	636,477	530,397
Loss/(profit) on disposal of tangible fixed assets	202,698	(966)
Cost of inventories recognised as an expense	1,082,843	856,312

No fees in relation to non audit services were incurred during the current and prior accounting periods.

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Managerial and admin staff	18	34
Operational	152	160
Total	170	194

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	4,655,345	5,280,963
Social security costs	432,191	576,641
Pension costs	90,477	230,398
	5,178,013	6,088,002

Included within staff costs above is grant income received of £924,856 (2020: £1,478,753).

8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	91,775	190,390
Company pension contributions to defined contribution schemes	6,425	88,114
	98,200	278,504

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 3).

9 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,323	1,526
Interest on other loans	635	73,183
	1,958	74,709
Interest on other financial liabilities:		
Interest on lease liabilities	26,165	31,914
Total interest expense	28,123	106,623

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(41,592)
Adjustments in respect of prior periods	41,591	(35,690)
Total UK current tax	41,591	(77,282)
Deferred tax		
Origination and reversal of temporary differences	(1,110,611)	(388,364)
Changes in tax rates	135,362	-
Adjustment in respect of prior periods	(93,437)	32,870
	(1,068,686)	(355,494)
Total tax (credit)/charge	(1,027,095)	(432,776)

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2021	2020
	£	£
Loss before taxation	(4,446,790)	(2,271,773)
Expected tax credit based on a corporation tax rate of 19.00% (2020: 19.00%)	(844,890)	(431,637)
Effect of expenses not deductible in determining taxable profit	73	2,434
Under/(over) provided in prior years	41,592	(35,690)
Deferred tax adjustments in respect of prior years	(93,437)	32,870
Other adjustments	752	(753)
Effect of change of deferred tax rate	(131,185)	-
Taxation credit for the year	(1,027,095)	(432,776)

Factors that may affect future tax charges

The Finance Act 2020, enacted in March 2020, announced that the corporation tax rates would remain at 19% for 2021 and 2022.

On 3 March 2021 the UK Chancellor of exchequer announced a tax rise from 19% to 25% from 1 April 2023. Therefore this rate has been substantively enacted at the reporting date and has been used in the measurement of deferred tax.

On 23 September 2022, the Chancellor of the Exchequer announced that the planned tax rate change to 25% would no longer be implemented and that the main rate would remain at 19%. As the enacted rate at the balance sheet date was 25% this announcement does not represent an adjusting event and the company's deferred tax balances as at 31 December 2021 are still calculated at that higher rate. When recalculated at the lower 19% rate the deferred tax asset would reduce by approximately £131k.

11 Dividends

Amounts recognised as distributions:	2021 per share £	2020 per share £	2021 Total £	2020 Total £
Ordinary shares				
Interim dividend paid	-	2.92	-	29,167

12 Intangible fixed assets

	Software £
Cost	
At 31 December 2020	35,787
Additions - purchased	432,769
At 31 December 2021	468,556
Carrying amount	
At 31 December 2021	468,556
At 31 December 2020	35,787

No amortisation has been charged on the intangibles as the additions in the year were under development.

13 Tangible fixed assets

	Fixtures and fittings £	Plant and equipment £	Computers £	Motor vehicles £	Total £
Cost					
At 31 December 2020	141,823	536,327	297,469	24,470,316	25,445,935
Additions		47,095	75,812	-	122,907
Disposals	-	-	-	(1,381,400)	(1,381,400)
On assets reclassified as held for sale	-	-	-	(5,922,219)	(5,922,219)
IFRS 16 adjustment	-	(3,402)	-	(915,885)	(919,287)
Transfers	6,414	(6,414)	-	-	-
At 31 December 2021	148,237	573,606	373,281	16,250,812	17,345,936
Accumulated depreciation and impairment					
At 31 December 2020	119,737	438,621	144,157	12,373,953	13,076,468
Charge for the year	7,959	23,749	39,982	1,635,663	1,707,353
Impairment	-	-	-	349,840	349,840
Eliminated on disposal	-	-	-	(1,274,915)	(1,274,915)
On assets reclassified as held for sale	-	-	-	(3,847,204)	(3,847,204)
IFRS 16 adjustment	(929)	-	-	(915,890)	(916,819)
Transfers	(10,359)	6,385	3,974	-	-
At 31 December 2021	116,408	468,755	188,113	8,321,447	9,094,723

13 Tangible fixed assets (Continued)

	Fixtures and fittings	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
Carrying amount					
At 31 December 2021	31,829	104,851	185,168	7,929,365	8,251,213
At 31 December 2020	22,086	97,706	153,312	12,096,363	12,369,467

Due to the Covid-19 pandemic, the business has experienced a significant fall in private hire and passenger numbers in line with the UK travel restrictions. The requirement for Coaches has been significantly reduced, with fewer vehicles required to deliver our customer's requirements also resulting in fewer cascade opportunities for fleet, as such the business has carried out an impairment assessment on vehicles expiring in 2021 and 2022.

An assessment of value in use has been calculated, as well as an assessment of fair value less costs to sell, and an impairment charge has been recognised.

Tangible fixed assets includes right-of-use assets, as follows:

Right-of-use assets	2021	2020
	£	£
Net values		
Motor vehicles	927,176	1,563,652
Depreciation charge for the year		
Motor vehicles	636,477	530,397

14 Stocks

	2021	2020
	£	£
Fuel and workshop materials	49,832	207,539

15 Debtors

	2021	2020
	£	£
Trade debtors	653,147	170,735
VAT recoverable	232,271	66,591
Amounts owed by fellow group undertakings	6,883,232	7,507,641
Other debtors	60,032	46,005
Prepayments	59,838	245,629
Accrued income	967,788	183,740
	8,856,308	8,220,341
Classified as part of a disposal group held for sale:		
Motor vehicles	1,680,802	-
	10,537,110	8,220,341

All amounts owed by fellow group undertakings are repayable on demand and interest free.

16 Assets and liabilities classified as held for sale

	2021	2020
	£	£
Motor vehicles	1,680,802	-

As a result of the changing market conditions primarily caused by the COVID-19 pandemic, there has been a significant fall in private hire demand and passenger numbers in line with the UK travel restrictions. Therefore, there is a strong business case to reduce the number of vehicles within the fleet to reduce this excess capacity held. Management have engaged an independent agent to start the process of selling these selected vehicles.

We have compared the current value with the fair value less costs to sell, detailing the lowest figure on an asset-by-asset basis. We have obtained this figure from an established independent agent to give an independent, third party assessment of which we can rely.

Costs to sell have been quantified by using a fixed percentage on the fair value, as transactions such as these usually include a fixed percentage as commission. We have used a percentage of 5% based on previous transactions performed and believe this to be a prudent estimate.

17 Creditors

		Due within one year		Due after one year	
		2021	2020	2021	2020
	Notes	£	£	£	£
Loans and overdrafts	18	-	1,119,109	-	-
Creditors	19	18,005,876	13,361,922	-	-
Taxation and social security		175,049	88,423	-	-
Lease liabilities	20	645,656	632,153	299,557	945,213
		18,826,581	15,201,607	299,557	945,213

18 Loans and overdrafts

	2021	2020
	£	£
Borrowings held at amortised cost:		
Bank overdrafts	-	1,119,109

The overdraft is secured by a group guarantee.

19 Creditors

	2021	2020
	£	£
Trade creditors	162,881	363,457
Amounts owed to fellow group undertakings	17,234,420	12,569,073
Accruals	308,302	388,476
Deferred income	222,742	-
Other creditors	77,531	40,916
	18,005,876	13,361,922

All amounts owed to fellow group undertakings are repayable on demand and interest free.

20 Lease liabilities

	2021	2020
Maturity analysis	£	£
Within one year	645,656	632,153
In two to five years	299,557	945,213
Total undiscounted liabilities	945,213	1,577,366

20 Lease liabilities (Continued)

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021	2020
	£	£
Current liabilities	645,656	632,153
Non-current liabilities	299,557	945,213
	945,213	1,577,366

Amounts recognised in profit or loss include the following:	2021 £	2020 £
Interest on lease liabilities	26,165	31,914

21 Deferred taxation

	2021	2020
	£	£
Deferred tax liabilities	-	522,083
Deferred tax assets	546,603	-
	546,603	522,083

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs	Tax losses	Other timing differences	Total
	£	£	£	£
Deferred tax liability at 1 September 2019	882,498	-	(4,921)	877,577
Deferred tax movements in prior period				
Charge/(credit) to profit or loss	58,822	(413,737)	(579)	(355,494)
Deferred tax liability at 1 January 2021	941,320	(413,737)	(5,500)	522,083
Deferred tax movements in current year				
Charge/(credit) to profit or loss	162,402	(1,231,438)	350	(1,068,686)
Deferred tax asset at 31 December 2021	1,103,722	(1,645,175)	(5,150)	(546,603)

22 Provisions for liabilities

	2021	2020
	£	£
Onerous contract	210,675	467,300
Exceptional IT Costs	417,525	-
	628,200	467,300

Movements on provisions:	Onerous contract	Exceptional IT Costs	Total
	£	£	£
At 1 January 2021	467,300	-	467,300
Additional provisions in the year	-	417,525	417,525
Utilisation of provision	(256,625)	-	(256,625)
At 31 December 2021	210,675	417,525	628,200

Further details on the provisions are disclosed within note 5 to the financial statements.

23 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	90,477	230,398

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £26,175 (2020: £20,598) were payable at the year end and are included in creditors.

24 Share capital

Ordinary share capital	2021 Number	2020 Number	2021 £	2020 £
Issued and fully paid				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

The Company has one class of ordinary shares which carry no rights to fixed income.

25 Related party transactions

The company has taken advantage of the exemption under FRS 101 from disclosing transactions with related parties that are wholly owned subsidiaries of National Express Group PLC.

26 Controlling party

The immediate parent undertaking is Lucketts Holdings Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is National Express Group PLC.

The smallest and largest group in which the company's results are consolidated is National Express Group PLC, registered in England and Wales. The group financial statements are available to the public and may be obtained from Companies House on request. The registered office of National Express Group PLC is National Express House, Birmingham Coach Station, Mill Lane, Digbeth, Birmingham, England, B5 6DD.