

**Company Registration No. 01072023 (England and Wales)**

**H. LUCKETT & CO. LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**



# **H. LUCKETT & CO. LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

Mr A M Carter (Appointed 1 October 2019)  
Mr M R Jordan  
Mr A J W Lawman  
Mr T F Stables (Appointed 29 February 2020)

### **Secretary**

Ms J Myram

### **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

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# **H. LUCKETT & CO. LIMITED**

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# **H. LUCKETT & CO. LIMITED**

## **STRATEGIC REPORT**

### **FOR THE PERIOD ENDED 31 DECEMBER 2020**

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The Directors present the strategic report for H. Lockett & Co. Limited (the "Company") for the 16 months ended 31 December 2020. The reporting date has been amended from 31 August to 31 December to align with the wider National Express group. 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 activities**

##### **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.

# H. LUCKETT & CO. LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020





### 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.

# H. LUCKETT & CO. LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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

<p>(e) <i>Maintaining a reputation of high standards and business conduct</i></p> <p>③</p>	<p>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.</p>
<p>(f) <i>Acting fairly between members of the Company</i></p> <p>③</p>	<p>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 14 of the Financial Statements for information on financial performance.</p>

The table below describes certain key decisions taken by the Directors of the Company during its financial period ended 31 December 2020 and how such Directors had regard (among other matters) to the Factors in relation to those decisions. In a period dominated by the challenges of the Covid-19 pandemic, many of the Directors' principal decisions were taken in direct response to those challenges:

Key Board Decision	Factor(s)	Explanation of how the Directors have had regard to such Factors
<p><i>Further investment in health and safety</i></p>	<p>③ ③ ③ ③ ③</p>	<p>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.</p> <p>As a result of the decision to invest, fewer customers and employees would 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.</p>
<p><i>Temporary shut-down of certain operations and furlough or lay-offs of colleagues</i></p>	<p>③ ③ ③</p>	<p>The decision to temporarily shut down certain transport services was in direct response to reduced customer demand. This was vital to reducing variable costs and cash outflow connected with services where revenue was severely impacted.</p> <p>The use of furlough was also approved as this was key to the prospect of saving colleagues' jobs in the longer term and protecting local communities.</p>
<p><i>Continuation of various contracts with sports clubs, schools and Local Businesses to provide transportation services to their teams</i></p>	<p>③ ③ ③</p>	<p>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</p>

## H. LUCKETT & CO. LIMITED

### STRATEGIC REPORT (CONTINUED)

#### FOR THE PERIOD ENDED 31 DECEMBER 2020

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##### Results and dividend

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

		2020	2019	% change
Operating (Loss/Profit)	£000s	(2,165)	1,050	(271)
Turnover	£000s	12,209	14,748	(17)
Shareholders' funds	£000s	3,700	5,568	(34)
EBITDA margin		3%	22%	(86)
Average Number of Employees		194	235	(17)

2020 has been an exceptionally challenging period 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.

As the first lockdown hit in March, the Company saw an immediate impact on its customers. Demand did start to come back when travel restrictions were lifted however reduced just as quickly when re-imposed.

In addition to the temporary staff savings enabled through the Government's CJRS, measures were taken to reduce variable costs.

The decline in revenue due to Covid, could not be covered by the cost savings and this has resulted in an operating loss of £2,165,150 (2019: profit £1,267,131). After accounting for separately disclosed exceptional Covid related costs loss before tax was £2,271,773 (2019: profit £1,049,500). Shareholders' funds decreased to £3,700,117 (2019: £5,568,281), in the 16 months to 31st December 2020.

##### Future developments

The Directors' focus is integration with the Group as well as volume and revenue growth whilst ensuring cost control is maintained.

# H. LUCKETT & CO. LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 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. Brexit 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 the 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 £1.5 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 2020 Annual Report and Consolidated Financial Statements.

On behalf of the board



Mr T F Stables  
Director

Date: 30.9.21



# **H. LUCKETT & CO. LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 31 DECEMBER 2020**

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The directors present their annual report and financial statements for the period ended 31 December 2020.

The company was acquired by National Express Limited (a wholly owned subsidiary of National Express PLC), on 29th February 2020 and has prepared its financial statements for the 16 month period to 31st December 2020 to align its year end with the new parent company.

#### **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 integration with the Group and volume, revenue growth whilst ensuring cost control is maintained.

#### **Results and dividends**

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

Ordinary dividends were paid amounting to £29,167. The directors do not propose to pay a final dividend.

#### **Directors**

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

Mr A M Carter	(Appointed 1 October 2019)
Mr M R Jordan	
Mr A J W Lawman	
Mr T F Stables	(Appointed 29 February 2020)
Mr P R Barlow	(Appointed 29 February 2020 and resigned 18 June 2020)
Mr D F Luckett	(Resigned 29 February 2020)
Mr I M Luckett	(Resigned 29 February 2020)
Ms S J T Wassall	(Resigned 21 August 2020)
Mr S D Luckett	(Resigned 29 February 2020)

#### **Secretaries**

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

Ms J Myram	(Appointed 29 February 2020)
Mr I M Luckett	(Resigned 29 February 2020)

#### **Directors' indemnity**

In line with market practice and the company's Articles, each Director has the benefit of a deed of indemnity from the company, which includes 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.

# **H. LUCKETT & CO. LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE PERIOD ENDED 31 DECEMBER 2020**

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#### **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 £1.5billion 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.

# **H. LUCKETT & CO. LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE PERIOD ENDED 31 DECEMBER 2020**

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#### **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:

# H. LUCKETT & CO. LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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.	<p>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.</p> <p><b>Engagement focus in 2020:</b>            With the unprecedented changes in working practices driven by our response to the pandemic we significantly increased engagement:</p> <ul style="list-style-type: none"> <li>• enhanced health and safety briefings</li> <li>• support for remote working practices</li> <li>• wellbeing support during periods of furlough</li> <li>• more frequent business updates</li> </ul>
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.	<p>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.</p> <p><b>Engagement focus in 2020:</b>            We have been in constant contact with our customers to understand their changing needs in the context of the pandemic:</p> <ul style="list-style-type: none"> <li>• Reassurance of safety measures for passengers</li> <li>• No quibble reimbursement for cancelled travel</li> <li>• Flexing services and schedules in line with changing travel restrictions</li> </ul>
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.	<p>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.</p> <p><b>Engagement focus in 2020:</b>            We have worked closely with our suppliers to mitigate the impact of the pandemic on the Company's resources:</p> <ul style="list-style-type: none"> <li>• Delaying orders</li> <li>• Extending payment terms and adjusting contracts to reflect changed circumstances</li> <li>• Developing critical new supplier relationships with PPE suppliers</li> </ul>

## H. LUCKETT & CO. LIMITED

### DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Regulators including: <ul style="list-style-type: none"><li>• Traffic Commissioner</li><li>• DVSA</li><li>• DVLA</li></ul>	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 apprised 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.  <b>Engagement focus in 2020:</b> <ul style="list-style-type: none"><li>• Clarifying evolving laws and guidance on travel restrictions and associated safety guidelines updates</li></ul>
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 more focus on integrating the business within NETS group and 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 2020.

#### Auditor

Deloitte LLP were appointed as the company's auditor during the period ended 31 December 2020. 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.

# H. LUCKETT & CO. LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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Approved for issue by the board of directors



Mr T F Stables

Director

Date: ..... 30.9.21 .....

# **H. LUCKETT & CO. LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2020**

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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.

# **H. LUCKETT & CO. LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF H. LUCKETT & CO. LIMITED**

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#### **Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies and
- the related notes 1 to 24.

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.



# **H. LUCKETT & CO. LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF H. LUCKETT & CO. LIMITED**

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#### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# **H. LUCKETT & CO. LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF H. LUCKETT & CO. LIMITED**

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#### **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 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 UK Companies Act 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 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 it 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, 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 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.

# H. LUCKETT & CO. LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF H. LUCKETT & CO. LIMITED

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#### 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 and the directors' report.

##### Matters on which we are required to report by exception

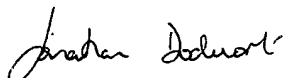
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 (Senior statutory auditor)**

**For and on behalf of Deloitte LLP**

**Statutory Auditor**

**Birmingham, United Kingdom**

**30 September 2021**

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# H. LUCKETT & CO. LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020

		<b>Period ended 31 December 2020 £</b>	<b>Year ended 31 August 2019 £</b>
	<b>Notes</b>		
Revenue	4	12,209,066	14,748,196
Operating costs		(15,852,969)	(13,481,065)
Other operating income		1,478,753	-
<b>Operating (loss)/profit</b>	<b>5</b>	<b>(2,165,150)</b>	<b>1,267,131</b>
Interest payable and similar expenses	8	(106,623)	(217,631)
<b>(Loss)/profit before taxation</b>		<b>(2,271,773)</b>	<b>1,049,500</b>
Tax on (loss)/profit	9	432,776	(141,478)
<b>(Loss)/profit and total comprehensive income for the financial period</b>		<b>(1,838,997)</b>	<b>908,022</b>

All revenue has derived from continuing operations.

# H. LUCKETT & CO. LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Non-current assets</b>					
Intangible assets	11	35,787		-	
Tangible fixed assets	12	12,369,467		13,933,002	
		<u>12,405,254</u>		<u>13,933,002</u>	
<b>Current assets</b>					
Stocks	13	207,539		263,532	
Debtors	14	8,220,341		5,864,096	
Cash at bank and in hand		3,186		139,335	
		<u>8,431,066</u>		<u>6,266,963</u>	
<b>Creditors: amounts falling due within one year</b>	15	(15,201,607)		(6,611,322)	
<b>Net current liabilities</b>		<u>(6,770,541)</u>		<u>(344,359)</u>	
<b>Total assets less current liabilities</b>		<u>5,634,713</u>		<u>13,588,643</u>	
<b>Creditors: amounts falling due after more than one year</b>	15	(945,213)		(7,142,785)	
<b>Provisions for liabilities</b>					
Deferred tax liabilities	19	(522,083)		(877,577)	
Other provisions	20	(467,300)		-	
<b>Net assets</b>		<u>3,700,117</u>		<u>5,568,281</u>	
<b>Capital and reserves</b>					
Called up share capital	22	10,000		10,000	
Profit and loss reserves		3,690,117		5,558,281	
<b>Total equity</b>		<u>3,700,117</u>		<u>5,568,281</u>	

The financial statements for H.Luckett & Co Limited were approved by the board of directors and authorised for issue on 30.9.21 and are signed on its behalf by:



Mr T F Stables  
Director

Company Registration No. 01072023

The notes on pages 20 to 34 form part of these financial statements.

# H. LUCKETT & CO. LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 September 2018</b>		10,000	4,675,259	4,685,259
 Profit and total comprehensive income for the year		-	908,022	908,022
Dividends	10	-	(25,000)	(25,000)
<b>Balance at 31 August 2019</b>		10,000	5,558,281	5,568,281
 Loss and total comprehensive expense for the year		-	(1,838,997)	(1,838,997)
Dividends	10	-	(29,167)	(29,167)
<b>Balance at 31 December 2020</b>		10,000	3,690,117	3,700,117

# **H. LUCKETT & CO. LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**

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### **1 General information**

#### **Company information**

H. Lockett & 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.

The company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework. These financial statements for the period ended 31 December 2020 are the first financial statements of H. Lockett & Co. Limited prepared in accordance with FRS 101. The company transitioned from FRS102 to FRS 101 for all periods presented and the date of transition to FRS 101 was 1 September 2019 using the modified retrospective approach.

An explanation of how transition to FRS 101 has affected the reported financial position and financial performance is given in note 2.

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 23.

#### **Reporting period**

The financial statements cover the period from the 1 September 2019 to 31 December 2020. The company has decided to change reporting period to be inline with the group due to the change in ownership in the year. As a result, the comparatives, which cover the year ended 31 August 2019 are not entirely comparable.

# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 1 General information

(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 £1.5billion 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.



# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2020

#### 1 General information

(Continued)

##### 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.

#### 1.4 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 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.

# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

---

### 1 General information

(Continued)

#### 1.9 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.

#### 1.10 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.

#### 1.11 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.

# **H. LUCKETT & CO. LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

### **1 General information**

**(Continued)**

#### **1.12 Taxation**

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

##### **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.

#### **1.13 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.

#### **1.14 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.

# **H. LUCKETT & CO. LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020**

---

### **1 General information**

**(Continued)**

#### **1.15 Retirement benefits**

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

#### **1.16 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.

#### **1.17 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 period, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

## H. LUCKETT & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE PERIOD ENDED 31 DECEMBER 2020

#### 2 Adoption of new and revised standards and changes in accounting policies (Continued)

The company has applied IFRS 16 for the first time using the modified retrospective approach. Under this method, the comparative information in the statement of profit or loss and other comprehensive income is not restated. The cumulative impact of first time adoption is recognised as an adjustment to the opening balance of retained earnings for the current period.

The company's accounting policies for IFRS 16 are disclosed in note 1. There has been no adjustment made by the application of IFRS 16 as right of use assets have been recognised on the transition date of 1 September 2019, therefore no adjustment to the opening balance of retained earnings is required.

#### 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

	2020	2019
	£	£
<b>Revenue analysed by class of business</b>		
Private hire	2,999,917	5,041,483
Contract	5,962,510	6,053,026
Commuter & other	36,665	144,574
Intergroup charges	3,209,974	3,509,113
	<u>12,209,066</u>	<u>14,748,196</u>
	2020	2019
	£	£
<b>Other significant revenue</b>		
Grants received	<u>1,478,753</u>	<u>-</u>

All revenue is driven by UK operations.

# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 5 Operating (loss)/profit

	2020 £	2019 £
Operating (loss)/profit for the period is stated after charging/(crediting):		
Government grants	(1,478,753)	-
Fees payable to the company's auditor for the audit of the company's financial statements	17,375	6,500
Depreciation of property, plant and equipment - owned assets	2,060,649	1,969,711
Depreciation of property, plant and equipment - right of use assets	530,397	
(Profit)/loss on disposal of tangible fixed assets	(966)	17,834
Cost of inventories recognised as an expense	856,312	3,779,693
	<u>          </u>	<u>          </u>

### 6 Employees

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

	2020 Number	2019 Number
Managerial and admin staff	34	31
Operational	160	204
	<u>          </u>	<u>          </u>
Total	194	235
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	5,280,963	5,343,096
Social security costs	576,641	522,083
Pension costs	230,398	223,700
	<u>          </u>	<u>          </u>
	6,088,002	6,088,879
	<u>          </u>	<u>          </u>

Included within staff costs above is grant income received of £1,478,753 (2019: £nil).

### 7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	190,390	398,722
Company pension contributions to defined contribution schemes	88,114	64,944
	<u>          </u>	<u>          </u>
	278,504	463,666
	<u>          </u>	<u>          </u>

# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2020

#### 7 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	n/a	142,543
Company pension contributions to defined contribution schemes	n/a	8,185

As total directors' remuneration was less than £200,000 in the current period, no disclosure is provided for that period.

#### 8 Interest payable and similar expenses

	2020 £	2019 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	1,526	-
Interest on other loans	73,183	-
	<u>74,709</u>	<u>-</u>
<b>Interest on other financial liabilities:</b>		
Interest on lease liabilities	31,914	217,631
	<u>106,623</u>	<u>217,631</u>

#### 9 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(41,592)	15,385
Adjustments in respect of prior periods	(35,690)	-
	<u>(77,282)</u>	<u>15,385</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(388,364)	127,980
Adjustment in respect of prior periods	32,870	(1,887)
	<u>(355,494)</u>	<u>126,093</u>
<b>Total tax (credit)/charge</b>	<u>(432,776)</u>	<u>141,478</u>

# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 9 Taxation

(Continued)

The charge for the period can be reconciled to the (loss)/profit per the profit and loss account as follows:

	2020 £	2019 £
(Loss)/profit before taxation	(2,271,773)	1,049,500
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2019: 19.00%)	(431,637)	199,405
Effect of expenses not deductible in determining taxable profit	2,434	224
Group relief	-	(41,206)
Under/(over) provided in prior years	(35,690)	(1,888)
Deferred tax adjustments in respect of prior years	32,870	-
Other adjustments	(753)	(15,057)
<b>Taxation (credit)/charge for the period</b>	<b>(432,776)</b>	<b>141,478</b>

#### 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 2020 and 2021. The current tax rate is 19%.

On 3 March 2021 the UK Chancellor of the exchequer announced a tax rise from 19% to 25% from 1 April 2023.

### 10 Dividends

	2020 per share £	2019 per share £	2020 Total £	2019 Total £
Amounts recognised as distributions:				
<b>Ordinary shares</b>				
Interim dividend paid	2.92	2.50	29,167	25,000

### 11 Intangible fixed assets

	Software £
<b>Cost</b>	
At 31 August 2019	-
Additions - purchased	35,787
At 31 December 2020	35,787
<b>Carrying amount</b>	
At 31 December 2020	35,787



# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 11 Intangible fixed assets

(Continued)

Software  
£

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

### 12 Tangible fixed assets

	Fixtures and fittings £	Plant and equipment £	Computers £	Motor vehicles £	Total £
<b>Cost</b>					
At 31 August 2019	239,277	533,380	340,848	23,582,402	24,695,907
Additions	786	2,947	25,119	990,550	1,019,402
Disposals	(98,240)	-	(68,498)	(102,636)	(269,374)
At 31 December 2020	141,823	536,327	297,469	24,470,316	25,445,935
<b>Accumulated depreciation and impairment</b>					
At 31 August 2019	176,818	424,626	159,994	10,001,467	10,762,905
Charge for the period	39,667	13,995	51,976	2,485,408	2,591,046
Eliminated on disposal	(96,748)	-	(67,813)	(98,451)	(263,012)
IFRS 16 transition adjustment	-	-	-	(14,471)	(14,471)
At 31 December 2020	119,737	438,621	144,157	12,373,953	13,076,468
<b>Carrying amount</b>					
At 31 December 2020	22,086	97,706	153,312	12,096,363	12,369,467
At 31 August 2019	62,459	108,754	180,854	13,580,935	13,933,002

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

Right-of-use assets	2020 £	2019 £
<b>Net values</b>		
Motor vehicles	1,563,652	-
<b>Depreciation charge for the period</b>		
Motor vehicles	530,397	-

Previously the motor vehicles were classified as finance leases, on the transition to FRS101 they have been classified as right of used assets under IFRS16. This transition has been applied as of 1 September 2019, the overall effect of the transition is not material.

# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 13 Stocks

	2020 £	2019 £
Fuel and workshop materials	207,539	263,532

### 14 Debtors

	2020 £	2019 £
Trade debtors	170,735	813,011
VAT recoverable	66,591	91,278
Amounts owed by fellow group undertakings	7,507,641	4,476,932
Other debtors	46,005	148,789
Prepayments and accrued income	429,369	334,086
	8,220,341	5,864,096

All amounts owed by fellow group undertakings are short term and interest free.

### 15 Creditors

	Notes	Due within one year		Due after one year	
		2020 £	2019 £	2020 £	2019 £
Loans and overdrafts	16	1,119,109	-	-	-
Creditors	17	13,361,922	3,929,564	-	-
Taxation and social security		88,423	165,060	-	-
Lease liabilities	18	632,153	2,516,698	945,213	7,142,785
		15,201,607	6,611,322	945,213	7,142,785

### 16 Loans and overdrafts

	2020 £	2019 £
Borrowings held at amortised cost:		
Bank overdrafts	1,119,109	-

The overdraft is secured by a group guarantee.

# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 17 Creditors

	2020 £	2019 £
Trade creditors	363,457	355,216
Amounts owed to fellow group undertakings	12,569,073	3,323,938
Accruals and deferred income	388,476	183,233
Other creditors	40,916	67,177
	<u>13,361,922</u>	<u>3,929,564</u>

### 18 Lease liabilities

	2020 £	2019 £
<b>Maturity analysis</b>		
Within one year	632,153	2,516,698
In two to five years	945,213	7,142,785
	<u>1,577,366</u>	<u>9,659,483</u>
<b>Total undiscounted liabilities</b>	<u>1,577,366</u>	<u>9,659,483</u>

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:

	2020 £	2019 £
Current liabilities	632,153	2,516,698
Non-current liabilities	945,213	7,142,785
	<u>1,577,366</u>	<u>9,659,483</u>

	2020 £	2019 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>31,914</u>	<u>217,631</u>

# H. LUCKETT & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

### 19 Deferred taxation

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 2018	751,484	-	-	751,484
<b>Deferred tax movements in prior year</b>				
Charge to profit or loss	131,014	-	(4,921)	126,093
Deferred tax liability at 1 September 2019	882,498	-	(4,921)	877,577
<b>Deferred tax movements in current year</b>				
Credit to profit or loss	58,822	(413,737)	(579)	(355,494)
Deferred tax liability at 31 December 2020	941,320	(413,737)	(5,500)	522,083

### 20 Provisions for liabilities

	2020 £	2019 £
Onerous contract	467,300	-
Movements on provisions:		<b>Onerous contract £</b>
Additional provisions in the year		467,300

The provision is in respect of onerous school contracts. 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.

As pupils returned to schools in September 2020, school contracts for the academic year 2020/21 have been entered into, however there is no additional mid-day work to make these contracts commercially viable. As a result, an impairment test has been carried out which resulted in an onerous contract and a charge made to exceptionals.

### 21 Retirement benefit schemes

#### Defined contribution schemes

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.

## H. LUCKETT & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

#### 21 Retirement benefit schemes

(Continued)

The total costs charged to income in respect of defined contribution plans is £230,398 (2019 - £223,700).

Contributions totalling £20,598 (2019: £26,873) were payable at the year end and are included in creditors.

#### 22 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital 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.

#### 23 Ultimate parent and controlling party

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

As of 29 February 2020 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.

#### 24 Transition to FRS101

In the period ended the 31 December the company has changed its accounting reporting framework from FRS102 to FRS101 as issued by the Financial Reporting Council and in doing so has applied the requirements of IFRS.

There has been no material impact as a result of the transition.