

Directors' Report & Consolidated Financial Statements

For the period ended
31 December 2022

TRANSDEV
BLAZEFIELD
LIMITED

Registered number: 02605399
(England and Wales)

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TRANSDEV BLAZEFIELD LIMITED

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TRANSEDEV BLAZEFIELD LIMITED

COMPANY INFORMATION

DIRECTORS A L Hornby (Resigned 28 May 2023)
 P Jaffard
 M Dale (Resigned 13 January 2023)
 H Rohard (Appointed 9 February 2023)
 A Brown (Appointed 3 April 2023)

COMPANY SECRETARY M Dale (Resigned 13 January 2023)

REGISTERED OFFICE Prospect Park
 Broughton Way
 Starbeck
 Harrogate
 HG2 7NY

REGISTERED NUMBER 02605399 (England and Wales)

AUDITORS Mazars LLP
 5th Floor
 3 Wellington Place
 Leeds
 LS1 4AP

BANKERS NatWest Plc
 Turnpike House
 123 High Street
 Crawley
 West Sussex
 RH10 1DQ

TRANSDEV BLAZEFIELD LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

The Directors present their Group strategic report for Transdev Blazefield Limited for the period ended 31 December 2022.

REVIEW AND ANALYSIS OF THE BUSINESS

The Company is a wholly owned subsidiary of Transdev Plc.

The principal activity of the Group continues to be the operation of scheduled bus services in Yorkshire and Lancashire. The Company's principal activity during the period continued to be that of a holding company and a lessor of buses. There have not been any significant changes in the Group's principal activities in the period under review. The Directors are not aware, at the date of this report, of any likely major changes in the group's activities in the next period.

The Directors will continue to focus on developing the business through investment and quality improvements, with a particular focus on routes that will deliver growth as part of an individual product-led strategy. Whilst the Directors consider that UK bus market conditions remain challenging in parts, due to the uncertain economic situation and continued reductions in local authority funding, opportunities exist by presenting strongly branded and highly specified customer offerings supported by modern technology and class-leading partnerships in both the public and private sectors. The Group will continue to promote industry-leading innovation and creativity to achieve long-term revenue and customer growth, alongside strong cost controls in place to deliver satisfactory results in the present climate.

KEY PERFORMANCE INDICATORS

As part of the wider Transdev Group the Directors believe that the key performance indicators relevant at this entity level are turnover and profit after tax as discussed below. Key performance indicators for the wider group are discussed in the annual report published by Transdev Group SA.

Transdev Blazefield senior management monitor weekly KPI's on passenger levels, revenue and key costs including fuel mpg, drivers' hours, accidents and reliability measures.

DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE PERIOD

As the Group's income statement on page 11 shows Group turnover increased by 7.1% to £75.1m over the prior period (2021 restated: 26.8% increase).

Operating losses were 10.2% of turnover (2021 restated: operating loss 1.7% of turnover).

The consolidated balance sheet on page 12 of the financial statements shows the Group's financial position at the period end.

FINANCIAL POSITION AT THE REPORTING DATE

The Group has overall net assets of £0.1m (2021 restated: net assets £13.0m).

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have established a continuing process of risk management within the Group to evaluate, monitor and manage any potential risks and uncertainties that could have an impact upon the Group's long term performance. The specific principal risks facing the Group include increasing labour and other costs as well as pressures from local Government, funding cuts to concessions and tenders.

Fuel costs are heavily influenced by external factors and the Company manages this by improving fuel consumption through engineering maintenance and retrofitting the fleet to EURO VI standards. The Company is also embracing the latest bus technology and moving to electrified buses to reduce carbon emissions and fuel costs. To this end the Company has bid for and been awarded funding through the Department for Transport's Zero Emission Bus Regional Areas (ZEBRA) Scheme for the purchase of electric buses.

The Directors have also established a strong culture of safety and security both for staff and passengers.

TRANSDEV BLAZEFIELD LIMITED

GROUP STRATEGIC REPORT (Continued) FOR THE PERIOD ENDED 31 DECEMBER 2022

SECTION 172 (1) STATEMENT

The Directors recognise their duty to promote the success of the Company for the benefit of its shareholders as a whole whilst having due regard to the matters set out in Section 172(1) of the Companies Act 2006:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company.

In providing class leading passenger transport services the Company works closely with a range of stakeholders, without which the operating businesses would not succeed, including local authorities with whom we work in partnership in delivering transport services across our operating areas. Meetings with a range of stakeholders are held regularly at all levels of the company's organisation with decisions taken with reference to their impact on relationships and sustainability.

The transport services provided are key requirements of the local communities that they serve without which residents would not be able to travel to their places of work or leisure as efficiently and cost effectively. Concessionary pass holders rely on the services operate to provide a means of reliable transport that helps to support mobility and quality of life.

The Company is also proud of the ongoing investment in its fleet of vehicles improving emission standards as well as enlarging its fleet of Zero Emission buses that are contributing to the Cleaner Air agenda and long-term Climate Change mitigation in the communities served.

The way the company deals with employee engagement is outlined within the Director's Report.

APPROVAL

Oct 26, 2023

This report was approved by the Board on and signed on its behalf by

A. P. Brown
A. P. Brown (Oct 26, 2023 13:10 GMT+1)

A Brown - Director

Dated: Oct 26, 2023

TRANSDEV BLAZEFIELD LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

The Directors present their report with the consolidated financial statements of Transdev BlazeField Limited (the Group) for the period ending 31 December 2022.

FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to certain financial risks. These include price risk related primarily to interest rate risk. The Group is not significantly exposed to foreign exchange risk, credit risk or other cash flow risk. Management reviews financial risks regularly in accordance with Group policies. The Group currently uses a limited number of financial instruments to manage certain risks but does not hold financial instruments for speculative reasons.

The Group is also exposed to insurance costs. Details of the provision against claims can be found in note 18 to the financial statements. The Company manages this risk by the implementation of key procedures in respect to accident prevention, using a dedicated team along with driver training and awareness.

The Company regularly monitors the level of accident claims in consultation with its insurers to ensure appropriate provisions are made. The Directors regularly review the insurance cover needed by the company.

FUTURE DEVELOPMENTS

The Directors have prepared the financial statements on a going concern basis as they expect that the Company will continue to operate for the foreseeable future. The Directors will continue to focus on developing the business through investment in general quality improvements and are confident that further investment in marketing and development will grow passenger volumes where services meet or exceed customer's reasonable expectations.

POST BALANCE SHEET EVENTS

No significant events occurred after the balance sheet date.

ENVIRONMENT

The Company recognises the importance of its environmental responsibilities. The Company monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Company's activities.

Examples of initiatives undertaken to help reduce our environmental impact include investing in new low-emission buses, converting older fleet to run on 100% electric with the aid of Government grants and converting our fleet to reduce harmful nitrous oxide emissions by 96%.

FINANCIAL INSTRUMENTS

The Group's activities are not significantly exposed to foreign exchange risk, credit risk or other cash flow risk. Management reviews financial risks regularly in accordance with Company policies.

DIVIDENDS

No dividend was paid to the parent company, Transdev Plc during the period (2021: £Nil).

POLITICAL CONTRIBUTIONS

No political donations were made during the current period (2021: £Nil).

TRANSDEV BLAZEFIELD LIMITED

DIRECTORS' REPORT (Continued) FOR THE PERIOD ENDED 31 DECEMBER 2022

GOING CONCERN

The financial statements have been prepared on the going concern basis as they expect that the Company and the Group will continue to operate for the foreseeable future.

The Group has net current liabilities of £15.1m (2021 restated: net current asset £1.6m) from total assets of £42.9m (2021 restated: £54.7m). Current liabilities includes £10.4m (2021: £Nil) owed to Group undertakings which are repayable on demand. These Group counterparties have confirmed that the amounts owed will not be recovered in part or in whole for the foreseeable future or until the Company is in a position to do so.

The Group is part of a UK cash pooling arrangement with NatWest Group which has a £20m overdraft facility creating further headroom for the Company and the Group to meet its liabilities. The total UK cash position was £6.4m as at 29 September 2023.

Management believe the Company will continue as a going concern for the foreseeable future and the going concern basis of accounting has been adopted.

DIRECTORS

The Directors of the company at the date of this report are given on page 1. The following Directors served during the period:

A L Hornby (Resigned 28 May 2023)
P Jaffard
M A Dale (Resigned 13 January 2023)
H Rohard (Appointed 9 February 2023)
A Brown (Appointed 3 April 2023)

None of the Directors had an interest in the share capital of the Company or any of its subsidiaries at the end of the period.

QUALIFYING THIRD-PARTY INDEMNITY PROVISIONS

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' report.

DISCLOSURE IN THE GROUP STRATEGIC REPORT

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the strategic report on page 2. These matters relate to asset values.

EMPLOYEE CONSULTATION

The Group encourages employee involvement in its affairs. The Group, including its subsidiary Companies produce a range of internal newsletters and circulars which keep employees abreast of developments. Employees are encouraged to discuss matters of interest to them and subjects affecting day to day operations with management. Dialogue takes place regularly with trade unions, other employee representatives and employees generally on a wide range of issues. The Group welcomes staff participation in all these forums.

DISABLED EMPLOYEES

The Group's policy in respect of disabled persons is that their applications for employment are always fully and fairly considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that employment within the Group continues and where necessary, appropriate training is arranged. It is the Group's policy that training, career development and promotion of disabled persons should, as far as possible, be identical with that of all other employees in similar position.

TRANSDEV BLAZEFIELD LIMITED

DIRECTORS' REPORT (Continued) FOR THE PERIOD ENDED 31 DECEMBER 2022

CORPORATE RESPONSIBILITY

Safety and security are of paramount importance to the Group, both for our employees and our customers. The Group and each operating subsidiary have a Health and Safety plan which supports the objective of continuous improvement in safety management. We closely monitor the frequency of accidents and focus resources and training to reduce those accidents which are preventable. The majority of our bus fleet is equipped with CCTV coverage for the safety and security of our customers and staff. Testing for the use of alcohol and drugs by employees is carried out regularly within our operations.

It is a condition of employment that all college/school drivers employed by the Group are subject to, and cleared by, Disclosure Barring Services (DBS) checks.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Mazars LLP have indicated their willingness to continue in office.

By order of the Board:


A. P. Brown (Oct 26, 2023 13:10 GMT+1)

A Brown – Director

Dated: Oct 26, 2023

TRANSDEV BLAZEFIELD LIMITED

DIRECTORS RESPONSIBILITIES IN REPECT OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022


Company law requires the Directors to prepare financial statements for each financial year. 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 Group and of the profit or loss of the Company and of the Group for that period. In preparing the financial statements, the Directors are required to:

- Present fairly the financial position, financial performance and cash flows of the Company and of the Group;
- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in international accounting standards in conformity with the requirements of the Companies Act 2006 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's and the Group's financial position and financial performance; and
- state whether the Group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and of the group and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors 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.

By order of the Board:



A Brown – Director

Dated:

..... Oct 26, 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TRANSEDEV BLAZEFIELD LIMITED**

OPINION

We have audited the consolidated financial statements of Transdev Blaze Field Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity, company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Group and the parent 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 Director's 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 Group's and the parent 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 Directors' 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.

OPINION 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the Group and the parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements 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.

RESPONSIBILITY OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 7, 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 Group's and the parent 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 group or the parent 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, *non-compliance with implementation of government support schemes relating to COVID-19.*

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the year-end cut off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.


Shaun Mullins (Oct 26, 2023 15:47 GMT+1)

Shaun Mullins (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor,
3 Wellington Place
Leeds
LS1 4AP

Date: Oct 26, 2023

TRANSDEV BLAZEFIELD LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Notes	2022 £'000	2021 (Restated) £'000
Continuing operations			
Revenue	1	75,135	70,139
Cost of sales		(75,579)	(64,631)
Gross (loss)/profit		(444)	5,508
Administrative expenses		(7,239)	(6,705)
Operating loss	2	(7,683)	(1,197)
Finance costs	5	(3,109)	(756)
Loss before tax		(10,792)	(1,953)
Tax (charge)/credit	6	(151)	236
Loss for the period attributable to equity holders		(10,943)	(1,717)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Notes	2022 £'000	2021 (Restated) £'000
Loss for the period attributable to equity holders		(10,943)	(1,717)
Other recognised income and expense			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Actuarial (losses)/gains on retirement benefit schemes	20	(1,569)	5,460
Tax relating to items taken directly to equity	11	(392)	(651)
Other comprehensive (losses)/gains net of tax		(1,961)	4,809
Total comprehensive (loss)/income for the period attributable to equity holders of the parent Company		(12,904)	3,092

The notes on pages 17 - 45 form part of these financial statements.

TRANSDEV BLAZEFIELD LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 (Restated) £'000
Non-current assets			
Goodwill	7	1,666	1,666
Intangible assets	8	188	250
Property, plant & equipment	9	11,151	10,118
Right of use assets	10	14,914	19,254
Deferred tax assets	11	250	373
		<u>28,169</u>	<u>31,661</u>
Current assets			
Inventories	13	1,257	1,371
Trade and other receivables	14	13,515	16,977
Cash and cash equivalents	15	-	4,675
		<u>14,772</u>	<u>23,023</u>
Total assets		<u>42,941</u>	<u>54,684</u>
Current liabilities			
Trade and other payables	16	(22,223)	(15,407)
Current provisions	18	(1,639)	(1,383)
Lease liabilities	19	(3,820)	(4,626)
Bank overdraft	15	(2,176)	-
		<u>(29,858)</u>	<u>(21,416)</u>
Net current (liabilities)/assets		<u>(15,086)</u>	<u>1,607</u>
Non-current liabilities			
Other payables	17	-	(4,165)
Lease liabilities	19	(10,996)	(14,704)
Retirement benefit obligations	20	(1,977)	(1,385)
		<u>(12,973)</u>	<u>(20,254)</u>
Total liabilities		<u>(42,831)</u>	<u>(41,670)</u>
Net assets		<u>110</u>	<u>13,014</u>
Equity			
Share capital	21	11,803	11,803
Reserves		(11,693)	1,211
Total Equity		<u>110</u>	<u>13,014</u>

The financial statements were approved by the board of Directors and authorised for issue. They were signed on its behalf by:

A. P. Brown

A. P. Brown (Oct 26, 2023 13:10 GMT+1)

A Brown – Director

Dated: Oct 26, 2023

The notes on pages 17 - 45 form part of these financial statements.

TRANSDEV BLAZEFIELD LIMITED

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 (Restated) £'000
Non-current assets			
Property, plant & equipment	9	6,590	6,546
Right of use assets	10	14,634	18,846
Investment in subsidiary	12	10,925	10,925
Deferred tax assets	11	-	307
		<u>32,149</u>	<u>36,624</u>
Current assets			
Trade and other receivables	14	5,141	8,461
Total assets		<u>37,290</u>	<u>45,085</u>
Current liabilities			
Trade and other payables	16	(19,683)	(8,684)
Bank overdraft	15	(4,351)	(382)
Current provisions	18	(1,639)	(1,383)
Lease liabilities	19	(3,077)	(3,833)
		<u>(28,750)</u>	<u>(14,282)</u>
Net current liabilities		<u>(23,609)</u>	<u>(5,821)</u>
Non-current liabilities			
Other payables	17	-	(19,004)
Lease liabilities	19	(10,766)	(14,393)
Retirement benefit obligations	20	(1,977)	(1,385)
		<u>(12,743)</u>	<u>(34,782)</u>
Total liabilities		<u>(41,493)</u>	<u>(49,064)</u>
Net liabilities		<u>(4,203)</u>	<u>(3,979)</u>
Equity			
Share capital	21	11,803	11,803
Reserves		(16,006)	(15,782)
Total equity		<u>(4,203)</u>	<u>(3,979)</u>

The financial statements were approved by the board of Directors and authorised for issue. They were signed on its behalf by:

A. P. Brown
A. P. Brown (Oct 26, 2023 13:10 GMT+1)

A Brown - Director
Dated:

Oct 26, 2023

The notes on pages 17 - 45 form part of these financial statements.

TRANSDEV BLAZEFIELD LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

		2022	2021
	Notes	£'000	(Restated) £'000
Cash flows from operating activities			
Operating loss		(7,683)	(1,197)
Adjusted for:			
Depreciation on Property, plant & equipment	9	2,119	1,661
Depreciation on Right of use assets	10	4,311	4,318
Amortisation of intangible assets	8	62	63
Loss on disposal of on disposal of assets	9	29	17
Release of capital grants	9	117	30
Movement in provisions	18	256	419
Decrease/(increase) in inventories	13	114	(675)
Decrease/(increase) in receivables	14	3,190	(2,476)
Increase in payables	16	6,815	1,794
Pension revaluation		(392)	-
Pension contributions	20	(996)	(963)
Cash flow from operating activities before tax		7,942	2,990
Income tax (credit)/paid		244	1,170
Net cash inflow from operating activities		<u>8,186</u>	<u>4,160</u>
Cash flows from investing activities			
Purchase of property, plant & equipment	9	(3,298)	(1,426)
Disposals/(purchase) of Right of use assets	10	29	(8,380)
Proceeds on disposal on Right of use assets	10	-	1,089
Cash utilised in business combinations		-	(1,500)
Net cash used in investing activities		<u>(3,269)</u>	<u>(10,217)</u>
Cash flows from financing activities			
Finance costs		(3,090)	(654)
(Repayment)/drawdown of principal of lease liabilities		(4,514)	3,397
(Repayment)/drawdown of borrowings		(4,165)	3,928
Other		1	(4)
Net cash movement in financing activities		<u>(11,768)</u>	<u>6,667</u>
Net (decrease) / increase in cash and cash equivalents		<u>(6,851)</u>	<u>611</u>
Cash and cash equivalents at beginning of period		4,675	4,064
(Decrease)/increase in cash in the period		(6,851)	611
At the end of the period		<u>(2,176)</u>	<u>4,675</u>

The notes on pages 17 - 45 form part of these financial statements.

TRANSDEV BLAZEFIELD LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

Group	Notes	Equity share capital £'000	Revaluation reserve £'000	Pension Reserve £'000	Retained earnings £'000	Total £'000
At 19 December 2020		<u>11,803</u>	<u>1,054</u>	<u>(7,371)</u>	<u>3,785</u>	<u>9,271</u>
Loss for the period		-	-	-	(2,712)	(2,712)
Actuarial gains on retirement benefit schemes	20	-	-	5,460	-	5,460
At 31 December 2021		<u>11,803</u>	<u>1,054</u>	<u>(1,911)</u>	<u>1,073</u>	<u>12,019</u>
Prior period restatement	26	-	-	-	995	995
At 31 December 2021 (Restated)		<u>11,803</u>	<u>1,054</u>	<u>(1,911)</u>	<u>2,068</u>	<u>13,014</u>
Loss for the period		-	-	-	(10,943)	(10,943)
Actuarial loss on retirement benefit schemes	20	-	-	(1,961)	-	(1,961)
At 31 December 2022		<u>11,803</u>	<u>1,054</u>	<u>(3,872)</u>	<u>(8,875)</u>	<u>110</u>

Revaluation reserve

The revaluation reserve is used to record the movement in the market value of freehold land and buildings. This reserve is not distributable.

Pension reserve

The pension reserve is used to record actuarial gains and losses on the Group's pension schemes.

Retained earnings

The retained earnings is the cumulative profit or loss attributable to equity holders. This reserve is distributable.

The notes on pages 17 - 45 form part of these financial statements.

TRANSDEV BLAZEFIELD LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

Company	Notes	Equity share capital £'000	Revaluation reserve £'000	Pension Reserve £'000	Retained earnings £'000	Total £'000
At 19 December 2020		<u>11,803</u>	<u>468</u>	<u>(7,371)</u>	<u>(13,602)</u>	<u>(8,702)</u>
Loss for the period		-	-	-	(737)	(737)
Actuarial losses on retirement benefit schemes	20	-	-	5,460	-	5,460
At 31 December 2021		<u>11,803</u>	<u>468</u>	<u>(1,911)</u>	<u>(14,339)</u>	<u>(3,979)</u>
Profit for the period		-	-	-	1,737	1,737
Actuarial loss on retirement benefit schemes	20	-	-	(1,961)	-	(1,961)
At 31 December 2022		<u>11,803</u>	<u>468</u>	<u>(3,872)</u>	<u>(12,602)</u>	<u>(4,203)</u>

The notes on pages 17 - 45 form part of these financial statements.

TRANSDEV BLAZEFIELD LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE PERIOD ENDED 31 DECEMBER 2022

Transdev BlazeField Limited operates as a holding Company and as a lessor of buses. The Company is a private limited Company and is incorporated and domiciled in the United Kingdom. The address of its registered office is Prospect Park, Broughton Way, Starbeck, Harrogate, HG2 7NY.

These financial statements incorporate the financial statements of both the Group and the Company. The financial statements of the Group and Company are for the period 1 January to 31 December.

Items included in the financial statements of the Company and of the Group are measured using the currency of the primary economic environment in which the Company and group operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency. The financial statements of the company are rounded to the nearest thousand (£'000).

The Company does not have any foreign operations.

No income statement is presented for the Company as permitted by Section 408 of the Companies Act 2006. The Company's profit or the period after taxation was £1.3m (2021: £0.7m loss).

PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. The principal accounting policies adopted are set out below.

BASIS OF CONSOLIDATION

The Group financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries) and the Group's share of interests in joint ventures and associates under acquisition accounting principles from the date control passes. Control is achieved where the Group has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities.

Subsidiaries

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the parent Company and are based on consistent accounting policies. All intragroup balances and transactions, including unrealised profits arising from them are eliminated in full.

A change in ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it (i) derecognises the assets (including goodwill) and liabilities of the subsidiary; (ii) derecognises the carrying value of any non-controlling interest; (iii) derecognises the cumulative translation differences, recorded in equity; (iv) recognises the fair value of the consideration received; (v) recognises the fair value of any investment retained; (vi) recognises any surplus or deficit in profit or loss; (vi) reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

TRANSDEV BLAZEFIELD LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE PERIOD ENDED 31 DECEMBER 2022

CHANGE IN ACCOUNTING POLICIES

During the period the following new accounting policies were adopted, none of which have a material impact on the financial statements:

IFRS9 – Financial Instruments

GOING CONCERN

As detailed in the Directors' Report the financial statements have been prepared on the going concern basis as they expect that the Company and the Group will continue to operate for the foreseeable future.

The Group has net current liabilities of £15.1m (2021 restated: net current asset £1.6m) from total assets of £42.9m (2021 restated: £54.7m). Current liabilities includes £10.4m (2021: £Nil) owed to Group undertakings which are repayable on demand. These Group counterparties have confirmed that the amounts owed will not be recovered in part or in whole for the foreseeable future or until the Company is in a position to do so.

The Group is part of a UK cash pooling arrangement with NatWest Group which has a £20m overdraft facility creating further headroom for the Company and the Group to meet its liabilities. The total UK cash position was £6.4m as at 29 September 2023.

Management believe the Company will continue as a going concern for the foreseeable future and the going concern basis of accounting has been adopted.

REVENUE RECOGNITION

Revenue is recognised to the extent that performance obligations are met. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable from operating scheduled bus services and income from other commercial services, net of VAT.

The following performance obligations must be met before revenue is recognised.

Rendering of services

The revenue of the Group comprises income from road passenger transport. Bus revenue comprises amounts receivable from ticket sales and revenue generated from services provided on behalf of from local authorities and similar contracts. Revenue is recognised by reference to the stage of completion of the customer's journey or for other services based on the proportion of the services provided. The attributable share of season ticket or travel card income is deferred within liabilities and released to the income statement over the life of the relevant season ticket or travel card. Income from advertising and other activities is recognised as the income is earned.

Dividends

Income from dividends is recognised when the Group or Company's right to receive payment is established.

Interest income

Interest income is accrued using the effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Grant income

A government grant is recognised only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received. The grant is recognised as income over the period necessary to match it with the related costs, for which they are intended to compensate, on a systematic basis.

TRANSDEV BLAZEFIELD LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE PERIOD ENDED 31 DECEMBER 2022

BUSINESS COMBINATIONS AND GOODWILL

All business combinations are accounted for by applying the purchase method. The cost of an acquisition is measured at the fair value of the total consideration paid. Assets and liabilities assumed on a business combination are recorded at their fair value at the date of acquisition.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment at least annually by assessing the recoverable amount of each cash-generating unit to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Recoverable amounts of the cash-generating units are based on value in use, which is calculated from value in use calculations. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes in margins. Management estimates discount rates using pre-tax rates that reflect current market assessment of the time value of money. Changes in fare and contract prices and direct costs are based on past experience and expectations of future changes in the market.

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at cost less provision for any impairment.

INVENTORIES

Inventories consist of parts, materials and fuel required for the operation and maintenance of buses and is stated at the lower of cost or net realisable value. Cost comprise of direct materials and where applicable direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of selling. Where net realisable value is lower than cost a provision is made for the difference. Movements in the inventory provision in the period are charged or credited to the income statement.

PROPERTY, PLANT AND EQUIPMENT

Depreciation is charged so as to write off the cost (or valuation) of assets, other than freehold land, over their estimated useful lives, using the straight-line method on the following bases:

Freehold buildings	50 years
Leasehold land and buildings improvements	6-10 years
Buses	7-15 years
Plant and equipment	3-10 years

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

TRANSDEV BLAZEFIELD LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE PERIOD ENDED 31 DECEMBER 2022

RIGHT OF USE ASSETS

Leasing arrangements

The Group assesses at a contracts inception whether a contract is, or contains a lease. A contract is or contains a lease arrangement where the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Group has the right to direct the use of the identified asset throughout the period of use.

The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease 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 Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group applies the short-term lease recognition exemption to its short-term and low-value leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term and no right of use asset or lease liability is recognised in the statement of financial position.

INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortisation and any recognised impairment loss.

Intangible assets with a finite life are amortised on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets are as follows:

Other intangible long-term contracts	between 1 and 8 years.
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TRANSDEV BLAZEFIELD LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE PERIOD ENDED 31 DECEMBER 2022

GOVERNMENT GRANTS

A government grant is recognised only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received. The grant is recognised as income over the period necessary to match it with the related costs, for which they are intended to compensate, on a systematic basis. A grant relating to assets is recognised by deducting the grant from the asset's carrying amount and a grant relating to income is deducted from the related expense.

Grants have been received by the Group to contribute towards the refurbishment of buses and a new bus depot.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets

The Group's financial assets include cash, trade and other receivables and derivative financial instruments. Financial assets are initially recognised at fair value, with changes in fair value being recognised through the Profit and Loss (FVTPL), Amortised Cost or Fair Value through Other Comprehensive Income (FVTOCI)

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand and demand deposits and are subject to an insignificant risk of change in value and are recognised at fair value.

Financial Liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Financial liabilities are initially recognised at fair value, with subsequent changes in fair value being recognised as appropriate.

Trade payables

Trade payables are unsecured amounts due to suppliers for goods and services provided. Trade payables are initially measured at fair value, and are not interest bearing. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Interest-bearing borrowings

Interest-bearing loans are initially recorded at the value of the amount received, net of attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowing on an effective interest rate.

Interest-bearing borrowings are classified as current liabilities unless the Group or Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

TRANSDEV BLAZEFIELD LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE PERIOD ENDED 31 DECEMBER 2022

RETIREMENT BENEFIT COSTS

The Company operates two defined benefit retirement schemes. These plans are funded schemes with values determined by actuarial calculations.

The defined benefit plans define an amount of pension that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect to defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates or high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms of the related pension liability.

Actuarial gains and losses arising are charged or credited to other comprehensive income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in scheme membership or a reduction of future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant claim gain or loss recognised in the income statement during the period in which the settlement or curtailment occurs.

The Group also operates a number of defined contribution retirement schemes. The contributions to these schemes are recognised as an expense when they fall due.

PROVISIONS

A provision is recognised in the balance sheet when the Group or the Company has a present, legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the Directors' best estimate of the expenditure required to settle the Group or Company's liability.

TAXATION

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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 the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

TRANSDEV BLAZEFIELD LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE PERIOD ENDED 31 DECEMBER 2022

TAXATION (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures except where the Group is able to contract the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 assets 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 income statement, 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 there is a legally-enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group or Company intends to settle its current tax assets and liabilities on a net basis.

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following standards, amendments and interpretations were in issue but not yet effective (and in some cases had not yet been adopted by the EU), had not been adopted by the company:

- Amendments to IAS 1: 'Presentation of Financial Statements'; effective from 1 January 2023;
- Amendments to IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', effective from 1 January 2023; and
- Amendments to IAS 12: 'Income Taxes', effective from 1 January 2023

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 following judgements have the most significant effect on amounts recognised in the financial statements:

TRANSDEV BLAZEFIELD LIMITED

PRINCIPAL ACCOUNTING POLICIES FOR THE PERIOD ENDED 31 DECEMBER 2022

Uninsured liabilities

The Group limits its exposure to the cost of motor and public liability claims through insurance policies issued by third parties. These provide cover for individual claims subject to an excess. A liability is recognised for the estimated cost to the Group to settle claims for incidents occurring prior to the balance sheet date.

The estimation of this liability is based on an assessment of the expected settlement on known claims, together with an estimate of settlements that will be made in respect of incidents occurring prior to the balance sheet date but that have not yet been reported to the Group by the insurer.

Pensions and other employment benefits

The cost of defined benefit pensions plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. Future salary increases and pension increases are based on expected future inflation rates. Further details are given in note 20.

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

1. REVENUE

All of the Group's turnover and loss before taxation derives from the group's principal activity of operating scheduled bus services and is generated in the UK.

2. LOSS FROM OPERATIONS

The loss before taxation is stated after charging/(crediting):

	2022	2021
	£'000	£'000
Auditor's remuneration	60	49
Depreciation – Property, plant & equipment	2,119	1,054
Depreciation – Right of use assets	4,311	4,318
Amortisation of intangibles assets	62	63
Release of capital grants	(492)	(607)
Reimbursement of fuel tax	(3,235)	(3,896)
Cost of inventories recognised as an expense	18,021	10,503
Pension costs	1,512	1,205

3. STAFF COSTS

The average number of persons employed by the group during the period was as follows:

	2022	2021
	Number	Number
Drivers and conductors	1,039	1,062
Maintenance and engineers	175	182
Office and management	101	108
	<u>1,315</u>	<u>1,352</u>

Their aggregate remuneration comprised:

	2022	2021
	£'000	£'000
Wages and salaries	38,210	34,272
Social security costs	3,493	2,812
Other pension costs	1,512	1,205
	<u>43,215</u>	<u>38,289</u>

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

4. EMOLUMENTS OF DIRECTORS

	2022 £'000	2021 £'000
Aggregate emoluments	307	471
Company contributions to defined contribution pension scheme	35	54
	<u>342</u>	<u>525</u>

The aggregate emoluments paid to the highest paid Director during the period was £181k (2021: £164k). The pension contributions paid for the highest paid Director was £22k (2021: £21k).

At 31 December 2022, 2 Directors (2021: 4) had retirement benefits accruing under a defined contribution pension scheme.

5. FINANCE COSTS

	2022 £'000	2021 (Restated) £'000
On lease payments	673	502
Interest on intercompany loans	2,417	152
On defined benefit pension schemes	19	102
	<u>3,109</u>	<u>756</u>

6. TAXATION

The tax charge on the loss for the period was as follows:

	2022 £'000	2021 £'000
Corporation tax		
Group relief receivable	28	(365)
Adjustments in respect of prior periods	-	(153)
Total current tax credit	<u>28</u>	<u>(518)</u>
Deferred tax		
Origination and reversal of timing differences	121	975
Adjustment in respect of prior periods	2	(213)
Effect of tax rate change on opening balance	-	(480)
	<u>123</u>	<u>282</u>
Tax credit in the income statement	<u>151</u>	<u>(236)</u>

Corporation tax is calculated at 19% (2021: 19%) of the estimated assessable profit for the period.

The charge for the period can be reconciled to the profit per the income statement as follows:

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

6. TAXATION (Continued)

	2022 £'000	2021 (Restated) £'000
Loss before tax	(10,792)	(1,953)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	(2,050)	(371)
Tax adjustments	(3)	(91)
Unrecognised deferred tax asset	2,224	-
Re-measurement of deferred tax – change in UK tax rate	(517)	(86)
Current and deferred tax charged directly to other comprehensive income	(244)	(815)
Expenses not deductible for tax purposes	458	535
Fixed asset differences	9	(81)
Amount credited directly to the SORIE or otherwise transferred	-	1,037
Adjustment to losses	-	(25)
Group relief surrendered	272	202
Receipt of Group relief	-	(202)
Adjustments to tax charge in respect of previous periods	-	(153)
Adjustments to tax charge in respect of previous periods – deferred tax	2	(213)
Additional deductions for land remediation expenditure	-	(2)
Temporary differences not recognised	-	29
Tax charge in the income statement	151	(236)

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

7. GOODWILL

The Group value is as follows:

	2022 £'000	2021 £'000
Cost		
Opening balance	8,275	8,002
Acquisition	-	273
Closing balance	8,275	8,275
Impairment		
Opening balance	6,609	6,609
Closing balance	6,609	6,609
Carrying value	1,666	1,666

TRANSDEV BLAZEFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

7. GOODWILL (Continued)

The recoverable amount of the cash generating unit was determined based on a value in use calculation performed by the Directors during the period. The value in use calculation comprises projected future expected cash flows over the next five years, based on financial budgets that have been approved by management. The assumptions made, including a long term growth rate are based on management's assessment of current market and economic conditions, in addition to historical experience and detailed budgets.

The calculation of the value in use of the cash generating unit is sensitive to assumptions made over discount rates and the growth rate used to extrapolate the cash flows.

The key assumptions used for cash generation are :

- Discount rate applied to cash flow projections 12.3%
- Growth rate used to extrapolate the cash flows 2%

No further impairment is required for the current period.

8. INTANGIBLE ASSETS

The Group value is as follows:

	2022 £'000	2021 £'000
Cost		
Opening balance	1,015	1,015
Depreciation		
Opening balance	765	702
Charge for the period	62	63
Closing balance	827	765
Carrying value	188	250

Other intangibles comprise the benefit of contracts acquired. The amortisation charge is included in cost of sales.

TRANSDEV BLAZEFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

9. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land and buildings £'000	Leasehold land and buildings improvements £'000	Buses £'000	Plant and equipment £'000	Deferred capital grants £'000	Total £'000
COST OR VALUATION						
At 31 December 2021	4,263	4,044	26,367	7,281	(3,422)	38,533
Additions	76	1,156	1,445	621	(609)	2,689
Disposals	-	-	(28)	(5)	-	(33)
At 31 December 2022	4,339	5,200	27,784	7,897	(4,031)	41,189
DEPRECIATION						
At 31 December 2021	15	2,526	21,193	6,283	(1,602)	28,415
Charge for period	29	295	1,417	378	(492)	1,627
On disposals	-	-	(4)	-	-	(4)
At 31 December 2022	44	2,821	22,606	6,661	(2,094)	30,038
CARRYING AMOUNT						
At 31 December 2022	4,295	2,379	5,178	1,236	(1,937)	11,151
At 31 December 2021	4,248	1,518	5,174	998	(1,820)	10,118

COMPANY	Freehold land and buildings £'000	Leasehold land and buildings improvements £'000	Buses £'000	Plant and equipment £'000	Deferred capital grants £'000	Total £'000
COST OR VALUATION						
At 31 December 2021	1,850	1,503	26,010	2,810	(3,422)	28,751
Additions	-	215	1,408	269	(609)	1,283
Disposals	-	-	(28)	(5)	-	(33)
At 31 December 2022	1,850	1,718	27,390	3,074	(4,031)	30,001
DEPRECIATION						
At 31 December 2021	-	420	20,994	2,393	(1,602)	22,205
Charge for period	-	171	1,373	158	(492)	1,210
On disposals	-	-	(4)	-	-	(4)
At 31 December 2022	-	591	22,363	2,551	(2,094)	23,411
CARRYING AMOUNT						
At 31 December 2022	1,850	1,127	5,027	523	(1,937)	6,590
At 31 December 2021	1,850	1,083	5,016	417	(1,820)	6,546

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

Land and buildings were revalued in January 2021 by Hayfield Robinson, independent property valuers, on the basis of market value. The Directors have updated this valuation as at 31 December 2022 and confirmed that the existing valuation as at January 2021 is appropriate. Had the land and buildings of the group been carried at historical cost less accumulative depreciation and accumulative impairment losses, their carrying amount would have been £3.0m (2021: £3.0m). The revaluation surplus is disclosed in the statement of changes in equity

10. RIGHT OF USE ASSETS

GROUP	Freehold land and buildings £'000	Buses £'000	Plant and equipment £'000	Total £'000
COST OR VALUATION				
At 31 December 2021	3,610	26,715	2,214	32,539
Additions	-	(29)	-	(29)
At 31 December 2022	<u>3,610</u>	<u>26,686</u>	<u>2,214</u>	<u>32,510</u>
DEPRECIATION				
At 31 December 2021	808	11,646	831	13,285
Charge for period	259	3,739	313	4,311
At 31 December 2022	<u>1,067</u>	<u>15,385</u>	<u>1,144</u>	<u>17,596</u>
CARRYING AMOUNT				
At 31 December 2022	<u>2,543</u>	<u>11,301</u>	<u>1,070</u>	<u>14,914</u>
At 19 December 2021	<u>2,802</u>	<u>15,069</u>	<u>1,383</u>	<u>19,254</u>
COMPANY	Freehold land and buildings £'000	Buses £'000	Plant and equipment £'000	Total £'000
COST OR VALUATION				
At 31 December 2021	3,610	25,234	2,214	31,058
Additions	-	(28)	-	(28)
At 31 December 2022	<u>3,610</u>	<u>25,206</u>	<u>2,214</u>	<u>31,030</u>
DEPRECIATION				
At 31 December 2021	808	10,572	832	12,212
Charge for period	259	3,611	314	4,184
At 31 December 2022	<u>1,067</u>	<u>14,183</u>	<u>1,146</u>	<u>16,396</u>
CARRYING AMOUNT				
At 31 December 2022	<u>2,543</u>	<u>11,023</u>	<u>1,068</u>	<u>14,634</u>
At 19 December 2021	<u>2,802</u>	<u>14,662</u>	<u>1,382</u>	<u>18,846</u>

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

11. DEFERRED TAX

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

Group	Accelerated tax depreciation £'000	Cash flow hedging obligation £'000	Retirement benefit obligations £'000	Total £'000
At 19 December 2020	279	105	(1,691)	(1,307)
Charge to income	(306)	-	589	283
(Credit)/charge to equity	-	(105)	756	651
At 31 December 2021	(27)	-	(346)	(373)
Charge to income	271	-	244	515
(Credit)/charge to equity	-	-	(392)	(392)
At 31 December 2022	244	-	(494)	(250)

Company	Accelerated tax depreciation £'000	Cash flow hedging obligation £'000	Retirement benefit obligations £'000	Total £'000
At 19 December 2020	569	105	(1,691)	(1,017)
Charge to income	(530)	-	589	59
(Credit)/charge to equity	-	(105)	756	651
At 31 December 2021	39	-	(346)	(307)
Charge to income	455	-	244	699
Credit to equity	-	-	(392)	(392)
At 31 December 2022	494	-	(494)	-

Deferred tax assets and liabilities have been offset where they are expected to reverse in the same time period and relate to the same tax authorities.

The following is an analysis of the deferred tax balances for financial reporting purposes:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Deferred tax liabilities	-	-	-	39
Deferred tax assets	(250)	(373)	-	(346)
	<u>(250)</u>	<u>(373)</u>	<u>-</u>	<u>(307)</u>

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

12. FIXED ASSET INVESTMENTS

	Group Fixed asset investments £'000	Company Shares in subsidiary undertakings (Restated) £'000
31 December 2021 as previously reported	50	12,657
Prior year adjustment	-	1,228
At 31 December 2021 as restated	50	13,885
Acquisitions	-	-
At 31 December 2022	50	13,885
PROVISION		
At 31 December 2021	50	2,960
At 31 December 2022	50	2,960
CARRYING AMOUNT		
At 31 December 2022	-	10,925
At 19 December 2021	-	10,925

The Company had direct or indirect* investments in the following subsidiary undertakings at 31 December 2022.

Name	Country of incorporation	Registered Number	Class of shares held	Percentage of shares held %	Nature of business
Rosendale Transport Limited	England and Wales	02004970	Ordinary	100	Bus operator
Keighley & District Travel Limited	England and Wales	02113404	Ordinary	100*	Bus operator
Harrogate & District Travel Limited	England and Wales	02327319	Ordinary	100*	Bus operator
Yorkshire Coastliner Limited	England and Wales	02436687	Ordinary	100*	Bus operator
Lancashire United Limited	England and Wales	02546070	Ordinary	100*	Bus operator
Burnley & Pendle Travel Limited	England and Wales	01777430	Ordinary	100	Bus operator
Transdev York Limited	England and Wales	04412164	Ordinary	100	Dormant
Transdev Claims Investigations Limited	England and Wales	02207113	Ordinary	100*	Dormant
BlazeField Travel Group Limited	England and Wales	02188825	Ordinary	100	Holding company

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

12. FIXED ASSET INVESTMENTS (Continued)

Name	Country of incorporation	Registered Number	Class of shares held	Percentage of shares held %	Nature of business
Blaze field Buses Limited	England and Wales	02582503	Ordinary	100*	Holding company
Transdev Northern Blue Limited	England and Wales	03808360	Ordinary	100	Dormant
Heathrow Coach Services Limited	England and Wales	02230663	Ordinary	100	Dormant
Blackburn with Darwen Transport Limited	England and Wales	04324049	Ordinary	100	Dormant
Lancashire County Transport Limited	England and Wales	04300098	Ordinary	100	Dormant
Team Pennine Limited	England & Wales	13274240	Ordinary	100	Bus Operator

The registered office for all 15 subsidiaries is Prospect Park, Broughton Way, Harrogate, HG2 7NY.

As a parent Company established under the law of the UK (an EEA state), for the period ending 31 December 2022, Transdev Blaze field Limited took advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies for all its non-dormant subsidiaries included in the consolidated financial statements.

Transdev Blaze field Limited guarantees all the above operating subsidiaries under section 479C of the Companies Act 2006 in respect of the financial period ended 31 December 2022.

13. INVENTORIES

Group	2022 £'000	2021 £'000
Materials	635	914
Fuel	622	457
	<u>1,257</u>	<u>1,371</u>

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 (restated) £'000
Trade receivables	4,160	8,454	1,749	1,517
Other receivables	4,542	1,904	156	-
Prepayments and accrued income	4,677	6,107	712	800
Tax recoverable	-	272	-	2,663
Amounts owed by Group undertakings	136	240	2,524	3,481
	<u>13,515</u>	<u>16,977</u>	<u>5,141</u>	<u>8,461</u>

The Directors consider the carrying amount of trade and other receivables approximates their fair value.

Credit Risk

The Group's principal financial assets are bank balances and cash and trade and other receivables. Trade and other receivables mainly comprise monies owed from Government bodies. As such the Directors consider that expected credit losses are not material to these financial statements.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 £'000	2021 (Restated) £'000	2022 £'000	2021 £'000
Cash at bank and in hand	-	4,675	-	-
Bank overdraft	(2,176)	-	(4,351)	(382)
	<u>(2,176)</u>	<u>4,675</u>	<u>(4,351)</u>	<u>(382)</u>

The weighted average interest rate received was as follows:

0.25% 0.25%

Bank overdrafts are secured by fixed and floating charges over the assets of Group companies incorporating an unlimited intercompany composite guarantee between Group companies, debentures by all Group companies and first legal charges over Group freehold properties. The Group is included in the cross guarantees in respect of the funding facilities from RBS held by the parent Company on behalf of the Group.

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

16. TRADE AND OTHER PAYABLES DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	(Restated) £'000	£'000	£'000
Trade payables	2,584	4,111	6,006	3,578
Other taxation and social security	1,588	576	58	20
Accruals and deferred income	5,352	8,701	2,205	2,065
Other payables	1,621	1,356	2,053	2,885
Holiday pay	663	663	-	-
Amounts owed to group undertakings	10,415	-	9,361	136
	<u>22,223</u>	<u>15,407</u>	<u>19,683</u>	<u>8,684</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 12 days (2021: 18 days).

The Directors consider the carrying amount of trade payables approximates to their fair value.

17. NON CURRENT LIABILITIES: OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts owed to parent undertaking	-	4,165	-	4,165
Amounts owed to group undertakings	-	-	-	14,839
	<u>-</u>	<u>4,165</u>	<u>-</u>	<u>19,004</u>

18. PROVISION FOR LIABILITIES & CHARGES

Group	Third Party Accidents £'000	Employer Liability Claims £'000	Total £'000
At 31 December 2021	1,383	-	1,383
<i>Charged to the income statement</i>	106	150	256
At 31 December 2022	<u>1,489</u>	<u>150</u>	<u>1,639</u>

Company	Third Party Accidents £'000	Employer Liability Claims £'000	Total £'000
At 31 December 2021	1,383	-	1,383
<i>Charged to the income statement</i>	106	150	256
At 31 December 2022	<u>1,489</u>	<u>150</u>	<u>1,639</u>

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

18. PROVISION FOR LIABILITIES & CHARGES (Continued)

Third Party Accidents

Provision is made for claims against the Company to the extent that they are not covered by insurance policies. Claims are expected to be settled within one year except where there is extended litigation.

Employer Liability Claims

Provision is made for Employer Liability claims which are expected to be settled within one year except where there is extended litigation.

19. IFRS16 LEASE LIABILITY

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
IFRS16 lease liability – current	3,820	4,626	3,077	3,833
IFRS 16 lease liability – non-current	10,996	14,704	10,766	14,393
	<u>14,816</u>	<u>19,330</u>	<u>13,843</u>	<u>18,226</u>

20. PENSIONS

Group and Company

The Group operates two pension schemes providing benefits based on final pensionable salary. Both these defined benefit schemes were effectively closed at 31 December 2010 with the majority of members joining the existing defined contribution scheme.

The current deficit or surplus on the two defined benefit pension schemes are:

	2022 £'000	2021 £'000
Blaze field Holdings Limited Pension Plan	(2,700)	(1,405)
Blaze field (2001) Pension Scheme	723	20
	<u>(1,977)</u>	<u>(1,385)</u>

(1) Blaze field Holdings Limited Pension Plan

The Group operated a defined benefit pension scheme for all qualifying employees, with the assets of the scheme held separately from the Group. The scheme is subject to triennial actuarial valuations by an independent qualified actuary, the last valuation was carried out on 21 December 2019. The principal assumptions used by the actuary were:

	2022 %	2021 %
Discount rate / Expected return on scheme assets	4.75	2.00
Expected rate of salary increases	N/A	N/A
Future pension increases (RPI)	3.25	3.50
Future pension increases (CPI)	2.35	2.60

As the scheme was closed before the start of this financial period and all members transferred to a defined contribution pension scheme, there will be no further expected salary increases as there are no active members.

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

20. PENSIONS (Continued)

	2022 £'000	2021 £'000
Net interest cost	<u>21</u>	<u>86</u>

The actuarial losses on scheme assets was £12.9m (2021: £1.6m gain).

The amount included in the balance sheet arising from the group's obligations in respect of its defined benefit retirement benefit scheme is as follows:

	2022 £'000	2021 £'000
Present value of defined benefit obligations	(32,578)	(44,269)
Fair value of scheme assets	29,878	42,864
Deficit in scheme recognised in the balance sheet	<u>(2,700)</u>	<u>(1,405)</u>

Movements in the present value of defined benefit obligations were as follows:

The above deficit includes a cumulative amount of £10.0m actuarial losses recognised in the statement of comprehensive income (2021: £11.8m).

	2022 £'000	2021 £'000
At beginning of the period	44,269	48,099
Interest cost	869	662
Actuarial losses	(10,799)	(2,827)
Member contributions, net of benefit paid	<u>(1,761)</u>	<u>(1,665)</u>
At end of the period	<u>32,578</u>	<u>44,269</u>

Movements in the fair value of scheme assets were as follows:

	2022 £'000	2021 £'000
At beginning of the period	42,864	41,590
Expected return on scheme assets	848	576
Actuarial (losses)/gains	(12,878)	1,584
Employer contributions	805	779
Member contributions, net of benefit paid	<u>(1,761)</u>	<u>(1,665)</u>
At end of the period	<u>29,878</u>	<u>42,864</u>

The analysis of the fair value of the scheme assets at the balance sheet date was as follows:

	2022 £'000	2021 £'000
Equity instruments	24,641	21,295
Debt instruments	4,257	8,632
Property	850	850
Cash/other assets	<u>130</u>	<u>12,087</u>
At end of the period	<u>29,878</u>	<u>42,864</u>

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

20. PENSIONS (Continued)

The sensitivity of the present value of defined benefit obligations is as follows:

Base Scenario	Discount Rate (+0.5%)	Discount Rate (-0.5%)	Inflation Rate (+0.5%)	Inflation Rate (-0.5%)
32,578	30,701	34,587	33,566	31,662

The duration of the accrued liabilities are estimated as 15 years.

The five year history of experience adjustments is as follows:

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Present value of defined benefit obligations	(32,578)	(44,269)	(48,099)	(43,201)	(42,697)
Fair value of scheme assets	29,878	42,864	41,590	38,216	33,559
Deficit in the scheme	<u>(2,700)</u>	<u>(1,405)</u>	<u>(6,509)</u>	<u>(4,985)</u>	<u>(9,138)</u>
Experience adjustments on scheme liabilities					
Amount (£'000)	-	-	1,050	1,701	118
Percentage of scheme liabilities (%)	0.0%	0.0%	2.2%	3.9%	0.3%
Experience adjustments on scheme assets					
Amount (£'000)	(12,878)	1,584	3,583	4,802	(2,484)
Percentage of scheme assets (%)	(43.1%)	3.7%	8.6%	12.6%	(7.4%)

The estimated amounts of contributions expected to be paid to the scheme for the period ending 31 December 2023 is £605k (2022: £807k).

(b) Blaze field (2001) Pension Scheme

The Group operated a defined benefit pension scheme for all qualifying employees, with the assets of the scheme held separately from the Group. The scheme is subject to triennial actuarial valuations by an independent qualified actuary, the last valuation is being carried out on 31 December 2015. The actuarial valuation of the scheme was updated to 31 December 2021 by a qualified actuary. The principal assumptions used by the actuary were:

	2022 %	2021 %
Discount rate / Expected return on scheme assets	4.75	2.00
Expected rate of salary increases	N/A	N/A
Future pension increases (RPI)	3.25	3.50
Future pension increases (CPI)	2.35	2.60

As the scheme was closed before the start of this financial period and all members transferred to a defined contribution pension scheme, there will be no further expected salary increases as there are no active members

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSIONS (Continued)

	2022	2021
	£'000	£'000
Net interest cost	<u>(2)</u>	<u>16</u>

The actual (loss)/gain on scheme assets was £(4.3)m (2021: £1.1m).

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit scheme is as follows:

	2022	2021
	£'000	£'000
Present value of defined benefit obligations	(8,270)	(13,068)
Fair value of scheme assets	8,993	13,088
Surplus in scheme recognised in the balance sheet	<u>723</u>	<u>20</u>

The above surplus includes a cumulative amount of £3.0m actuarial losses recognised in the statement of comprehensive income and expense (2021: £2.4m).

Movements in the present value of defined benefit obligations were as follows:

	2022	2021
	£'000	£'000
At beginning of the period	13,068	13,093
Interest cost	259	182
Actuarial (losses)/gains	(4,774)	31
Member contributions, net of benefit paid	(283)	(238)
At end of the period	<u>8,270</u>	<u>13,068</u>

Movements in the fair value of scheme assets were as follows:

	2022	2021
	£'000	£'000
At beginning of the period	13,088	11,896
Expected return on scheme assets	261	166
Actuarial (losses)/gains	(4,264)	1,080
Employer contributions	191	184
Member contributions, net of benefit paid	(283)	(238)
At end of the period	<u>8,993</u>	<u>13,088</u>

The analysis of the fair value of the scheme assets at the balance sheet date was as follows:

	2022	2021
	£'000	£'000
Equity instruments	6,117	7,800
Debt instruments	2,790	1,056
Cash/other assets	86	4,232
At end of the period	<u>8,993</u>	<u>13,088</u>

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSIONS (Continued)

The sensitivity of the present value of defined benefit obligations is as follows:

Base Scenario	Discount Rate (+0.5%)	Discount Rate (-0.5%)	Inflation Rate (+0.5%)	Inflation Rate (-0.5%)
8,270	7,624	8,976	8,902	7,686

The average duration of the accrued liabilities are estimated as 20 years.

The five year history of experience adjustments is as follows:

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Present value of defined benefit obligations	(8,270)	(13,068)	(13,093)	(12,263)	(11,817)
Fair value of scheme assets	8,993	13,088	11,896	10,956	9,632
Surplus/(deficit) in the scheme	<u>723</u>	<u>20</u>	<u>(1,197)</u>	<u>(1,307)</u>	<u>(2,185)</u>
Experience adjustments on scheme liabilities					
Amount (£'000)	-	-	(170)	1,213	(766)
Percentage of scheme liabilities (%)	0%	0%	1.3%	(9.9%)	6.5%
Experience adjustments on scheme assets					
Amount (£'000)	(4,264)	1,080	816	523	28
Percentage of scheme assets (%)	(47.4%)	8.3%	6.9%	4.8%	0.3%

The estimated amounts of contributions expected to be paid to the scheme for the period ending 31 December 2023 is £144k (2022: £64k).

(c) Defined Contribution Pension Scheme

The group also operates a defined contribution pension scheme. The charge to the income statement for pension contributions to this scheme in the period was £849k (2021: £849k). Included in group and Company other creditors is £70k (2021: £70k) in respect of unpaid contributions.

21. CALLED UP SHARE CAPITAL

	Number of shares	£'000 £'000
Authorised share capital		
Ordinary shares of £1 each at 31 December 2022 & at 31 December 2021	<u>11,803,000</u>	<u>11,803</u>
Issued share capital		
Called up, allotted and fully paid ordinary shares of £1 each as at 31 December 2022 & at 31 December 2021	<u>11,803,000</u>	<u>11,803</u>

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

22. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Key management personnel compensation comprised of the following:

	2022 £'000	2021 £'000
Short-term employee benefits	307	471
Post-employment benefits	35	54
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>342</u>	<u>525</u>

Compensation of the Group's key management personnel include salaries and contributions to a post-employment defined contribution plan. A further 1 Directors (2021: 1) was compensated by Transdev SA a parent company and a portion of this compensation is included in the management charge of £1.0m (2021: £1.0m).

There are no transactions with the Group and key management personnel or their related parties or companies the Directors hold positions in.

Other related party transactions

The Company does have related party transactions with Transdev plc its immediate parent company. These are detailed below and are carried out on an arm's length basis. None of the balances are secured and are repayable on demand.

	Transaction Values		Balances	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Sales of goods and services	-	-	-	-
Purchase of services				
Management fee	996	970	(1,966)	(970)
Other				
Loans and related interest	5,905	2,544	(8,449)	(2,544)
	<u>6,901</u>	<u>3,514</u>	<u>(10,415)</u>	<u>(3,514)</u>

23. PARENT UNDERTAKING

Transdev plc is the immediate parent undertaking. The ultimate parent undertakings is Caisse des Dépôts et Consignations, a French public sector financial institution.

The consolidated financial statements of Caisse des Dépôts et Consignations are available at 56 Rue de Lille, 75 356 Paris.

The parent undertaking of the smallest group of undertakings for which consolidated financial statements are drawn up and of which the Company is a member is Transdev SA, a Company registered in France.

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

24. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Group's activities expose it to certain financial risks. These include price risk related primarily to interest rate risk. The Group is not significantly exposed to foreign exchange risk, credit risk or other cash flow risk. Management reviews financial risks regularly in accordance with Group policies. The Group currently uses a limited number of financial instruments to manage certain risks but does not hold financial instruments for speculative reasons.

Categories of financial instruments

	Carrying value 2022 £'000	Carrying Value (Restated) 2021 £'000
Financial assets at amortised cost		
Cash	(2,176)	6,153
Trade and other receivables	8,702	10,358
	<u>6,526</u>	<u>16,511</u>
Financial liabilities at amortised cost		
Lease liability	(14,816)	(19,330)
Trade and other payables	(4,205)	(5,467)
	<u>(19,021)</u>	<u>(24,797)</u>

There is no material difference between the carrying value and fair value of the financial instruments in 2022 or 2021.

Credit Risk

The Group's principal financial assets are bank balances and cash and trade and other receivables, the balance at 31 December 2022 and 31 December 2021 represents the Group's maximum exposure to credit risk. The bank balances are held with a small number of financial institutions, the Group mitigates this concentration by only using high quality financial institutions.

Liquidity Risk

The trade receivables balance primarily represents the amounts owing from local government transport organisations. These sums are contractually agreed and are received according to the terms of the individual contracts. Therefore, there is no significant credit risk exposure or any significant payment delay beyond contractual terms.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structures of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2022 based on contracted undiscounted payments

	On demand £'000	< 3 months £'000	3 – 12 months £'000	1 – 5 years £'000	Total £'000
2022					
Trade and other payables	-	1,872	2,333	-	4,205
Lease liability	-	955	2,865	10,996	14,816
	<u>-</u>	<u>2,827</u>	<u>5,198</u>	<u>10,996</u>	<u>19,021</u>

TRANSDEV BLAZEFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

24. FINANCIAL INSTRUMENTS (Continued)

	On demand £'000	< 3 months £'000	3 – 12 months £'000	1 – 5 years £'000	Total (Restated) £'000
2021					
Trade and other payables	-	381	5,086	-	5,467
Lease liability	-	1,157	3,470	14,703	19,330
	-	1,538	8,556	14,703	24,797

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2022 based on contracted undiscounted payments

	On demand £'000	< 3 months £'000	3 – 12 months £'000	1 – 5 years £'000	Total £'000
2022					
Trade and other payables	-	2,906	5,235	-	6,463
Lease liability	-	769	2,308	10,766	13,843
	-	3,593	7,543	10,766	21,902

	On demand £'000	< 3 months £'000	3 – 12 months £'000	1 – 5 years £'000	Total £'000
2021					
Trade and other payables	-	2,906	3,557	-	6,463
Lease liability	-	958	2,875	14,393	18,226
	-	3,864	6,432	14,393	24,689

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from default. The Group's exposure to the credit ratings of its counterparties is continuously monitored and credit exposure is controlled by counterparty limited that are reviewed and approved regularly.

Trade receivables consists of mainly local governments and education institutions which have a long history of credit worthiness and a low level of default. The financial resources of these entities lead the Directors to conclude that the Group does not have any significant credit risk exposure to any counterparty or any group of counterparties.

The credit risk on liquid funds is limited as the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of the financial assets recorded in the financial statements represent the Group's maximum exposure to the credit risk as no collateral or other credit enhancements are held.

25 CONTINGENT LIABILITIES

The Company and Group is part of a group registration scheme for VAT and is jointly and severally liable for Transdev Plc's group VAT liability. At 31 December 2022 this amounted to £Nil (2021: £Nil).

Bank debentures granted by the Company and Group include a fixed equitable charge over all present and future freehold and leasehold property; a first fixed charge over, amongst other things, book and other debts, chattels, and goodwill, both present and future; and first floating charges over all assets and undertakings both present and future.

TRANSDEV BLAZEFIELD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

25 CONTINGENT LIABILITIES (Continued)

The Company and Group is part of a Group bank facility. At 31 December 2022 total net borrowing under this facility amounted to £3.1m (2021: £1.9m).

26 PRIOR PERIOD ADJUSTMENTS

In 2021 the CBSSG grants received were not eliminated on consolidation resulting in an overstatement of both Revenue and Expense for the period. This has a net £Nil impact on the P&L.

A review of cost classifications has resulted in cost of sales and administrative expenses being disclosed separately. This results in an adjustment to the 2021 comparatives in the P&L of £9.3m from Cost of Sales. This has increased Administrative expenses by £9.2m and finance costs by £0.1m. This has a net £Nil impact on the loss for the period.

The consolidation entries to eliminate the intercompany balances for the dormant entities was incorrectly written off to the P&L rather than the correct balances. This reduces costs and loss by £995k in the P&L and reduces cash by £1.5m and Trade and other payables by £2.5m.

Group Balance Sheet

	As Previously Reported £'000	CBSSG Grant Adjustment £'000	Eliminate dormant intercompany on consolidation £'000	Disclose Cost of Sales £'000	As Restated £'000
Non-current assets					
Non-current assets	31,661	-	-	-	31,661
Current assets					
Inventories	1,371	-	-	-	1,371
Trade and other receivables	16,977	-	-	-	16,977
Cash and cash equivalents	6,153	-	(1,478)	-	4,675
Current assets	24,501	-	(1,478)	-	23,023
Current liabilities					
Trade and other payables	(17,880)	-	2,473	-	(15,407)
Provisions	(1,383)	-	-	-	(1,383)
Lease liabilities	(4,626)	-	-	-	(4,626)
Current liabilities	(23,889)	-	2,473	-	(21,416)
Non-Current Liability					
Non-current liabilities	(20,254)	-	-	-	(20,254)
Equity					
Share capital	11,803	-	-	-	11,803
Reserves	216	-	995	-	1,211
Total Equity	12,019	-	995	-	13,014
<u>Group Profit and Loss</u>					
Revenue	81,610	(11,471)	-	-	70,139
Cost of Sales	(83,904)	11,471	-	7,802	(64,631)
Administrative Expenses	-	-	995	(7,700)	(6,705)
Finance Costs	(654)	-	-	(102)	(756)
Tax	236	-	-	-	236
Loss for the period	(2,712)	-	995	-	(1,717)

TRANSDEV BLAZEFIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

26 PRIOR PERIOD ADJUSTMENTS (Continued)

For the Company, an adjustment is required to align the investment value to the purchase price of the Team Pennine acquisition. The results in an increase to investments of £1.2m.

A review of cost classification has resulted in an adjustment to the P&L of costs from Cost of Sales to Administrative expenses of £1.6m. This has a net £Nil impact on the loss for the period.

<u>Company Balance Sheet</u>	As Previously Reported £'000	Team Pennine Acquisition £'000	Disclose Cost of Sales £'000	As Restated £'000
Non-current assets				
Investments	9,697	1,228	-	10,925
Property, plant & equipment	6,546	-	-	6,546
Right of Use assets	18,846	-	-	18,846
Deferred tax	307	-	-	307
	<u>35,396</u>	<u>1,228</u>	<u>-</u>	<u>36,624</u>
Current assets				
Trade and other receivables	9,689	(1,228)		8,461
Current liabilities				
Current liabilities	(14,282)	-	-	(14,282)
Non-current liabilities				
Non-current liabilities	(34,782)	-	-	(34,782)
Equity				
Reserves	<u>(3,979)</u>	<u>-</u>	<u>-</u>	<u>(3,979)</u>
<u>Company Profit and Loss</u>				
Revenue	109	-	-	109
Cost of Sales	(4,144)	-	1,586	(2,558)
Administrative expenses	-	-	(1,586)	(1,586)
Finance costs	(534)	-	-	(534)
Tax	3,832	-	-	3,832
Loss for the period	<u>(737)</u>	<u>-</u>	<u>-</u>	<u>(737)</u>