

Registered No: 08578455

Go-Ahead London Rail Replacement Services Limited

Annual Report and Financial Statements

Year ended 2 July 2022



Registered No: 08578455

Directors

C Schreyer
J Trayner
D A Cutts
R Harrington
M J Slattery

Company Secretary

C Ferguson

Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3HQ
United Kingdom

Bankers

The Royal Bank of Scotland plc
250 Bishopsgate
London
EC2M 4AA
United Kingdom

Registered office

3rd Floor
41 - 51 Grey Street
Newcastle upon Tyne
NE1 6EE
United Kingdom

Go-Ahead London Rail Replacement Services Limited

Registered No: 08578455

Directors' Report

The directors present their annual report and audited financial statements for the year ended 2 July 2022.

Go-Ahead London Rail Replacement Services Limited (the "Company") is a wholly owned subsidiary of The Go-Ahead Group Ltd (the "Group").

Results and Dividends

The profit after taxation for the year ended 2 July 2022 amounted to £225,000 (2021: £279,000). No dividends were paid or proposed during the year (2021: £nil).

Principal Activity

The Company's principal activity is the operation of rail replacement bus services.

Review of the Business & Key Performance Indicators

| | 2022 | 2021 | Change |
|-------------------------------|--------|--------|---------|
| | £000 | £000 | % |
| Revenue | 22,088 | 23,657 | (6.6%) |
| Operating Profit | 278 | 344 | (19.2%) |
| Profit for the Financial Year | 225 | 279 | (19.4%) |
| Shareholders' equity | 2,635 | 2,410 | 9.3% |

The company's key financial and other performance indicators in 2021 include an additional week of operations with 2021 being a 53 week financial year, whereas 2022 was a 52 week financial year.

The Company has continued to provide planned and emergency rail replacement services for train operating companies. The Company aims to provide as much of the services in-house, sub-contracting to third party operators when necessary.

Revenue in 2022 decreased by 6.6% due to lower levels of emergency work compared to 2021. Decrease in Operating Profits of 19.2% reflects increased cost of sub-contracting.

Principal Risks and Uncertainties

The volume of rail replacement business can fluctuate as by nature much of it is based on third party project plans and non-planned activity, this means that resourcing needs to be flexible.

Future developments

The outlook remains positive. We have a strong reputation for reliability and service. There is a planned maintenance programme across the rail network and the Company continues to provide rail replacement services during periods of planned and emergency downtime on the network.

Go-Ahead London Rail Replacement Services Limited

Directors' Report (continued)

Financial Risk Management Objectives and Policies

The main risks associated with the Company's financial assets and liabilities are set out below. Given that the majority of the risks below derive from transactions with other Group companies, the Company does not undertake any hedging activity locally. Significant financial risks from a Group perspective are addressed on a case-by-case basis at Group level.

Interest rate risk

All surplus cash is swept to The Go-Ahead Group Limited, which is invested at a Group level. Interest is charged at a variable rate on Group loans. Therefore financial assets, liabilities, interest income, interest charges and cash flow can be affected by movements in interest rates but the risk is managed at a Group level.

Credit risk

The Company's debtors are within the Go-Ahead Group and the Company does not consider these parties to be a significant credit risk.

Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generated by its operations in line with Group policies. A cash sweeping facility exists with the ultimate parent company and therefore further information regarding the liquidity risk can be found in the Group financial statements. Capital expenditure is approved at Group level.

Foreign currency risk

The Company has no foreign currency risk as all of the transactions, assets and liabilities are in sterling.

Risks associated with COVID-19

There is a risk that the COVID-19 pandemic recovery does not continue as expected meaning that colleague sickness is higher than planned for, supply chains are disrupted and Company forecasts prove to be inaccurate. The Company continues to monitor and respond to any changes circumstances resulting from the recovery from the COVID-19 pandemic.

Risks associated with Brexit

Brexit impacts continue to be monitored by the business following the UK's exit from the EU. Whilst there could be an impact from lower tourism into the area the principal affect is likely to be on availability of driving staff, however this is not considered to be a risk that could materially impact Go Ahead Rail Replacement Services Limited. Brexit contingency measures are in place across the wider Group, including increased stock levels of spare parts and apprenticeships and colleague engagement plans to support recruitment and retention

Climate change policy

Around the globe, we all have a responsibility to take action against climate change. As a responsible business, we understand the part we have to play in reducing our emissions and adapting to the impacts of our changing world. In response to this, the Group has set a target of becoming a net zero business by 2045 and published our climate change strategy. Please refer to the Group's 2022 Annual Report and Financial Statements, pages 28 to 34 for further details on our climate change strategy.

Go-Ahead London Rail Replacement Services Limited

Directors' Report (continued)

Directors

The directors who served the Company during the year, and up to the date of signing the financial statements, were as follows:

D A Brown (resigned 5 November 2021)
C Schreyer (appointed 5 November 2021 and resigned 13 December 2022)
J Trayner
D A Cutts
R Harrington
M J Slattery
E Brian (resigned 27 September 2021)
G Boyd (appointed 28 September 2021 and resigned 28 March 2022)

D A Brown and E Brian were directors of the ultimate parent company, The Go-Ahead Group Ltd (the "Group"). They resigned as directors of the Company within the year and were replaced by C Schreyer and G Boyd respectively with effect from 5 November 2021 and 28 September 2021 respectively. G Boyd subsequently resigned on 28 March 2022 and C Schreyer resigned on 13 December 2022.

Management and Staff

The Company uses the services of staff employed by London General Transport Services Limited, the parent. The average number of staff utilised during the year was 35 (2021: 47). Payroll costs relating to these staff are recharged from the parent undertaking, London General Transport Services Limited.

Small company exemptions

The directors were entitled to take advantage of the small companies' exemptions from the requirement within section 414.B of the Companies Act 2006 from preparing a Strategic Report.

Going Concern

The Company is a wholly owned subsidiary of The Go-Ahead Group Limited (the Group). The going concern status of the Company is therefore intrinsically linked with the operational existence of the Group and on the continued provision of Group support. The Group's Annual Report and Financial statements for the year ended 2 July 2022 were prepared on a going concern basis and full details of the going concern assessment can be found on pages 49-50 of this report.

The Group provides a letter of Group support to the Company, assuring financial support for a period of at least 12 months from the date of approval of the financial statements. Details of the Group's going concern assessment are as follows:

Background

We have responsibilities in relation to going concern under UK legislation and International Accounting Standard 1 Presentation of Financial Statements. The Board needs to state whether it considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements, and to identify any material uncertainties to the Group's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements.

Going concern assessment

The Board used the financial forecasts prepared for business modelling and liquidity projection purposes as the basis for its assessment of the Group's ability to continue as a going concern for at least 12 months from the date of approval of the financial statements.

As part of this assessment, the Group has also considered the FRC Company Guidance (updated 4 December 2020) (COVID-19), which has encouraged companies to assess current forecasts (corporate plans) with more rigour, consider the impact of different potential scenarios along with a likelihood assessment, and consider both the uncertainty and the likely success of any realistic mitigations.

Go-Ahead London Rail Replacement Services Limited

Directors' Report (continued)

Going Concern (continued)

Key areas of forecasting uncertainty include:

- The extent of any further recovery in Regional Bus revenue and the size of the network required to support passenger demand after BRG funding ceases
- The impact of inflationary pressures and continued challenges with respect to driver recruitment on our operations
- Further losses on our German contracts following the challenging operational performance, which has impacted the Baden-Württemberg franchise since its commencement, and the start of our final Bavarian operations which occurred in December 2022

The forecasts were modelled using the base case set out below based on the Group's three-year Corporate Plan adjusted for M&A activity which would be dependent on circumstances and the impact of the takeover of the Group by Gerrard Investment Bidco Limited (Bidco), a company jointly owned by Kinetic TCo Pty Ltd (Kinetic) and Globalvia Inversiones S.A.U. (Globalvia), (together the Consortium).

The base case

The forecast assumes that Regional Bus services are maintained at the level required to qualify for Bus Recovery Grant (BRG) funding and, thereafter, at a level commensurate with passenger demand. Fares, fuel and wages are all assumed subject to inflation with there being no restriction on the business' ability to recover increased costs through fare increases, and savings identified as part of the strategic business review begin to be realised during the year. BRG funding, initially expected to end in October 2022, has been extended until June 2023 which provides further support to the delivery of Regional Bus forecasts but terms and conditions for the duration of this extension remain outstanding. The current Bus Fare Cap is assumed financially neutral with the impact of the scheme offset by the funding provided.

In the Group's London & International Bus segment, passenger demand risk is borne by our transport authority clients. While cost pressures will impact the business, there are price mechanisms within the contracts that allow these to be recovered.

In the UK Rail segment, Govia Thameslink Railway Limited is contracted under a National Rail Contract through to 1 April 2025 with the potential for up to a three-year extension at the discretion of the Secretary of State for Transport.

In the International Rail segment, our German operations' contractual payments are protected and passenger revenue risk is borne by the transport authority client, while in Norway an improved agreement was reached with the Norwegian Railway Directorate.

Reasonable worst case scenario

This included assessing forecasts of severe but plausible downside scenarios related to our principal risks, notably the extent to which the recovery in passenger demand and levels of government support is less favourable than assumed in our base case forecasts. The reasonable downside scenario assumptions, which together reduce the Group's pre-IFRS 16 EBITDA by c. 20 per cent over the 12-month period were:

- Slower recovery of passenger demand in Regional Bus, with passenger demand lower and the impact of inflationary pressures
- Impact of inflationary pressures on electricity and driver pay and the impact of driver shortages and absences in London & International Bus
- Lower level of performance fees in UK Rail than planned
- Operational issues in our German Rail operations leading to higher operational losses than those already included in the base case

Liquidity and covenant testing

The Group has no debt maturities ahead of July 2024, a strong balance sheet and good liquidity with adjusted net debt as at 2 July 2022 of £1,107.0m (£241.0m on a pre-IFRS 16 basis) and unutilised facilities and cash of £320.5m at the year end.

Go-Ahead London Rail Replacement Services Limited

Directors' Report (continued)

Going Concern (continued)

Funding is covered by a £250m corporate bond, which matures on 6 July 2024, and a revolving credit facility of £240m which matures in July 2025. Although these arrangements extend beyond the going concern period, we would expect to refinance prior to the end of the current going concern period and, given the level of headroom on existing covenants and forecast levels of net debt, there is no reason not to assume that this could be done.

Following the acquisition by the Consortium, seven of the Group banks continue to participate in the funding syndicate. One bank, however, has exercised change of control clauses and has exited the arrangement. Following the reconfirmation of the group's credit ratings by both Fitch and S & P in January 2024, any risk of a put event in relation to bond is no longer relevant and therefore will continue to its maturity date on 6 July 2024.

Our primary bank covenant continues to be assessed on a pre-IFRS 16 basis. At the year end, adjusted net debt was £241.0m on a pre-IFRS 16 basis (2021: £305.9m). Consequently, adjusted net debt to pre-IFRS 16 EBITDA (excluding exceptional items) was 1.5 times, at the bottom of our target range of 1.5 times to 2.5 times and allowing adequate headroom on our primary bank covenant of 3.5 times.

Mitigating action

At Group level, the Board has considered all mitigations that would be within its control if faced with a short term material EBITDA reduction that would reduce covenant headroom or a reduction in the level of funding available. These include cost efficiencies, adjustments in service to align to passenger demand, reduction or postponement of capital expenditure and sale of other assets. Other mitigations could be considered in more severe circumstances, including requests for amendments or waivers of covenants, sale and leaseback of vehicles, disposal of properties and disposal of investments or other assets.

Going concern statement

The directors have assessed the Group's ability to continue as a "going concern", in light of current and anticipated economic conditions. The directors confirm they are satisfied that the Group has adequate resources to continue in operational existence for a period of 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the "going concern" basis in preparing the Annual Report and Accounts.

The Company directors have obtained confirmation from The Go-Ahead Group Limited that they will continue to provide financial support for a period of at least twelve months from the date of approval of the balance sheet.

Streamlined Energy and Carbon Reporting

As a subsidiary of The Go-Ahead Group Ltd, Go-Ahead Holding Limited's energy and carbon results have been included in the Group's consolidated report. As a result, the Company has chosen not to present an individual energy and carbon report within these financial statements. Please refer to the Group's 2022 Annual Report and Financial Statements for further details, on pages 45 to 48.

Events after the balance sheet date

On 10 October 2022, The Go-Ahead Group plc was acquired by Gerrard Investment Bidco Limited ("Bidco"). Bidco is a newly formed company indirectly owned by Kinetic TCo Pty Ltd ("Kinetic") and Global Via Infraestructuras SA. ("Globalvia").

Go-Ahead London Rail Replacement Services Limited

Directors' Report (continued)

Directors' indemnities

The Go-Ahead Group Ltd (previously called The Go-Ahead Group plc) (the "Group") maintains directors' and officers' liability insurance, for both the Group and its subsidiaries, which gives appropriate cover for any legal action brought against its directors. The Group has also granted indemnities to each of its, and its subsidiaries, directors to the extent permitted by law. Qualifying third party indemnity provisions (as defined in Section 234 of the Act) were in force during the year ended 2 July 2022 and remain in force, in relation to certain losses and liabilities that the directors may incur to third parties in the course of acting as directors or employees of the Group or of any associated company. Neither the Group's indemnity nor its insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently.

Auditor

The Company has commenced a retender process for its external audit for the 2023 financial year but Deloitte has confirmed that it will not participate in the tender process.

Directors' Responsibilities for Audit Information

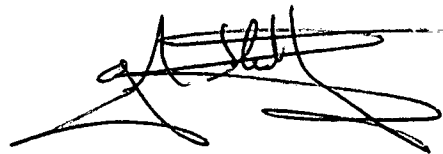
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (this is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Registered office:
3rd Floor
41 - 51 Grey Street
Newcastle upon Tyne
NE1 6EE

Approved by the Board and signed on their behalf:



M J Slattery
Director

25 April 2023

Go-Ahead London Rail Replacement Services Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Go-Ahead London Rail Replacement Services Limited

Independent Auditor's Report

to the members of Go-Ahead London Rail Replacement Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Go-Ahead London Rail Replacement Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 3 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 12.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Go-Ahead London Rail Replacement Services Limited

Independent Auditor's Report

to the members of Go-Ahead London Rail Replacement Services Limited

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

Go-Ahead London Rail Replacement Services Limited

Independent Auditor's Report

to the members of Go-Ahead London Rail Replacement Services Limited

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

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

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

As a result of performing the above, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to the accuracy of intercompany revenue being recognised. Our procedures to respond to this risk included reconciliation of the intercompany revenue recognised and agreeing a sample of revenue recognised to underlying contractual evidence.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Go-Ahead London Rail Replacement Services Limited

Independent Auditor's Report

to the members of Go-Ahead London Rail Replacement Services Limited

Matters on which we are required to report by exception

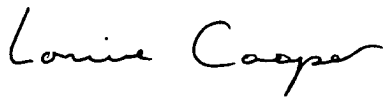
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Cooper, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, UK
25 April 2023

Go-Ahead London Rail Replacement Services Limited

Registered number: 08578455

Income Statement

for the year ended 2 July 2022

| | Notes | 2022 £000 | 2021 £000 |
|--|-------|--------------|--------------|
| Revenue | 3 | 22,088 | 23,657 |
| Operating costs | 4 | (21,810) | (23,313) |
| Operating profit | 4 | 278 | 344 |
| Profit before taxation | | 278 | 344 |
| Tax on profit | 7 | (53) | (65) |
| Profit for the year from continuing operations | | 225 | 279 |

The Company had no items of income during the current and prior year, other than the profit for the year from continuing operations. A separate Statement of Comprehensive Income is therefore not presented.

Statement of changes in equity

for the year ended 2 July 2022

| | Notes | Share capital £000 | Retained earnings £000 | Total equity £000 |
|--|-------|-----------------------|------------------------------|----------------------|
| At 27 June 2020 | | - | 2,131 | 2,131 |
| Profit and total comprehensive income for the year | | - | 279 | 279 |
| At 3 July 2021 | | - | 2,410 | 2,410 |
| Profit and total comprehensive income for the year | | - | 225 | 225 |
| At 2 July 2022 | | - | 2,635 | 2,635 |

Go-Ahead London Rail Replacement Services Limited

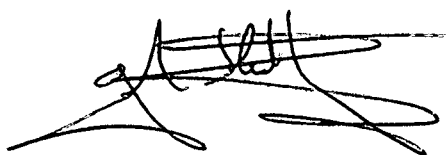
Registered number: 08578455

Balance Sheet

as at 2 July 2022

| | Notes | 2022 £000 | 2021 £000 |
|--|-------|--------------|--------------|
| Assets | | | |
| Current assets | | | |
| Debtors: trade debtors | | 494 | - |
| Debtors: amounts due from Group undertakings | 9 | 2,259 | 2,475 |
| Total assets | | 2,753 | 2,475 |
| Liabilities | | | |
| Current liabilities | | | |
| Current tax liabilities | 7 | (118) | (65) |
| Total liabilities | | (118) | (65) |
| Net assets | | 2,635 | 2,410 |
| Capital and reserves | | | |
| Share capital | 10 | - | - |
| Retained earnings | | 2,635 | 2,410 |
| Total equity | | 2,635 | 2,410 |

The financial statements were approved for issue by the board of directors and signed on their behalf by:



M J Slattery
Director
25 April 2023

Notes to the Financial Statements

for the year ended 2 July 2022

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Go-Ahead London Rail Replacement Services Limited (the "Company") for the year ended 2 July 2022 were authorised for issue by the board of directors on 25 April 2023 and the balance sheet was signed on the board's behalf by J Slattery. The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and Companies Act 2006, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, The Go-Ahead Group Ltd, includes the Company in its consolidated financial statements. The consolidated financial statements of The Go-Ahead Group Ltd are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House, Cardiff and The Go-Ahead Group Ltd website.

The financial statements have been prepared on a historical cost basis, as modified by the fair value of financial instruments, and in accordance with applicable accounting standards. The presentation and functional currency used is sterling and amounts have been presented in round thousands ("£'000").

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures and standards not yet effective:

- the requirements of IFRS 7 *Financial Instruments: Disclosures*
- the requirements of paragraphs 10(d), 111 and 134 of IAS 1 *Presentation of Financial Statements*;
- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirement of paragraph 17 of IAS 24 *Related Party Transactions*;
- the requirements of IAS 24 *Related Party Transactions* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 *Share based payments*;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j)-(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66, B67 of IFRS3 *Business Combinations*;
- the requirements of paragraphs 134 (d)-(f) and 135(c)-(e) of IAS 36 *Impairment of Assets*;
- the requirements of paragraphs 110 (2nd sentence), 113(a), 114, 115, 118, 119(a)-119(c), 120-127 and 129 of IFRS 15 *Revenue from Contracts with Customers*; and
- the requirements of paragraph 52, 89 (2nd sentence), 90, 91 and 93 of IFRS 16 *Leases* and the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

Notes to the Financial Statements

for the year ended 2 July 2022

2.1 Basis of preparation (continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

New standards

The following new standards or interpretations are mandatory for the first time for the financial year ended 2 July 2022:

- Impact of the initial application of Interest Rate Benchmark Reform – Phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Impact of the initial application of COVID-19 Related Rent Concessions beyond 30 June 2021 - amendment to IFRS 16 Adoption of the standards and interpretations had no material impact on the Group's financial position or related performance. Adoption of the standards and interpretations had no material impact on the Company's financial position or related performance.

2.2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

In the director's view, there are no critical accounting judgements or key sources of estimation uncertainty that could have a significant risk of causing material adjustments to the carrying value of assets and liabilities within the next financial year.

Notes to the Financial Statements

for the year ended 2 July 2022

2.3 Significant accounting policies

Revenue

The revenue of the Company mainly comprises income from road passenger transport and rail passenger transport. Revenue is recognised on satisfaction of performance obligations and completion of services which are generally clear. Revenue is measured based on the fair value of the consideration received or receivable (net of discounts, rebates, VAT and other sales taxes or duty) to which the Company expects to be entitled to and excludes amounts collected on behalf of third parties.

An explanation of the main revenue stream is set out below:

Contract revenue

Contract revenue mainly relates to revenue for ancillary services to other bus and rail passenger service providers, for rail replacement services. Revenue is recognised on satisfaction of service performance obligations, for example, when the bus service has been provided. Revenue is measured based on the fair value of the consideration received or receivable (net of discounts, rebates, VAT and other sales taxes or duty) to which the Company expects to be entitled and excludes amounts collected on behalf of third parties.

Financial assets

The Company's financial assets are initially recognised at fair value, being the transaction price plus, in the case of financial assets not recorded at fair value through profit or loss in the income statement, directly attributable transaction costs. Financial assets are subsequently classified as being measured at amortised cost, fair value through other comprehensive income, or fair value through the income statement.

The Company's financial assets at amortised cost are non-derivative financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

The Company does not have any financial assets held at fair value through the income statement.

The Company does not have any financial assets held at fair value through other comprehensive income.

The Company uses an impairment model with impairment provisions based on expected credit losses rather than incurred credit losses. The Company applies the IFRS 15 simplified approach and measures the loss allowance on the lifetime expected credit losses at each reporting date.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due.

Further detailed information is provided in the going concern statement in the directors' report and is therefore not replicated here.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax base of assets and liabilities for taxation purposes and their carrying amounts in the financial statements. It is provided for on all temporary differences.

Notes to the Financial Statements

for the year ended 2 July 2022

2.3 Significant accounting policies (continued)

Deferred tax assets are only recognised to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. 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 profit will be available to allow all or part of the deferred income tax asset to be utilised.

Tax relating to items recognised outside the Income Statement is recognised in other comprehensive income or directly in equity in correlation with the underlying transaction. Otherwise, tax is recognised in the Income Statement.

Notes to the Financial Statements

for the year ended 2 July 2022

3. Revenue

The revenue and profit before tax are attributable to the one principal activity of the Company.

An analysis of revenue by class of business is given below:

| | 2022 £000 | 2021 £000 |
|------------------|---------------|---------------|
| Contract revenue | <u>22,088</u> | <u>23,657</u> |

All revenue was generated in the UK

4. Operating Profit

Operating costs:

| | 2022 £000 | 2021 £000 |
|--------------------------------|---------------|---------------|
| Materials and external charges | 20,291 | 21,708 |
| Staff costs | <u>1,519</u> | <u>1,605</u> |
| | <u>21,810</u> | <u>23,313</u> |

Materials and external charges includes costs incurred in performing the rail replacement services, such as the short term rental of vehicles and personnel costs.

Audit fees for the audit of the financial statements are borne by the parent company, London General Transport Services Limited. The total audit fee for the parent company and Group undertaking is £228,000 (2021: £185,000), it is not practical to split the fee between the entities.

5. Staff Costs

During both the current and prior year, staff were employed by the parent undertaking and their costs were recharged.

Notes to the Financial Statements

for the year ended 2 July 2022

6. Directors' Emoluments

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Aggregate emoluments in respect of qualifying services | - | - |

Certain directors are also directors of London General Transport Services Limited. These directors received total remuneration of £1,195,000 (2021: £1,241,000) from London General Transport Services Limited during the year, but it is not practical to allocate this between their services as directors of London General Transport Services Limited and their services to the Company.

Certain directors are also directors of The Go-Ahead Group Ltd and are remunerated by The Go-Ahead Group Ltd. It is not practical to allocate their remuneration between their services as directors of The Go-Ahead Group Ltd and their services to the Group's subsidiaries. For details on the remuneration of the directors of The Go-Ahead Group Ltd please refer to The Go-Ahead Group Ltd's consolidated financial statements, available as described in note 11.

7. Taxation

(a) Tax recognised in the income statement

The tax charge is made up as follows:

| | 2022 £000 | 2021 £000 |
|---------------------------------------|--------------|--------------|
| <i>Current tax:</i> | | |
| UK corporation tax at 19% (2021: 19%) | 53 | 65 |
| Total current tax | 53 | 65 |

(b) Reconciliation

A reconciliation of income tax applicable to accounting profit before tax at the statutory tax rates for the years ended 2 July 2022 and 3 July 2021 is as follows:

The tax assessed on the profit for the year is the standard rate of corporation tax in the UK. The standard rate of corporation tax for the year ended 2 July 2022 was 19% (2021: 19%).

The differences are reconciled below:

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Profit before tax | 277 | 344 |
| At UK corporation tax rate of 19% (2021: 19%) | 53 | 65 |
| Tax reported in the income statement (note 7(a)) | 53 | 65 |

The tax assessed on the profit for the year is the same as the standard rate of corporation tax.

Notes to the Financial Statements

for the year ended 2 July 2022

7. Taxation (continued)

(c) Current tax liabilities

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Current tax liability at start of year | 65 | 261 |
| Corporation tax reported in income statement (note 7(a)) | 53 | 65 |
| Paid in the year | - | (261) |
| Current tax liability at end of year | <u>118</u> | <u>65</u> |

(d) Factors affecting future tax charges

The standard rate of UK corporation tax is 19% and therefore 19% applies to the current tax charge arising during the year ended 2 July 2022. Legislation within the Finance Bill 2021 amended this rate to 25.0% with effect from April 2023 and therefore 25.0% has been applied, where applicable, to the Company's deferred tax balance as at the balance sheet date for amounts which are expected to reverse after this date.

8. Dividends

| | 2022 £000 | 2021 £000 |
|--------------------------------------|--------------|--------------|
| Paid during the year | | |
| Equity dividends on ordinary shares: | | |
| Final dividend for 2022 | <u>-</u> | <u>-</u> |

There were no dividends proposed as at 2 July 2022 (2021: £nil).

9. Related Party Transactions

The Company is a 100% subsidiary of The Go-Ahead Group Ltd. Advantage has been taken of the exemption in paragraph 8(k) of the Financial Reporting Standard 101 and transactions entered into between two or more members of the Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member, have not been disclosed.

The Go-Ahead Group Ltd owns 65% of the ordinary shares in GOVIA Limited. The Company enters into arms-length transactions with various subsidiaries of GOVIA Limited, for the provision of certain services including train cleaning, train berthing and rail replacement bus services. In line with the wider Go-Ahead Group Limited policy, receivable and payables balances held with each related party are settled monthly on a net basis, therefore the balances are presented net in the financial statements. Details of these transactions are as follows:

| | 2022 | | 2021 | |
|------------------------------|--|--|--|---|
| | Govia Thameslink Railway £000 | London and Southeastern Railway Ltd* £000 | Govia Thameslink Railway £000 | London and Southeastern Railway Ltd £000 |
| Purchases from related party | - | - | - | - |
| Sales to related party | <u>15,843</u> | <u>1,506</u> | <u>15,764</u> | <u>7,892</u> |

* London and Southeastern Railway Ltd ceased to be part of The Group from October 2021 following the DfT's decision to appoint the state-owned Operator of Last Resort (OLR).

Notes to the Financial Statements

for the year ended 2 July 2022

9. Related Party Transactions (continued)

The following shows the amounts due to/from related parties as at the year-end:

| | 2022 | | 2021 | |
|--------------------------|---|---------------------------------------|---|---------------------------------------|
| | <i>Amounts due from related parties</i> | <i>Amounts due to related parties</i> | <i>Amounts due from related parties</i> | <i>Amounts due to related parties</i> |
| | £000 | £000 | £000 | £000 |
| Other Group subsidiaries | <u>2,259</u> | <u>-</u> | <u>2,475</u> | <u>-</u> |

10. Share Capital

| | <i>Allotted, called up and fully paid</i> | | | |
|----------------------------|---|-------------|------------|-------------|
| | <i>No.</i> | <i>2022</i> | <i>No.</i> | <i>2021</i> |
| | | £000 | | £000 |
| Ordinary shares of £1 each | 1 | <u>-</u> | 1 | <u>-</u> |

11. Ultimate Parent Company and Controlling Party

The immediate parent company and immediate controlling party of Go-Ahead London Rail Replacement Services Limited is London General Transport Services Limited, a Company incorporated in United Kingdom and whose registered office is 3rd Floor, 41 - 51 Grey Street, Newcastle upon Tyne NE1 6EE, United Kingdom. London General Transport Services Limited is owned by The Go-Ahead Group Limited (formerly The Go-Ahead Group plc and was reregistered as The Go-Ahead Group Limited on 13 October 2022 (the "Group")).

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party at 2 July 2022 was the Group, a company incorporated in United Kingdom whose registered office is 3rd Floor, 41 - 51 Grey Street, Newcastle upon Tyne NE1 6EE, United Kingdom.

The Group was also the parent undertaking of the Group of undertakings for which Group financial statements were drawn up, and it was also the largest and smallest parent company preparing Group financial statements. Copies of the Group's financial statements can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

On 10 October 2022, the Group was acquired by Gerrard Investment Bidco Limited ("Bidco"). Bidco is a newly formed company whose ultimate parent company is Gerrard Investment Topco Limited which is indirectly owned by Kinetic TCo Pty Ltd and Global Via Infraestructuras SA.

As such from 10 October 2022, in the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Gerrard Investment Topco Limited, a Company incorporated in United Kingdom whose registered office is C/O Hackwood Secretaries Limited, One Silk Street, London, EC2Y 8HQ, United Kingdom

Notes to the Financial Statements

for the year ended 2 July 2022

12. Post balance sheet events

On 5 September 2022, the Company's ultimate parent company at this date, The Go-Ahead Group plc (since reregistered as The Go-Ahead Group Limited on 13 October 2022) (the "Group"), was subject to a cyber incident where unauthorised access was gained to Go-Ahead's IT systems. Refer to page 73 of the Group's 2022 Annual Report and Accounts for further information. The Company's finance IT infrastructure, including its accounting system are integrated into the Group's IT infrastructure. This caused disruption to our operations for the period of time until the systems were fully restored, however contingency measures were quickly put into place to minimise the impact.

On 10 October 2022, the Group was acquired by Gerrard Investment Bidco Limited ("Bidco"). Bidco is a newly formed company indirectly owned by Kinetic TCo Pty Ltd ("Kinetic") and Global Via Infraestructuras SA. ("Globalvia").