

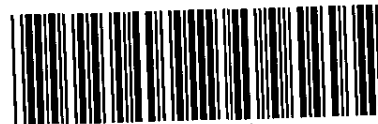
Registration number: 02000058

Ipswich Buses Limited

Annual Report and Financial Statements

for the Period from 28 March 2021 to 26 March 2022

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Ipswich Buses Limited

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Ipswich Buses Limited

Company Information

Directors	I E Lockington C D Mole K N C Masinbo-Amobi H Williams J D Fairclough P K Gardiner
Registered office	7 Constantine Road Ipswich Suffolk IP1 2DL
Bankers	Lloyds Banking Group plc Cornhill Ipswich Suffolk IP1 1DG
Auditors	Grant Thornton UK LLP Priory Place New London Road Chelmsford Essex CM2 0PP

Ipswich Buses Limited

Strategic Report for the period from 28 March 2021 to 26 March 2022

The directors present their strategic report for the period from 28 March 2021 to 26 March 2022.

Principal activities

The principal activity of the company is bus operation.

Fair review of the business

PERFORMANCE AND DEVELOPMENT OF THE BUSINESS

Ipswich Buses Limited is the principal provider of local bus services in Ipswich, running buses on local bus routes with a few private and public contracts, and hires. Its sole shareholder is Ipswich Borough Council, which continues to be committed to owning and investing in local bus services for the benefit of the local community.

The company has returned a profit before tax for the period of £735k, as compared to a profit before tax of £31k for the previous period.

The strength of the balance sheet has increased in the year, due to a combination of the profit for the year, and a revaluation of the pension scheme which has resulted in no deficit being recognised on the balance sheet as at 26 March 2022.

Principal risks and uncertainties

The principal risks and uncertainties of the company are considered by the Board as part of the annual business planning process, and are concerned primarily with passenger numbers, loss of income from concessionary fares and the overall age of the fleet. In addition the Board has considered the impact of the COVID 19 pandemic on the business. All of these issues are considered in more detail below.

A fixed price deal for the supply of fuel was also agreed during the financial year which has ensured budget stability, and mitigated the impact of fuel increases during the year.

Whilst COVID 19 continues to impact the business of Ipswich Buses Limited passenger numbers have steadily returned to 79% of pre-COVID numbers. The company continues to take advantage of the Government's bus recovery funding for the sector in order to mitigate the reduction in passenger numbers.

The Board has approved a recovery plan with a view to ensuring that any losses in the 2022/23 financial year is mitigated as far as possible, but this will depend largely on how far passenger numbers return to pre-COVID 19 levels in the future. This recovery plan means that the directors are confident that the company will continue as a going concern for the foreseeable future.

Approved by the Board on 20/09/22 and signed on its behalf by:

DocuSigned by:

Heath Williams

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H Williams

Director

Ipswich Buses Limited

Directors' Report for the Period from 28 March 2021 to 26 March 2022

The directors present their report and the financial statements for the period from 28 March 2021 to 26 March 2022.

Disclosures relating to principal activities, business review and principal risks and uncertainties are included in the Strategic Report set out on page 2.

DIVIDEND

The directors do not recommend a dividend payment for the period (2020/21 - £nil)

Directors' of the company

The directors, who held office during the period, were as follows:

I P Blofield (ceased 27 July 2021)

I E Lockington

C D Mole

K N C Masinbo-Amobi

H Williams

J D Fairclough

P K Gardiner

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political and charitable contributions during the period (2020/21 - £nil)

POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events that require reporting in the financial statements.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

Payment days dictate the time to elapse between invoice date and payment date. Payment days vary between creditors, but company policy allows a maximum of 30 days to be applied. Payment runs are carried out weekly, at which time all invoices reaching the set number of days from the invoice date are automatically paid. No trade payable would be outstanding for more than a maximum of 30 days, but, in practice, it is considerably less than this.

Financial risk management

Information regarding the Company's use of financial instruments, its financial risk management objectives and policies, and its exposure to price, credit, liquidity and cash flow risks can be found in note 22 to the financial statements.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Ipswich Buses Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 UK-adopted international accounting standards. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with Section 485 of the companies Act 2006.

Approved by the Board on and signed on its behalf by:

.....
H Williams
Director

Ipswich Buses Limited

Independent Auditor's Report to the Members of Ipswich Buses Limited

Opinion

We have audited the financial statements of Ipswich Buses Limited (the 'company') for the period from 28 March 2021 to 26 March 2022, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, 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 UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 March 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Ipswich Buses Limited

Independent Auditor's Report to the Members of Ipswich Buses Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, 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.

Ipswich Buses Limited

Independent Auditor's Report to the Members of Ipswich Buses Limited

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. We concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to the Companies Act 2006 and taxation laws;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and the company's parent company legal department. We corroborated our enquiries through our review of board minutes;
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. No matters relating to fraud were identified from our discussions;
- We made specific inquiries from key personnel outside the finance department to determine whether there were fraud risk factors arising from the company's day to day operations;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and through manipulation of accounting estimates. Audit procedures performed included:
 - Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud;
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
 - challenging assumptions and judgements made by management in its significant accounting estimates; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

Ipswich Buses Limited

Independent Auditor's Report to the Members of Ipswich Buses Limited

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules, the applicable statutory provisions.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
 - the applicable regulatory framework.

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.

DocuSigned by:
Timothy Taylor
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Timothy Taylor FCA (Senior Statutory Auditor)

For and on behalf of Grant Thornton UK LLP, Statutory Auditor, Chartered Accountants

Priory Place
New London Road
Chelmsford
Essex
CM2 0PP

29-Sep-22

Date:.....

Ipswich Buses Limited

Income Statement for the Period from 28 March 2021 to 26 March 2022

	Note	2022 £ 000	2021 £ 000
Revenue	3	8,936	6,082
Cost of sales		<u>(8,030)</u>	<u>(7,415)</u>
Gross profit/(loss)		906	(1,333)
Administrative expenses		(1,537)	(1,628)
Other operating income	4	1,868	3,531
Other operating expenses		<u>(438)</u>	<u>(436)</u>
Operating profit	5	<u>799</u>	<u>134</u>
Finance income		1	-
Finance costs		<u>(66)</u>	<u>(103)</u>
Net finance cost	6	<u>(65)</u>	<u>(103)</u>
Profit before tax		734	31
Income tax expense	10	<u>(681)</u>	<u>-</u>
Profit for the period		<u><u>53</u></u>	<u><u>31</u></u>

The above results were derived from continuing operations.

The notes on pages 14 to 38 form an integral part of these financial statements.

Ipswich Buses Limited

Statement of Comprehensive Income for the Period from 28 March 2021 to 26 March 2022

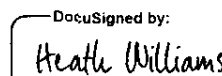
	Note	2022 £ 000	2021 £ 000
Profit for the period		53	31
Other comprehensive income			
Remeasurement of post employment benefit obligations (net)	20	<u>1,037</u>	<u>641</u>
Total comprehensive income for the period		<u><u>1,090</u></u>	<u><u>672</u></u>

Ipswich Buses Limited
(Registration number: 02000058)
Statement of Financial Position as at 26 March 2022

		26 March 2022 £ 000	27 March 2021 £ 000
	Note		
Assets			
Non-current assets			
Property, plant and equipment	11	2,832	3,088
Intangible assets	12	24	32
		<u>2,856</u>	<u>3,120</u>
Current assets			
Inventories	13	169	156
Trade and other receivables	14	1,582	1,549
Cash and cash equivalents	15	770	712
		<u>2,521</u>	<u>2,417</u>
Assets classified as held for sale		8	-
Total assets		<u>5,385</u>	<u>5,537</u>
Equity and liabilities			
Equity			
Retained earnings		(2,000)	(910)
Non-current liabilities			
Loans and borrowings	17	(925)	(1,202)
Retirement benefit obligations	20	-	(1,173)
Deferred tax liabilities	10	(619)	-
		<u>(1,544)</u>	<u>(2,375)</u>
Current liabilities			
Trade and other payables	19	(1,395)	(1,498)
Loans and borrowings	17	(446)	(754)
		<u>(1,841)</u>	<u>(2,252)</u>
Total liabilities		<u>(3,385)</u>	<u>(4,627)</u>
Total equity and liabilities		<u>(5,385)</u>	<u>(5,537)</u>

20/09/22

Approved by the Board on and signed on its behalf by:

DocuSigned by:

A0F9295B2B8D437.....
 H Williams
 Director

The notes on pages 14 to 38 form an integral part of these financial statements.

Ipswich Buses Limited

Statement of Changes in Equity for the Period from 28 March 2021 to 26 March 2022

At 28 March 2021	Retained earnings £ 000	Total £ 000
Profit for the period	910	910
Other comprehensive income	53	53
Total comprehensive income	1,037	1,037
At 26 March 2022	1,090	1,090
	2,000	2,000
At 29 March 2020	Retained earnings £ 000	Total £ 000
Profit for the period	238	238
Other comprehensive income	31	31
Total comprehensive income	641	641
At 27 March 2021	672	672
	910	910

Ipswich Buses Limited

Statement of Cash Flows for the Period from 28 March 2021 to 26 March 2022

	Note	2022 £ 000	2021 £ 000
Cash flows from operating activities			
Profit for the period		53	31
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	668	581
Depreciation on right of use assets		19	19
Impairment of fixed assets		-	62
(Profit)/loss on disposal of property plant and equipment		(32)	13
Finance income	6	(1)	-
Finance costs	6	66	103
Income tax expense	10	681	-
		<u>1,454</u>	<u>809</u>
Working capital adjustments			
Increase in inventories	13	(13)	(18)
Increase in trade and other receivables	14	(33)	(355)
(Decrease)/increase in trade and other payables	19	(128)	451
Pension contributions paid	20	(158)	(164)
Cash generated from operations		<u>1,122</u>	<u>723</u>
Interest paid		-	(39)
Income taxes paid		(62)	-
	10	<u>(62)</u>	<u>(39)</u>
Net cash flow from operating activities		<u>1,060</u>	<u>684</u>
Cash flows from investing activities			
Interest received	6	1	-
Acquisitions of property plant and equipment		(431)	(359)
Proceeds from sale of property plant and equipment		32	131
Net cash flows from investing activities		<u>(398)</u>	<u>(228)</u>
Cash flows from financing activities			
Interest paid	6	(43)	-
Payment of other interest bearing loans and borrowings		(429)	(99)
Loan received		126	-
Finance Leases		(258)	(231)
Net cash flows from financing activities		<u>(604)</u>	<u>(330)</u>
Net increase in cash and cash equivalents		58	126
Cash and cash equivalents at 28 March		<u>712</u>	<u>586</u>
Cash and cash equivalents at 26 March		<u><u>770</u></u>	<u><u>712</u></u>

The notes on pages 14 to 38 form an integral part of these financial statements.

Ipswich Buses Limited

Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

1 General information

The address of its registered office is:

7 Constantine Road

Ipswich

Suffolk

IP1 2DL

England

2 Accounting policies

Statement of compliance

Ipswich Buses Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 2000058 and the registered address is 7 Constantine Road, Ipswich, IP1 2DL.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company financial statements have been prepared and approved by the directors in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in notes.

Measurement convention

The financial statements are prepared on the historical cost basis except where stated otherwise.

Going concern

Whilst COVID 19 continues to impact the business of Ipswich Buses Limited passenger numbers have steadily returned to 79% of pre-COVID numbers. The company continues to take advantage of the Government's bus recovery funding for the sector in order to mitigate the reduction in passenger numbers.

As part of the regular exercise the Directors have assessed the Company's working capital requirements in light of the current economic climate and then forecast the future. The Directors are confident that, despite current inflationary pressures, based upon future forecasts, the Company has adequate resources to continue operational existence for the foreseeable future being a period of no less than 12 months from the date of approval of these financial statements.

Ipswich Buses Limited

Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

Financial instruments

Financial Assets

Initial recognition and measurement

Financial assets within the scope of IFRS9 are classified as loans and receivables and are initially recognised at fair value.

The Company's financial assets include cash, trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

Financial liabilities

Financial liabilities within the scope of IFRS9 are classified as financial liabilities at amortised cost. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

Amortised cost financial liabilities are subsequently measured amortised cost using an effective interest rate

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the term of an existing liability are substantially modified, such an exchange or modification, is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet, if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Ipswich Buses Limited

Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

Revenue

Recognition

In accordance with IFRS 'Revenue from Contracts with Customers', revenue is measured by reference to the fair value of consideration received or receivable by the company, excluding value added tax in exchange for transferring the promised goods or services to the customer. The consideration is allocated to each separate performance obligation that is identified in a sales contract based upon stand-alone selling prices.

Revenue is recognised when the company satisfies the identified performance obligations. As the majority of the revenue is from service delivery, this revenue is recognised when the service is performed. For any contracts raised as an annual invoice to the customer and the period of time between payment and performance is less than one year, the company does not adjust revenue for the effects of financing.

Amounts received in advance of performance are recognised in the statement of financial position as deferred income. Accrued income is recognised when performance occurs in advance of invoicing.

Rendering of bus services

On bus revenue is recognised when customers board the bus. Contract revenue is recognised for bus trips on the day the bus trip has taken place.

Sale of fuel

Fuel is recognised when the fuel is delivered to the customers.

Government grants

BSOG (Bus Service Operators Grant)

The BSOG grant is calculated based on a partial rebate of fuel duty in relation to scheduled, registered services and is recognised over time.

DfT Grant

The DfT compensation for loss of revenue is recognised within other operating income in the year the losses have been incurred.

CBSSG Restart funding

CBSSG income is recognised within other operating income when the cost is incurred.

Furlough scheme

Furlough income is recognised on an accruals basis within other operating income

Ipswich Buses Limited

Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

Expenses

Leases

The company assesses whether a contract is or contains a lease, at inception of a contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the company's incremental borrowing rate. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes: the amount expected to be payable by the lessee under residual value guarantees; the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for: lease payments made at or before commencement of the lease; initial direct costs incurred; and the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life

Financing income and expenses

Financing expenses comprise interest payable and finance charges. Financing income comprise interest receivable.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Asset class	Depreciation method and rate
Plant and equipment	2 - 10 years
Fixtures and Fittings	2 - 10 years
Conventional Buses	15 years
Midibuses	10 years

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Disposals and Assets Held for Sale

If the carrying amount of an asset will be recovered principally through a sale transaction, that is highly probable to complete within one year from the date of classification, rather than through its continuing use, it is reclassified as a Current Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Income Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses recognised in the Income Statement on the same asset (up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised). Depreciation is not charged on Assets Held for Sale. Where assets are expected to be sold beyond 12 months of the end of the financial year, but the delay in the completion of the sale is beyond Ipswich Buses Ltd control and there is sufficient evidence that Ipswich Buses remains committed to the plan to sell the asset, the assets are classified as Non-Current Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Impairment

Assets are assessed at each period-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall through profit and loss.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Asset class	Amortisation method and rate
System upgrade	3 years

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement."

Significant accounting judgements, estimates and assumptions

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

The preparation of the financial statement requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, depreciation, pension assumptions and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment of the carrying amount of assets or liabilities affected in future periods.

Pension Schemes

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined Benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximated to the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

At the period end the scheme was in a surplus position. The carrying value of the surplus was restricted to the extent that Ipswich Buses Limited is able to recover the surplus through reduced contributions in the future or through refunds from the scheme. The Directors have determined that the pension scheme surplus of £1.167m was not recognised as an asset at 26 March 2022 because they consider the Ipswich Buses Limited does not have an unconditional right to a refund or reduced contributions. Ipswich Buses Limited does not have an unconditional right to a refund because of the ability of the trustees to influence the most appropriate use of any surplus, and Ipswich Buses Limited may not be able to recover the surplus through reduced contributions.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on scheme assets, less amounts included in net interest, are disclosed as 'Movements in defined benefit pension scheme'.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 28 March 2021 have had a material effect on the financial statements.

Ipswich Buses Limited

Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

New standards, interpretations and amendments effective from the 1 January 2022

There were a number of narrow scope amendments to existing standards which were effective from 1 April 2021. None of these had an impact on the company.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the company. These standards, amendments or interpretations are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. These standards, amendments or interpretations include:

Amendments to IAS 1 - Classification of liabilities as current or non-current

Amendments to IAS 16 - Property, plant and equipment - proceeds before intended use

Amendments to IAS 37 - Onerous contracts - costs of fulfilling a contract

Annual improvements to IFRS Standards 2018-2020 Cycle

Amendments to IFRS 3 - Business combinations

Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

IFRS 17 - Insurance contracts

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	2022	2021
	£ 000	£ 000
Rendering of bus services	8,408	5,572
Sale of fuel	475	459
Sale of goods	53	51
	<u>8,936</u>	<u>6,082</u>

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	2022	2021
	£ 000	£ 000
Fuel Rebates	480	479
BRG Grant	691	-
Grant Income Furlough employees	4	565
DFT Grant	430	2,281
LTA CBSSG Restart Funding	263	206
	<u>1,868</u>	<u>3,531</u>

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

Fuel rebates represent BSOG (Bus Service Operator's Grant). The £480k grant is calculated based on a partial rebate of fuel duty in relation to scheduled, registered services. The figure is based on litres used on these services, calculated by the kilometres operated. This applies only to stage carriage services, and generally not to contracts and private hires etc. The Grant also includes a Government incentive for having the fleet fitted with ITSO standard ticket machines and AVL (Global Positioning Systems).

The company took advantage of the Government's Coronavirus Business support during the year and a total of £3k was received through the job retention scheme. A further £431k was received through a DfT grant scheme, £692k was received through a BRG grant scheme and £263k through LTA CBSSG restart funding. All grant revenue was accounted for at the time the losses and costs were incurred.

5 Operating profit

Arrived at after charging/(crediting)

	2022 £ 000	2021 £ 000
Depreciation expense	659	573
Depreciation on right of use assets - Other	19	19
Amortisation expense	8	8
Impairment loss	-	62
(Profit)/loss on disposal of property, plant and equipment	(31)	12
Expense on low value leases	11	10
	<u>11</u>	<u>10</u>

6 Finance income and costs

	2022 £ 000	2021 £ 000
Finance income		
Interest income on bank deposits	(1)	-
Finance costs		
Total interest expense on financial liabilities measured at amortised cost	44	60
Interest on defined benefit pension plan obligation	22	43
Total finance costs	<u>66</u>	<u>103</u>
Net finance income	<u>65</u>	<u>103</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

	2022	2021
	£ 000	£ 000
Wages and salaries	4,270	4,193
Social security costs	383	371
Pension costs, defined benefit scheme	159	219
Other employee expense	208	236
	<u>5,020</u>	<u>5,019</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2022	2021
	No.	No.
Management and administration	20	12
Drivers	130	140
Maintenance staff	20	19
	<u>170</u>	<u>171</u>

8 Directors' remuneration

The directors' remuneration for the period was as follows:

	2022	2021
	£ 000	£ 000
Directors remuneration	<u>35</u>	<u>52</u>

9 Auditors' remuneration

	2022	2021
	£ 000	£ 000
Audit of the financial statements	<u>26</u>	<u>26</u>
Other fees to auditors		
Taxation compliance services	<u>4</u>	<u>4</u>

10 Income tax

Tax charged/(credited) in the income statement

	2022	2021
	£ 000	£ 000
Current taxation		
UK corporation tax	62	-
Deferred taxation		
Arising from origination and reversal of temporary differences	<u>619</u>	<u>-</u>
Tax expense in the income statement	<u>681</u>	<u>-</u>

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2021 - Lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	734	31
Corporation tax at standard rate	139	6
Fixed asset differences	(23)	(11)
Expenses not deductible for tax purposes	-	12
Movement in deferred tax not recognised	(3)	(182)
Remeasurement of deferred tax for changes in tax rates	149	-
Group relief surrendered/(claimed)	-	53
Amounts relating to other comprehensive income or otherwise transferred	419	122
Total tax charge	681	-

Deferred tax

Deferred tax assets and liabilities

Deferred tax movement during the period:

	At 28 March 2021 £ 000	Recognised in Income statement £ 000	At 26 March 2022 £ 000
Fixed Asset timing difference	-	342	342
Short term timing difference	-	277	277
Net tax assets/(liabilities)	-	619	619

There are £Nil of deductible temporary differences (2021 - £75,167) for which no deferred tax asset is recognised in the statement of financial position.

Amounts recognised in other comprehensive income

	2022 Tax (expense) benefit £ 000	2021 Tax (expense) benefit £ 000
Remeasurements of post employment benefit obligations (net)	1,037	641

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

11 Property, plant and equipment

	Right of use asset £ 000	Motor vehicles £ 000	Other property, plant and equipment £ 000	Total £ 000
Cost or valuation				
At 29 March 2020	2,081	4,250	1,550	7,881
Additions	-	346	14	360
Disposals	-	(481)	(1)	(482)
At 27 March 2021	2,081	4,115	1,563	7,759
At 28 March 2021	2,081	4,115	1,563	7,759
Additions	-	331	90	421
Disposals	-	(560)	-	(560)
At 26 March 2022	2,081	3,886	1,653	7,620
Depreciation				
At 29 March 2020	651	2,531	1,174	4,356
Charge for period	155	331	105	591
Eliminated on disposal	-	(337)	(1)	(338)
Impairment	-	62	-	62
At 27 March 2021	806	2,587	1,278	4,671
At 28 March 2021	806	2,587	1,278	4,671
Charge for the period	154	421	103	678
Eliminated on disposal	-	(561)	-	(561)
At 26 March 2022	960	2,447	1,381	4,788
Carrying amount				
At 26 March 2022	1,121	1,439	272	2,832
At 27 March 2021	1,275	1,528	285	3,088
At 29 March 2020	1,430	1,719	376	3,525

Right of use assets consist of various leases for buses. Contracts are typically made for fixed periods of 2 to 6 years but may have extension options.

Lease terms are negotiated on an individual basis and generally contain the standard terms and conditions of lease agreements. The lease agreements do not impose any covenants other than the security interest in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

12 Intangible assets

	Trademarks, patents and licenses £ 000	Total £ 000
Cost or valuation		
At 29 March 2020	252	252
At 27 March 2021	252	252
At 28 March 2021	252	252
At 26 March 2022	252	252
Amortisation		
At 29 March 2020	212	212
Amortisation charge	8	8
At 27 March 2021	220	220
At 28 March 2021	220	220
Amortisation charge	8	8
At 26 March 2022	228	228
Carrying amount		
At 26 March 2022	24	24
At 27 March 2021	32	32
At 29 March 2020	40	40

13 Inventories

	26 March 2022 £ 000	27 March 2021 £ 000
Raw materials and consumables	169	156

14 Trade and other receivables

	26 March 2022 £ 000	27 March 2021 £ 000
Trade receivables	330	253
Receivables from related parties	105	113
Prepayments	553	517
Other receivables	594	666
	1,582	1,549

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

The trade and other receivables classified as financial instruments are disclosed below. The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in note 21 "Financial risk review".

Trade receivables above include £2k that are past due at the end of the reporting period and which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there hasn't been a significant change in credit quality.

15 Cash and cash equivalents

	26 March 2022 £ 000	27 March 2021 £ 000
Cash at bank	<u>770</u>	<u>712</u>

16 Share capital

Allotted, called up and fully paid shares

	26 March 2022		27 March 2021	
	No.	£	No.	£
Ordinary of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

17 Loans and borrowings

	26 March 2022 £ 000	27 March 2021 £ 000
Non-current loans and borrowings		
Lease liabilities	19	178
Other liabilities	79	-
Debenture loan from parent	252	252
Loan from parent company	<u>575</u>	<u>772</u>
	<u>925</u>	<u>1,202</u>
	26 March 2022 £ 000	27 March 2021 £ 000
Current loans and borrowings		
Lease liabilities	159	243
Other liabilities	31	-
Loan from parent company	<u>256</u>	<u>511</u>
	<u>446</u>	<u>754</u>

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

The debenture loan bears interest at base rate plus 1%. The debenture is repayable at the discretion of the company.

18 Leases

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	26 March 2022 £ 000	27 March 2021 £ 000
Less than one year	159	243
Between one and five years	19	178
Total lease liabilities	<u>178</u>	<u>421</u>

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	26 March 2022 £ 000	27 March 2021 £ 000
Payment		
Right of use assets	258	231
Interest	16	27
Low value leases	15	21
Total cash outflow	<u>289</u>	<u>279</u>

19 Trade and other payables

	26 March 2022 £ 000	27 March 2021 £ 000
Trade payables	295	184
Amounts due to related parties	302	237
Social security and other taxes	104	120
Other payables	694	957
	<u>1,395</u>	<u>1,498</u>

The company's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in note 21 "Financial risk review".

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

20 Pension and other schemes

Defined benefit pension schemes

In January 2010 the company made the decision to close the Defined Benefit Local Government Pension Scheme to active membership. For those in the scheme at 31st December 1993 benefits are based on final pensionable pay. All scheme members are now pensioners or deferred. There is no active membership.

Pension Scheme assets are measured using market values. Liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The surplus (the extent that it is considered recoverable) or deficit is recognised in full and presented on the face of the balance sheet.

The assets of this scheme are held separately from those of the company, being invested with the Suffolk County Council Superannuation Fund in accordance with the Local Government Superannuation Regulations. Contributions to the scheme are charged to the profit and loss accounts so as to spread the cost of the pensions over the employees' working lives with the company. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. The most recent completed valuation was at 31st March 2019. In addition to the triennial valuation the company has annual IAS19 reviews carried out and the results of these are used in preparing the accounts of the company.

Contributions payable to the pension scheme at the end of the period are £140,000 (2021 - £140,000).

The expected contributions to the plan for the next reporting period are £140,000.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	26 March 2022 £ 000	27 March 2021 £ 000
Fair value of scheme assets	19,102	18,270
Present value of scheme liabilities	<u>(17,935)</u>	<u>(19,443)</u>
	1,167	(1,173)
Derecognition of surplus	<u>(1,167)</u>	<u>-</u>
Defined benefit pension scheme deficit	<u><u>-</u></u>	<u><u>(1,173)</u></u>

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

Reconciliation of net pension obligation

Note	26 March 2022 £ 000	27 March 2022 £ 000
At the beginning of the period	1,173	1,935
Interest cost	22	43
Return on plan assets	(1,403)	(2,826)
Actuarial gains/(losses) arising on scheme liabilities	(801)	2,185
Contributions	(158)	(164)
Derecognition of surplus	1,167	-
	<u>-</u>	<u>1,173</u>

Scheme assets

Changes in the fair value of scheme assets are as follows:

	26 March 2022 £ 000	27 March 2021 £ 000
Fair value at start of period	18,270	15,990
Interest income	356	357
Return on plan assets, excluding amounts included in interest income/(expense)	1,403	2,826
Employer contributions	140	140
Benefits paid	(1,085)	(1,067)
Estimated contribution in respect of unfunded benefits paid	18	24
Fair value at end of period	<u>19,102</u>	<u>18,270</u>

Analysis of assets

The major categories of scheme assets are as follows:

	26 March 2022 £ 000	27 March 2021 £ 000
Cash and cash equivalents	198	271
Equity instruments	886	1,457
Debt instruments	4,057	4,001
Real estate	1,622	1,426
Derivatives	-	(2)
Investment funds	12,339	10,387
Private equity	-	730
	<u>19,102</u>	<u>18,270</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	26 March 2022 £ 000	27 March 2021 £ 000
Present value at start of period	19,443	17,925
Actuarial gains and losses arising from changes in demographic assumptions	(135)	208
Actuarial gains and losses arising from changes in financial assumptions	(641)	2,193
Actuarial gains and losses arising from experience adjustments	(25)	(216)
Interest cost	378	400
Benefits paid	<u>(1,085)</u>	<u>(1,067)</u>
Present value at end of period	<u>17,935</u>	<u>19,443</u>

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

	26 March 2022 %	27 March 2021 %
Discount rate	2.70	2.00
Future salary increases	3.90	3.55
Future pension increases	<u>3.20</u>	<u>2.85</u>

Post retirement mortality assumptions

	26 March 2022 Years	27 March 2021 Years
Longevity at 65 for current pensioners - Men	21.90	22.10
Longevity at 65 for current pensioners - Women	24.30	24.50
Longevity at 65 for future pensioners - Men	22.90	23.20
Longevity at 65 for future pensioners - Women	<u>26.10</u>	<u>26.40</u>

	Approximate % Increase To Employer Liability	Approximate Monetary Amount £'000
Changes in Assumptions as at 26 March 2022		
0.1% decrease in Real Discount Rate	1	177
0.1% increase in the salary increase rate	-	-
0.1% increase in the pension increase rate (CPI)	1	176

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

The approximation involved in the roll forward model means that the split of scheme liabilities between the three classes of member may not be reliable for certain types of employer. However, the Actuary is satisfied that the approach used leads to reasonable estimates for the aggregate liability figure.

It is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension of 50% of the member's pension as at the date of the member's death.

Amounts recognised in the income statement

	26 March 2022 £ 000	27 March 2021 £ 000
Amounts recognised in operating profit		
Contributions in respect of unfunded benefits paid	18	24
Amounts recognised in finance income or costs		
Net interest	(22)	(43)
Total recognised in the income statement	(4)	(19)

Amounts taken to the Statement of Comprehensive Income

	26 March 2022 £ 000	27 March 2021 £ 000
Actuarial gains and losses arising from changes in demographic assumptions	135	(208)
Actuarial gains and losses arising from changes in financial assumptions	641	(2,193)
Actuarial gains and losses arising from experience adjustments	25	216
Return on plan assets, excluding amounts included in interest income/(expense)	1,403	2,826
Derecognition of surplus	(1,167)	-
Amounts recognised in the Statement of Comprehensive Income	1,037	641

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

21 Financial risk review

This note presents information about the company's exposure to financial risks and the company's management of capital.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Exposure to credit risk

As the company's income is mostly cash driven and most trade receivables are with Local Authorities, Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

The maximum exposure to credit risk for trade receivables at the balance sheet date by type of counterparty was as follows:

Credit quality analysis

The following tables set out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated for all the financial assets, the amounts represent gross carrying amounts.

	Carrying amount £ 000	Maximum exposure £ 000	Total prior year £ 000
Debt investments at amortised cost			
Local District and County Authorities	127	127	197
Other miscellaneous trade receivables	308	308	169
Other receivables	541	541	609
Gross carrying amount	<u>976</u>	<u>976</u>	<u>975</u>

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The company carries out a cash flow projection four years forward to ensure that it is able to meet its financial obligations.

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Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the company's financial assets and financial liabilities by type.

2022	Carrying amount £ 000	Contractual cash flows £ 000	1 year or less £ 000
Non-derivative assets			
Trade and related parties receivables	434	434	434
Other receivables	541	541	541
Cash and cash equivalents	770	770	770

2022	Carrying amount £ 000	Contractual cash flows £ 000	1 year or less £ 000	1 to <2 years £ 000	2 to <5 years £ 000
Non-derivative financial liabilities					
Lease liabilities	179	179	179	-	-
Trade and other payables	737	737	737	-	-
Loans	1,082	1,082	255	255	572
Other financial liabilities	110	110	32	63	16

Ipswich Buses Limited

Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

	Carrying amount £ 000	Contractual cash flows £ 000	1 year or less £ 000	1 to <2 years £ 000	2 to <5 years £ 000
2021					
Non-derivative assets					
Trade and related parties receivables	366	366	366	-	-
Other receivables	609	609	609	-	-
Cash and cash equivalent	712	712	712	-	-
2021					
Non-derivative financial liabilities					
Finance lease liabilities	420	420	243	159	19
Trade and other payables	534	534	534	-	-
Loans	1,535	1,535	511	249	775

Ipswich Buses Limited

Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

All financial assets and liabilities stated above are carried at amortised cost.

Type of financial instrument	Basis on which amounts are compiled
Non- derivative financial liabilities	The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

22 Financial instruments

Financial assets

Loans and receivables

Valuation methods and assumptions

Loans and receivables:

	26 March 2022 £ 000	27 March 2021 £ 000
Cash and cash equivalents	770	712
Trade receivables	330	253
Receivables from related parties	105	113
Other receivables	866	598
Total	<u>2,071</u>	<u>1,676</u>

Financial liabilities

Financial liabilities at amortised cost

Valuation methods and assumptions

Financial liabilities at amortised cost

	Note	26 March 2022 £ 000	27 March 2021 £ 000
Trade payables		(295)	(184)
Amounts due to related parties		(302)	(237)
Other payables		(660)	(689)
Loans and borrowings		(591)	(1,597)
Retirement benefit obligation		-	(1,173)
Total		<u>(1,848)</u>	<u>(3,880)</u>

Ipswich Buses Limited

Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

23 Related party transactions

Summary of transactions with parent entities

Income from parent entity

	2021/22 £ 000	2020/21 £ 000
Contracts Income	137	143
Various	<u>13</u>	<u>8</u>
	<u>150</u>	<u>151</u>

Expenditure with parent entity

	2021/22 £ 000	2020/21 £ 000
Rent payable	79	80
Payments in respect of other financial liabilities	<u>140</u>	<u>140</u>
	<u>219</u>	<u>220</u>

Loans from related parties

	Parent 2021/22 £ 000	2020/21 £ 000
At start of period	1,284	1,298
Repaid	(429)	(47)
Interest charged	<u>(26)</u>	<u>32</u>
At end of period	<u>829</u>	<u>1,283</u>

Terms of loans from related parties

In 2017/18 the Company undertook a 7-year loan with Ipswich Borough Council

In 2017/18 the Company undertook a 7-year loan with Ipswich Borough Council

In 2019/20 the Company undertook a further 5 year loan with Ipswich Borough Council

Ipswich Buses Limited

Notes to the Financial Statements for the Period from 28 March 2021 to 26 March 2022

At the end of the period the Company owed Ipswich Borough Council £83k and was owed £11k giving a net creditor of £72k (2020/2021 - £132k).

During 2021/22 Ipswich Buses Limited incurred expenditure of £198k (2020/21 £277K) and received Income of nil (2020/21 £1k) in dealings with Ipserv Limited, a fellow subsidiary of Ipswich Borough Council.

During 2021/22 Ipswich Buses Limited received income of £481k (2020/21 £438k) in dealings with Ipserv Direct Limited, a fellow subsidiary of Ipswich Borough Council.

Transactions with key management personnel.

The key management personnel for the purposes of this is the executive director, H Williams. The key management personnel emoluments and money purchase pension plan contributions are detailed in the notes.

Directors of the Company and their immediate relatives control 0% of the voting shares of the Company.

24 Parent and ultimate parent undertaking

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Ipswich Borough Council.

The address of Ipswich Borough Council is:

Grafton House, 15-17 Russell Road, Ipswich, IP1 2DE. The consolidated financial statements of the group are available to the public and may be obtained from Grafton House Russell Road, Ipswich, IP1 2DE.