

BLACKPOOL TRANSPORT SERVICES LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

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**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	7
Consolidated Income Statement	9
Consolidated Other Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Cash Flow Statement	15
Notes to the Consolidated Cash Flow Statement	16
Notes to the Consolidated Financial Statements	17

BLACKPOOL TRANSPORT SERVICES LIMITED
COMPANY INFORMATION
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

DIRECTORS:

Mr J Carney
Mrs J Cole
Councillor P D S Galley
Mr R W Pinkett
Mrs S M Shaw
Mr N A Kimberly
Councillor A Matthews
Councillor P R Burdess

SECRETARY:

Mr M A Towers

REGISTERED OFFICE:

Rigby Road
Blackpool
Lancashire
FY1 5DD

REGISTERED NUMBER:

02003020 (England and Wales)

AUDITORS:

Smith Craven
Chartered Accountants
Statutory Auditors
Sidings House
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

**GROUP STRATEGIC REPORT
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

The directors present their strategic report of the company and the group for the period 1 April 2018 to 30 March 2019.

ACTIVITIES

The Group's principal activity is the provision of public passenger transport services on Lancashire's Fylde Coast which it fulfils through its bus fleet and the famous coastal LRT system.

**GROUP STRATEGIC REPORT
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

REVIEW OF BUSINESS

Group Results

Turnover for the 52-week period was £25,090,518 which is a 9% increase from the previous 53-week period (2018: £24,621,807). There has been a 14% increase in the sale of pre-paid tickets due to an upward trend in sales through the BTS Travel app. From November 2017 the Company undertook a large rail replacement contract between Preston and Blackpool. Rail replacement work continued through most of 2018 providing a 13% increase in that revenue stream. Direct Costs of £18,737,534 are lower than in the previous 53-week period (2018: £19,013,649). This was achieved despite The Company incurred additional direct costs for the rail replacement work and an increase in depreciation costs of £209,222. This rise in depreciation was as a result of accelerating renewal of the town fleet. As a result of the above, the Gross Profit for the 52-week period has increased by 13%, from £5,608,158 to £6,352,983

This gives a gross profit margin for the current period of 25.7%. (2018 22.8%)

In Administration Expenses fell by £545,995 to £6,345,239 (2018: £6,888,234). There was a decrease in costs following the repositioning of the business from a staffing and IT outlook.

Other Operating Income for the 52-week period is £105,590 (2017: £39,957).

The Company made an Operating Profit before the impact of the defined benefit scheme of £117,636 compared with previous period a loss of £1,240,319.

Interest payable and similar charges have increased from £618,717 to £454,010 as a result of greater loans for new buses.

The figures shown in the Profit and Loss Account have been affected by the requirement to comply with FRS102 'Retirement Benefits'. The Company's trading loss before taxation of £418,080 has decreased changed by £1,238,360 to be a surplus of £820,280 due to the effects of compliance as shown in the Profit and Loss Account on Page 9 and in Note 26.

Financial Position

Borrowings have increased from £12,740,900 to £14,174,580 during the period caused by the purchase of new buses.

Cash Balances at the end of the period increased from £626,606 to £736,526.

A dividend of £577,500 for the financial period ending 30 March 2019 was declared and paid to the shareholder during the period. The directors consider that the Company has adequate financial resources to continue to operate successfully into the future

The shareholders' funds for the Group have increased from £7,319,641 to £7,562,421. The value of shareholders' funds has increased as a result of the profit for the period less the dividend payment and as a result of the valuation of the final salary pension scheme as at March 2019 as required by FRS102 'Retirement Benefits' and detailed in Note 23 to the accounts.

The directors remain confident about the future prospects of the business.

The trading result for the period has shown an improvement from an operating loss of £1,238,873 for March 2018 from a loss of £494,282 for March 2017 before the transition. to an operating profit of £117,636.

The planned fleet replacement policy will continue as will the revision and updating of services to meet the requirements of present and potential customers. The directors continue to monitor the progress of the network making changes where demand or potential demand suggests that a better overall service can be given, thereby encouraging passenger growth.

The Company continues to work in partnership with both Blackpool Borough Council and Lancashire County Council on bus and tram initiatives.

The directors will continue to monitor performance, increase revenue and curtail costs where practical.

**GROUP STRATEGIC REPORT
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have entered into contracts with a fuel supplier in order to fix the price of derv at an affordable level for the period 1 April 2019 to 31 March 2020.

The national Senior Citizen Concessionary Fare scheme reimbursement level is agreed at a rate that is acceptable to the Company until March 2020.

The main competitor to the bus business is Stagecoach plc who operates passenger services in certain areas of the Fylde Coast.

We have competition from an independent operator who now operates a fleet of approximately 14 vehicles in Blackpool. The Company attempts to manage this risk by providing a network of services throughout the area to satisfy customer needs and by working closely with the local authorities in order to meet the demands of passengers.

Seasonal traffic congestion and various road schemes cause congestion in the town. These cause problems for the Company in relation to reliability and punctuality of the bus network. As a result, we are continually monitoring the situation and will be implementing a major package of service changes to mitigate a number of issues. The Directors are in contact with officers of the Council to look at the effects of the disruption and a possible re-routing strategy.

The Company's projections for the financial period ending March 2020 have been prepared and approved by the Board of Directors having taken into account the above. The projections for next year are showing a higher level of profit than the current period as the Directors believe that investment is needed in the business. In particular, the Directors are looking to invest in its employees, to engage with and increase its customer base and to continue investing in the bus fleet.

The Directors consider that the Company has adequate financial resources to continue to operate successfully into the future despite these circumstances and continue to adopt the going concern basis in the preparation of the annual report and accounts.

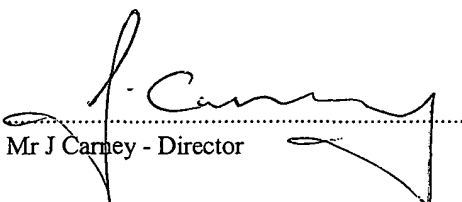
TRAINING AND DEVELOPMENT

The company is committed to the training and development of all staff.

ENVIRONMENTAL POLICY

The Company has introduced an environmental policy and seeks to adopt practices which cause least damage to the environment and is continually exploring methods of recycling materials where practical.

ON BEHALF OF THE BOARD:



Mr J Carney - Director

Date: 5 July 2019

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

The directors present their report with the financial statements of the company and the group for the period 1 April 2018 to 30 March 2019.

DIVIDENDS

The total distribution of dividends for the period ended 30 March 2019 will be £577,500.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

Mr J Carney
Mrs J Cole
Councillor P D S Galley
Mr R W Pinkett
Mrs S M Shaw

Other changes in directors holding office are as follows:

Mr N A Kimberly - appointed 18 September 2018

Councillor A Matthews and Councillor P R Burdess were appointed as directors after 30 March 2019 but prior to the date of this report.

Councillor C E Wright, Mr J T Elmes and Mrs K H Shane ceased to be directors after 30 March 2019 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

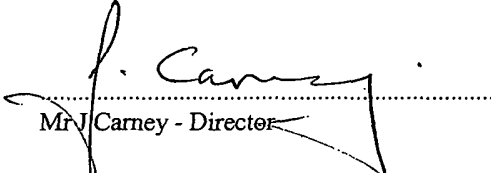
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

AUDITORS

The auditors, Smith Craven, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
Mr J Carney - Director
Date: 5 July 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BLACKPOOL TRANSPORT SERVICES LIMITED

Opinion

We have audited the financial statements of Blackpool Transport Services Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 March 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 March 2019 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BLACKPOOL TRANSPORT SERVICES LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.



Mr Kelvin Fitton (Senior Statutory Auditor)
for and on behalf of Smith Craven
Chartered Accountants

Statutory Auditors
Sidings House
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Date: 5/7/19

**CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

		Period 1/4/18 to 30/3/19		Period 26/3/17 to 31/3/18	
	Notes	£	£	£	£
TURNOVER	3		25,090,518		24,621,807
Cost of sales			18,737,534		19,013,649
GROSS PROFIT			6,352,984		5,608,158
Administrative expenses			6,517,238		6,888,234
			(164,254)		(1,280,076)
Other operating income	4		105,590		39,957
OPERATING LOSS	6		(58,664)		(1,240,119)
Interest receivable and similar income		4,301		1,247	
Other finance income	21	83,000		47,000	
			87,301		48,247
			28,637		(1,191,872)
Interest payable and similar expenses	7		618,717		454,010
LOSS BEFORE TAXATION			(590,080)		(1,645,882)
Tax on loss	8		83,689		32,295
LOSS FOR THE FINANCIAL PERIOD			(673,769)		(1,678,177)
Loss attributable to: Owners of the parent			(673,769)		(1,678,177)

The notes form part of these financial statements

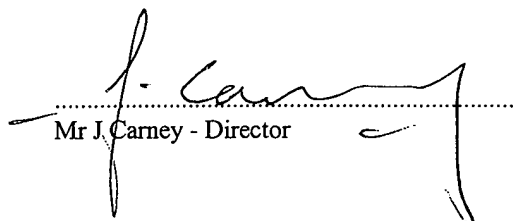
**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Notes		
LOSS FOR THE PERIOD	(673,769)	(1,678,177)
OTHER COMPREHENSIVE INCOME		
Remeasurement of defined benefit pension	1,681,000	1,460,000
Income tax relating to other comprehensive income	<u>(285,770)</u>	<u>(248,200)</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	<u>1,395,230</u>	<u>1,211,800</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>721,461</u></u>	<u><u>(466,377)</u></u>
Total comprehensive income attributable to: Owners of the parent	<u><u>721,461</u></u>	<u><u>(466,377)</u></u>

CONSOLIDATED BALANCE SHEET
30 MARCH 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	17,865,999	17,163,325
Investments	13	-	-
		<u>17,865,999</u>	<u>17,163,325</u>
CURRENT ASSETS			
Stocks	14	441,527	302,333
Debtors	15	2,502,531	3,773,447
Cash at bank and in hand		736,525	626,606
		<u>3,680,583</u>	<u>4,702,386</u>
CREDITORS			
Amounts falling due within one year	16	3,787,693	3,966,694
NET CURRENT (LIABILITIES)/ASSETS		<u>(107,110)</u>	<u>735,692</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,758,889</u>	<u>17,899,017</u>
CREDITORS			
Amounts falling due after more than one year	17	(12,625,341)	(11,369,261)
PROVISIONS FOR LIABILITIES	19	(2,460,946)	(2,409,115)
PENSION ASSET	22	4,791,000	3,199,000
NET ASSETS		<u>7,463,602</u>	<u>7,319,641</u>
CAPITAL AND RESERVES			
Called up share capital	20	2,789,000	2,789,000
Retained earnings	21	4,674,602	4,530,641
SHAREHOLDERS' FUNDS		<u>7,463,602</u>	<u>7,319,641</u>

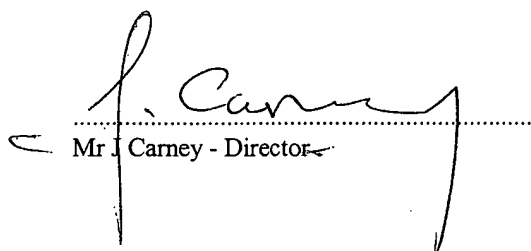
The financial statements were approved by the Board of Directors on 5 July 2019 and were signed on its behalf by:


 Mr J. Carney - Director

COMPANY BALANCE SHEET
30 MARCH 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	17,865,999	17,163,325
Investments	13	285,678	285,678
		<u>18,151,677</u>	<u>17,449,003</u>
CURRENT ASSETS			
Stocks	14	441,527	302,333
Debtors	15	2,712,295	3,983,211
Cash at bank and in hand		736,525	626,606
		<u>3,890,347</u>	<u>4,912,150</u>
CREDITORS			
Amounts falling due within one year	16	4,283,135	4,462,136
NET CURRENT (LIABILITIES)/ASSETS		<u>(392,788)</u>	<u>450,014</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,758,889</u>	<u>17,899,017</u>
CREDITORS			
Amounts falling due after more than one year	17	(12,625,341)	(11,369,261)
PROVISIONS FOR LIABILITIES	19	(2,460,946)	(2,409,115)
PENSION ASSET	22	4,791,000	3,199,000
NET ASSETS		<u>7,463,602</u>	<u>7,319,641</u>
CAPITAL AND RESERVES			
Called up share capital	20	2,789,000	2,789,000
Retained earnings	21	4,674,602	4,530,641
SHAREHOLDERS' FUNDS		<u>7,463,602</u>	<u>7,319,641</u>
Company's loss for the financial year		<u>(673,769)</u>	<u>(1,678,177)</u>

The financial statements were approved by the Board of Directors on 5 July 2019 and were signed on its behalf by:


Mr J. Carney - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 26 March 2017	2,789,000	5,585,018	8,374,018
Changes in equity			
Dividends	-	(588,000)	(588,000)
Total comprehensive income	-	(466,377)	(466,377)
Balance at 31 March 2018	<u>2,789,000</u>	<u>4,530,641</u>	<u>7,319,641</u>
Changes in equity			
Dividends	-	(577,500)	(577,500)
Total comprehensive income	-	721,461	721,461
Balance at 30 March 2019	<u>2,789,000</u>	<u>4,674,602</u>	<u>7,463,602</u>

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 26 March 2017	2,789,000	5,585,018	8,374,018
Changes in equity			
Dividends	-	(588,000)	(588,000)
Total comprehensive income	-	(466,377)	(466,377)
Balance at 31 March 2018	<u>2,789,000</u>	<u>4,530,641</u>	<u>7,319,641</u>
Changes in equity			
Dividends	-	(577,500)	(577,500)
Total comprehensive income	-	721,461	721,461
Balance at 30 March 2019	<u>2,789,000</u>	<u>4,674,602</u>	<u>7,463,602</u>

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

		Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	4,402,167	3,815,508
Interest paid		(592,769)	(423,026)
Interest element of hire purchase payments paid		(25,948)	(30,984)
Tax paid		-	18,496
Net cash from operating activities		<u>3,783,450</u>	<u>3,379,994</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,052,730)	(5,133,557)
Sale of tangible fixed assets		213,970	139,949
Interest received		4,301	1,247
Net cash from investing activities		<u>(2,834,459)</u>	<u>(4,992,361)</u>
Cash flows from financing activities			
Capital repayments in year		(261,572)	(317,092)
Equity dividends paid		(577,500)	(588,000)
Net cash from financing activities		<u>(839,072)</u>	<u>(905,092)</u>
Increase/(decrease) in cash and cash equivalents		<u>109,919</u>	<u>(2,517,459)</u>
Cash and cash equivalents at beginning of period	2	<u>626,606</u>	<u>3,144,065</u>
Cash and cash equivalents at end of period	2	<u><u>736,525</u></u>	<u><u>626,606</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

1. RECONCILIATION OF LOSS FOR THE FINANCIAL PERIOD TO CASH GENERATED FROM OPERATIONS

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Loss for the financial period	(673,769)	(1,678,177)
Depreciation charges	2,285,498	2,054,222
Profit on disposal of fixed assets	(149,411)	(46,723)
Amortisation on deferred income	(25,326)	(25,606)
Maintenance provision	100,000	100,000
Provision for employee benefits	172,000	185,000
Increase in third party provision	(417,628)	195,849
Finance costs	618,717	454,010
Finance income	(87,301)	(48,247)
Taxation	83,689	32,295
	<u>1,906,469</u>	<u>1,222,623</u>
(Increase)/decrease in stocks	(139,194)	126,365
Decrease/(increase) in trade and other debtors	2,398,049	(1,216,187)
Increase in trade and other creditors	236,843	3,682,707
	<u>4,402,167</u>	<u>3,815,508</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 30 March 2019

	30/3/19 £	1/4/18 £
Cash and cash equivalents	<u>736,525</u>	<u>626,606</u>

Period ended 31 March 2018

	31/3/18 £	26/3/17 £
Cash and cash equivalents	626,606	3,162,631
Bank overdrafts	-	(18,566)
	<u>626,606</u>	<u>3,144,065</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

1. STATUTORY INFORMATION

Blackpool Transport Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries Seagull Coaches Limited and Fylde Transport Limited

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business, and amortised over its useful economic life as assessed by the directors.

Goodwill in relation to the acquisition of Seagull Coaches Limited and Flyde Transport Limited has been fully amortised to the reserves £209,962 (2018: £209,962) in prior accounting periods.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- Straight line over 3 to 15 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

Defined contribution plans and other long term employee benefits.

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 profit and loss account in the period 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 entity's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods, that benefit is discounted to determine its present value. The fair value of the plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annual by using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest and net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

2. ACCOUNTING POLICIES - continued

Going concern

In presenting the financial statements on a going concern basis, the directors have considered the Group's business activities together with factors likely to affect future performance and financial position.

At 30 March 2019, the Group has net current assets/(liabilities) of (£107,110) (2018: £735,692), including a cash balance of £736,525 (2018: £626,606). The Group has produced cash flow forecasts for the next 12 months which demonstrate that it is expected to have sufficient cash to operate throughout this period.

After making appropriate enquiries the directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of these financial statements.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

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

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Ticket sales	17,907,694	17,514,801
Concessionary sales	5,056,578	5,152,708
Contract sales	2,059,884	1,880,672
Advertisement sales	66,362	73,626
	<u>25,090,518</u>	<u>24,621,807</u>

All turnover is derived from UK operations and is recognised when the service is delivered.

4. OTHER OPERATING INCOME

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Sundry receipts	<u>105,590</u>	<u>39,957</u>
	2019 £	2018 £
Engineering recharges	72,510	29,534
Other income	<u>33,080</u>	<u>10,423</u>
	<u>105,590</u>	<u>39,957</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

5. EMPLOYEES AND DIRECTORS

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Wages and salaries	14,519,684	14,474,154
Social security costs	1,191,497	1,207,469
Other pension costs	468,943	433,662
	<u>16,180,124</u>	<u>16,115,285</u>

The average number of employees during the period was as follows:

	Period 1/4/18 to 30/3/19	Period 26/3/17 to 31/3/18
Traffic and engineering	587	587
Administration	87	91
	<u>674</u>	<u>678</u>

The average number of employees by undertakings that were proportionately consolidated during the period was NIL (2018 - NIL).

Total directors remuneration for the period was £305,688 (2018: £216,446)

The emoluments for the highest paid director were £125,000 for the period ended 30 March 2019 (2018: £115,000)

The non-executive directors received £4,688 in emoluments from the company during the period ended 30 March 2019 (2018: £5,250).

The contributions made by the company into a money purchase pension scheme on behalf of the directors £12,256 (2018: £10,315). For the highest paid director the contributions by the company to a money purchase pension scheme were £6,500 (2018: £5,750).

6. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Depreciation - owned assets	2,285,497	2,054,222
Profit on disposal of fixed assets	(149,411)	(46,723)
Auditors' remuneration	<u>13,972</u>	<u>13,972</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Bank loan interest	592,769	423,026
Hire purchase	25,948	30,984
	<u>618,717</u>	<u>454,010</u>

8. TAXATION**Analysis of the tax charge**

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

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Current tax:		
Underprovision in earlier year	-	(19,585)
Deferred tax	<u>83,689</u>	<u>51,880</u>
Tax on loss	<u>83,689</u>	<u>32,295</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Loss before tax	<u>(590,080)</u>	<u>(1,645,882)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19.013%)	<u>(112,115)</u>	<u>(312,932)</u>
Effects of:		
Expenses not deductible for tax purposes	52,066	50,514
Income not taxable for tax purposes	(4,865)	(13,752)
Adjustments to tax charge in respect of previous periods	-	(19,585)
Difference between current tax and deferred tax rates on timing differences	7,702	12,895
Tax losses carried forward	140,901	233,877
Tax losses surrendered to group companies	-	81,278
Total tax charge	<u>83,689</u>	<u>32,295</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	1/4/18 to 30/3/19		
	Gross £	Tax £	Net £
Remeasurement of defined benefit pension	<u>1,681,000</u>	<u>(285,770)</u>	<u>1,395,230</u>
	26/3/17 to 31/3/18		
	Gross £	Tax £	Net £
Remeasurement of defined benefit pension	<u>1,460,000</u>	<u>(248,200)</u>	<u>1,211,800</u>

Reductions in the UK corporation tax rate from 20% (effective from 1 April 2015) to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge and deferred tax liability at 30 March accordingly.

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

The parent company's loss after tax for the financial period amount to £673,769 (2018: £1,678,177)

10. DIVIDENDS

	Period 1/4/18 to 30/3/19 £	Period 26/3/17 to 31/3/18 £
Interim	<u>577,500</u>	<u>588,000</u>

11. INTANGIBLE FIXED ASSETS

Group

COST

At 1 April 2018
and 30 March 2019

Goodwill
£

209,962

AMORTISATION

At 1 April 2018
and 30 March 2019

209,962

NET BOOK VALUE

At 30 March 2019

-

At 31 March 2018

-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

12. TANGIBLE FIXED ASSETS

Group	Freehold property £	Short leasehold £	Plant and machinery £	Totals £
COST				
At 1 April 2018	1,644,244	203,493	30,307,744	32,155,481
Additions	494	-	3,052,236	3,052,730
Disposals	-	-	(1,848,784)	(1,848,784)
At 30 March 2019	1,644,738	203,493	31,511,196	33,359,427
DEPRECIATION				
At 1 April 2018	486,605	118,569	14,386,982	14,992,156
Charge for period	37,670	16,604	2,231,223	2,285,497
Eliminated on disposal	-	-	(1,784,225)	(1,784,225)
At 30 March 2019	524,275	135,173	14,833,980	15,493,428
NET BOOK VALUE				
At 30 March 2019	1,120,463	68,320	16,677,216	17,865,999
At 31 March 2018	1,157,639	84,924	15,920,762	17,163,325

Included in the total net book value of fixed assets is £1,428,729 (2018: £1,633,928) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £205,200 (2018: £205,200)

Company	Freehold property £	Short leasehold £	Plant and machinery £	Totals £
COST				
At 1 April 2018	1,644,244	203,493	30,307,744	32,155,481
Additions	494	-	3,052,236	3,052,730
Disposals	-	-	(1,848,784)	(1,848,784)
At 30 March 2019	1,644,738	203,493	31,511,196	33,359,427
DEPRECIATION				
At 1 April 2018	486,605	118,569	14,386,982	14,992,156
Charge for period	37,670	16,604	2,231,223	2,285,497
Eliminated on disposal	-	-	(1,784,225)	(1,784,225)
At 30 March 2019	524,275	135,173	14,833,980	15,493,428
NET BOOK VALUE				
At 30 March 2019	1,120,463	68,320	16,677,216	17,865,999
At 31 March 2018	1,157,639	84,924	15,920,762	17,163,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

12. TANGIBLE FIXED ASSETS - continued

Company

Included in the total net book value of fixed assets is £1,428,729 (2018: £1,633,928) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £205,200 (2018: £205,200)

13. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2018 and 30 March 2019	<u>683,506</u>
PROVISIONS	
At 1 April 2018 and 30 March 2019	<u>397,828</u>
NET BOOK VALUE	
At 30 March 2019	<u>285,678</u>
At 31 March 2018	<u>285,678</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Seagull Coaches Limited

Registered office: Rigby Road, Blackpool, FY1 5DD
Nature of business: Dormant

	% holding	2019 £	2018 £
Class of shares: Ordinary	100.00		
Aggregate capital and reserves		<u>10,004</u>	<u>10,004</u>

Fylde Transport Limited

Registered office: Rigby Road, Blackpool, FY1 5DD
Nature of business: Dormant

	% holding	2019 £	2018 £
Class of shares: Ordinary	100.00		
Aggregate capital and reserves		<u>709,824</u>	<u>709,824</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

14. STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Stocks	<u>441,527</u>	<u>302,333</u>	<u>441,527</u>	<u>302,333</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	389,123	570,378	389,123	570,378
Amounts owed by group undertakings	1	1	209,765	209,765
Other debtors	23,487	26,456	23,487	26,456
VAT	115,083	226,813	115,083	226,813
Prepayments	<u>1,974,837</u>	<u>2,949,799</u>	<u>1,974,837</u>	<u>2,949,799</u>
	<u>2,502,531</u>	<u>3,773,447</u>	<u>2,712,295</u>	<u>3,983,211</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Hire purchase contracts (see note 18)	268,618	261,572	268,618	261,572
Trade creditors	774,248	362,711	774,248	362,711
Amounts owed to group undertakings	2,016,080	2,464,292	2,511,521	2,959,733
Social security and other taxes	310,719	347,880	310,719	347,880
Other creditors	251,568	254,750	251,569	254,751
Accrued expenses	<u>166,460</u>	<u>275,489</u>	<u>166,460</u>	<u>275,489</u>
	<u>3,787,693</u>	<u>3,966,694</u>	<u>4,283,135</u>	<u>4,462,136</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Hire purchase contracts (see note 18)	550,296	818,914	550,296	818,914
Amounts owed to group undertakings	11,990,146	10,440,126	11,990,146	10,440,126
Other creditors	<u>84,899</u>	<u>110,221</u>	<u>84,899</u>	<u>110,221</u>
	<u>12,625,341</u>	<u>11,369,261</u>	<u>12,625,341</u>	<u>11,369,261</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	268,618	261,572
Between one and five years	550,296	818,914
	<u>818,914</u>	<u>1,080,486</u>

Company

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	268,618	261,572
Between one and five years	550,296	818,914
	<u>818,914</u>	<u>1,080,486</u>

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	33,500	33,500
Between one and five years	134,000	8,375
In more than five years	8,375	-
	<u>175,875</u>	<u>41,875</u>

Company

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	33,500	33,500
Between one and five years	134,000	8,375
In more than five years	8,375	-
	<u>175,875</u>	<u>41,875</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax				
Accelerated capital allowances	733,849	635,030	733,849	635,030
Other timing differences	(51,000)	(51,000)	(51,000)	(51,000)
Deferred tax	814,470	543,830	814,470	543,830
	<u>1,497,319</u>	<u>1,127,860</u>	<u>1,497,319</u>	<u>1,127,860</u>
Other provisions				
Maintenance provision	400,000	300,000	400,000	300,000
Third party liability provision	563,627	981,255	563,627	981,255
	<u>963,627</u>	<u>1,281,255</u>	<u>963,627</u>	<u>1,281,255</u>
Aggregate amounts	<u>2,460,946</u>	<u>2,409,115</u>	<u>2,460,946</u>	<u>2,409,115</u>
Group				
			Deferred tax	Other provisions
			£	£
Balance at 1 April 2018			1,127,860	1,281,255
Provided during period			369,459	721,257
Utilised during period			-	(203,629)
Balance at 30 March 2019			<u>1,497,319</u>	<u>1,798,883</u>
Company				
			Deferred tax	Other provisions
			£	£
Balance at 1 April 2018			1,127,860	1,281,255
Provided during period			369,459	721,257
Utilised during period			-	(203,629)
Balance at 30 March 2019			<u>1,497,319</u>	<u>1,798,883</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

19. PROVISIONS FOR LIABILITIES - continued**Third Party Liability**

This provision relates to claims or anticipated claims for compensation as a result of accidents caused by bus and tram operations. The claims handler, Keoghs assess the provision based on insurance industry best practice. Whilst many claims are settled within a few months of an accident, certain claims that relate minor or serious injuries can take years to be settled.

Maintenance Provision

This provision relates to the large maintenance and refurbishment costs that is expected in year eight (2020/21) of the contract to operate the Blackpool and Fleetwood Tramway. The provision has been calculated using information provided by the tram manufacturer and their current price list of parts.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
2,789,000	Ordinary	£1	<u>2,789,000</u>	<u>2,789,000</u>

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company.

21. RESERVES**Group**

	Retained earnings £
At 1 April 2018	4,530,641
Deficit for the period	(673,769)
Dividends	(577,500)
Actuarial Gains/Losses	1,681,000
Deferred tax on actuarial gain s/(losses)	(285,770)
At 30 March 2019	<u>4,674,602</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

21. RESERVES - continued

Company	Retained earnings £
At 1 April 2018	4,530,641
Deficit for the period	(673,769)
Dividends	(577,500)
Actuarial Gains/Losses	1,681,000
Deferred tax on actuarial gain s/(losses)	(285,770)
At 30 March 2019	<u>4,674,602</u>

22. EMPLOYEE BENEFIT OBLIGATIONS

	2018 £	2017 £
Cost for the pension scheme were:		
Lancashire County Council	187,000	155,000
Blackpool Transport Services Limited Retirement Benefit Scheme	248,662	252,227
	<u>435,662</u>	<u>407,227</u>

Lancashire County Pension Fund

The Lancashire County Council Pension fund is a defined benefit scheme. Under the definitions set out in FRS 102 "Retirement Benefits", this is a multi-employer scheme. Blackpool Transport Services Limited is able to identify its share of the underlying assets and liabilities of the Fund and so the details given below relate solely to the Company's share.

The assets of the scheme are held separately from those of the Company. The scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 31 March 2018 using the projected unit funding method. Based on this valuation, the actuaries advised that the employers' cost of pensions should be nil with effect from 1 April 2019 (nil % for the three years ended 31 March 2020).

During the period, the company funded additional contributions of £5,865 to enhance the benefits of members who have been allowed to retire early (2018: £4,942).

In determining the this pension cost, the most significant assumptions are the differentials between the assumed rate of return from investments and the assumed rates of increase in pensionable pay and pensions. The assumptions are that the future investment returns will be 2.30% higher than the rate of pensionable pay increases, and 3.80% higher than the rate of future pension increases. The pensions cost was determined using the projected unit method of funding.

As the Company is one of many bodies participating in the Fund, it is not appropriate to disclose either the current level of funding in the Fund as a whole, or the market value of the Fund's assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Current service cost	175,000	187,000
Net interest from net defined benefit asset/liability	2,049,000	2,011,000
Past service cost	-	-
Administration expenses	3,000	3,000
	<u>2,227,000</u>	<u>2,201,000</u>
Actual return on plan assets	<u>4,680,000</u>	<u>1,478,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Opening defined benefit obligation	38,635,000	40,090,000
Current service cost	175,000	187,000
Contributions by scheme participants	32,000	33,000
Interest cost	983,000	982,000
Actuarial losses/(gains)	1,933,000	(1,010,000)
Benefits paid	(1,728,000)	(1,647,000)
	<u>40,030,000</u>	<u>38,635,000</u>

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

	Defined benefit pension plans	
	2019	2018
	£	£
Opening fair value of scheme assets	41,834,000	41,967,000
Assets Interest	1,066,000	1,029,000
Contributions by employer	6,000	5,000
Contributions by scheme participants	32,000	33,000
Actuarial gains/(losses)	3,614,000	450,000
Benefits paid	(1,728,000)	(1,647,000)
Assets Administration costs	(3,000)	(3,000)
	<u>44,821,000</u>	<u>41,834,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Actuarial gains/(losses)	4,680,000	1,460,000
	<u>4,680,000</u>	<u>1,460,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Equities	19,766,000	18,574,000
Government bonds	1,569,000	1,046,000
Bonds	538,000	753,000
Property	4,168,000	3,932,000
Cash/Liquidity	224,000	(167,000)
Other	18,556,000	17,696,000
	<u>44,821,000</u>	<u>41,834,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2019	2018
Discount rate	2.40%	2.60%
Future salary increases	3.80%	3.60%
Future pension increases	2.40%	2.20%
Inflation assumption (CPI)	2.30%	2.10%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019

22. - continued

On 1 September 1996, the Company introduced a new pension scheme, the Blackpool Transport Services Retirement Benefit Scheme, for those employees not eligible to be members of the Local Government Superannuation Scheme. In doing this, the Company has closed the scheme administered by Saver and Prosper and transferred all members to the new scheme where the funds are invested with Standard Life. The scheme was administered by Jardine Lloyd Thompson Benefit Consultants until 1 September 2008 when the administration role was transferred to WFS Consulting, now Wingate Benefit Solutions.

The Blackpool Transport Services Limited Retirement Benefit Scheme is a defined contribution scheme with members opting to pay contributions at 3%, 4% and 5% of pensionable earnings with the Company matching the employees level of contributions.

As at 30 March 2019, contributions of £33,638 (2018: £36,617) for these members due in respect of the current reporting period had not been paid over to the scheme.

In October 2012 the government implemented Workplace Pension Reforms which meant that Blackpool Transport were required to automatically enrol all qualifying employees who were not in a pension scheme into a "qualifying pension scheme" from a certain date (known as the "staging date"). The Blackpool Transport Limited Retirement Benefit Scheme meets the qualifying criteria as set by the government and is, therefore, being used as the pension scheme to automatically enrol employees into. The Company's staging date was 1 November 2015. The legislation allows for a three month waiting period which the Company adopted and qualifying employees were auto enrolled on 1 February 2016.

Employees who were in the scheme prior to "auto-enrolment" continue to pay contributions of 3%, 4% or 5% of pensionable earnings, with the Company matching the chosen contribution. Following Auto-enrolment, all new entrants to the pension scheme will pay contributions under the governments default option where minimum contributions are based on "qualifying earnings". From 1 February 2016, employees who were auto enrolled into the scheme and who have not exercised their option to "opt out" and other employees who were allowed to (under government legislation) and have joined the scheme have paid a contribution of 1% of qualifying earnings. The Company have also paid a contribution of 1% of qualifying earnings for all these members.

As at 30 March 2019, contributions of £29,157 (2018: £13,856) for these members due in respect of the current reporting period had not been paid over to the scheme.

23. CAPITAL COMMITMENTS

	2019	2018
	£	£
Contracted but not provided for in the financial statements	<u>2,755,896</u>	<u>2,936,970</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 30 MARCH 2019**

24. ULTIMATE CONTROLLING PARTY

Blackpool Borough Council owns 100% of the ordinary share capital of Blackpool Transport Services Limited.

Blackpool Borough Council is the ultimate controlling party of Blackpool Transport Services Limited.

Blackpool Borough Council heads the largest and smallest group for which the results of Blackpool Transport Services Limited are consolidated. Copies of its consolidated financial statements are available to the public from the Chief Financial Officer at PO Box 4, Town Hall, Blackpool, FY1 1NA

Turnover for the period ended 30 March 2019 includes £169,806 (2018: £288,576) received from Blackpool Borough Council in respect of income from contracted services.

Direct costs for the period ended 30 March 2019 includes £100,000 (2018: £100,000) charged by Blackpool Borough Council in respect of tramway rental and other charges.

Administration charges for the period ended 30 March 2019 includes £614,302 (2018: £853,647) charged by Blackpool Borough Council in respect of service charges, rates, loan interest and other charges.

Amounts owed to Blackpool Borough Council are shown in notes 16 and 17.