

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020
FOR
CENTREBUS LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2020**

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CENTREBUS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2020**

Directors:

Mr D Brookes
Mr C F Brown
Mr M J Evans
Mr K Hayward
Mr J H Peddle

Registered office:

43 Wenlock Way
Leicester
Leicestershire
LE4 9HU

Registered number:

03872099 (England and Wales)

Auditors:

NR Barton
1st Floor Waterside House
Waterside Drive
Wigan
Lancashire
WN3 5AZ

Bankers:

HSBC
Penman Way
Grove Park
Enderby
Leicester
LE19 1SY

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2020**

The directors present their strategic report of the company and the group for the year ended 30 April 2020.

Review of business

The group has continued to be a bus service operator.

The results of the group for the year show turnover of £18,090,903 (2019: £15,313,954) and a pre-tax profit of £567,410 (2019: £129,036).

The group acquired D&G Bus Limited, a bus service operator based in Stoke-on-Trent during the year, the impact of the acquisition can be seen in the trading figures.

Trading conditions for the current year have continued to be challenging but the acquisition mentioned above has resulted in an increase in both turnover and profit levels.

The COVID pandemic has had a significant impact on the group from March 20 and continues to date. The group has been able to adapt quickly to the very challenging conditions it has faced and are confident that the group will be able to meet any future challenges however caused. As such the directors consider both the performance of the group and its overall financial position to be satisfactory.

The directors are well aware that the business environment remains challenging and will continue to review all aspects of the business to ensure that it can take full advantage of any opportunities as they arise. The directors are also constantly reviewing costs and identifying any potential savings that are available to them.

The directors have assessed the main risks facing the group as being the commercial risks in respect of competition and overall market conditions, liquidity risk and the price of fuel which is a key issue for the group..

The directors consider the key performance indicators of the business to be:

	2020	2019	% change
Turnover	£18,090,903	£15,313,954	18.1%
Operating profit	£600,701	£179,068	235.4%
Profit / (Loss) after tax	£456,835	£104,519	337.1%
Number of employees	407	328	24.1%

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2020**

Principal risks and uncertainties

The bus service sector has seen consistent pressure on margins as a result of competition and market conditions. The directors continue to place service delivery as a key performance indicator and every effort is made to ensure delivery for the customer is as high as it can be across all depots and services.

The directors have considered the potential implications of the ongoing COVID-19 pandemic on the business. Whilst the eventual financial impact of the pandemic on the group, and on the overall economy is uncertain, they are confident that the overall impact on the business will not be significant. To mitigate the impact on the business as far as possible, the group have accessed the various government support available.

The group has exposure to two main areas of financial risk - liquidity risk and fuel prices.

Liquidity Risk

The objective of the group in managing its liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. The group is reliant on asset funders to finance new vehicles purchases. The company always operates within its agreed banking facilities. All income is generated within the UK and all suppliers are UK based so the company has no requirement to enter into any hedging arrangements relating to its debtors and creditors.

Fuel Prices

Fuel costs are a significant cost to the organisation and the board of directors does use a fuel hedge to fix the price of fuel upto twelve months in advance to provide certainty of a very volatile cost. The hedging policy is periodically reviewed and the directors are confident that the policy is appropriate to the risk of fuel price volatility.

Environmental policy

The company recognises its corporate responsibility to carry out its operations whilst minimising its impact on the environment. The directors continued aim is to reduce waste wherever possible and comply with all environmental legislation.

Human resources and employment policy

The company ensures that employees are provided with information of relevance to them as employees by means of direct communication and notice boards. The involvement of the employees in the company's performance is encouraged through various employee schemes. The company seeks to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Applications for employment by disabled persons are fully considered having regard to the aptitudes and abilities of each applicant. Training and career development and promotion of disabled persons is, as far as possible, identical to that of other employees who are not disabled. Arrangement are made, wherever possible, for retraining employees who become disabled, to perform work identified as appropriate to their aptitudes and abilities.

Health and safety

The company is committed to achieving high standards in health and safety management and strives to make its depots and offices safe environment for both its employees and customers alike.

On behalf of the board:

Mr C F Brown - Director

30 June 2021

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2020**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2020.

Principal activity

The principal activity of the group in the year under review was that of a bus service operator.

Dividends

The total distribution of dividends for the year ended 30 April 2020 will be £ 160,577 .

Directors

The directors shown below have held office during the whole of the period from 1 May 2019 to the date of this report.

Mr D Brookes
Mr C F Brown
Mr M J Evans
Mr K Hayward
Mr J H Peddle

Disclosure in the strategic report

The disclosures in respect of the business review, future developments and the financial risk management, objectives and policies are included in the group strategic report. The principal activities of the group are also disclosed in the Strategic 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- 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 ought to have taken as a director in order to make himself 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 YEAR ENDED 30 APRIL 2020**

Auditors

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

On behalf of the board:

Mr C F Brown - Director

30 June 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CENTREBUS LIMITED

Opinion

We have audited the financial statements of Centrebus Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2020 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 April 2020 and of the group's profit for the year 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 CENTREBUS 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 four, 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.

John Schofield BA FCA (Senior Statutory Auditor)
for and on behalf of NR Barton
1st Floor Waterside House
Waterside Drive
Wigan
Lancashire
WN3 5AZ

30 June 2021

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2020**

	Notes	30.4.20 £	30.4.19 £
TURNOVER	4	18,090,903	15,313,954
Cost of sales		<u>15,834,123</u>	<u>13,222,010</u>
GROSS PROFIT		2,256,780	2,091,944
Administrative expenses		<u>2,144,264</u>	<u>1,912,876</u>
		112,516	179,068
Other operating income		<u>488,185</u>	<u>-</u>
OPERATING PROFIT	6	600,701	179,068
Interest payable and similar expenses	7	<u>33,291</u>	<u>50,032</u>
PROFIT BEFORE TAXATION		567,410	129,036
Tax on profit	8	<u>110,575</u>	<u>24,517</u>
PROFIT FOR THE FINANCIAL YEAR		<u>456,835</u>	<u>104,519</u>
Profit attributable to:			
Owners of the parent		<u>456,835</u>	<u>104,519</u>

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2020**

	Notes	30.4.20 £	30.4.19 £
PROFIT FOR THE YEAR		456,835	104,519
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>456,835</u>	<u>104,519</u>
Total comprehensive income attributable to: Owners of the parent		<u>456,835</u>	<u>104,519</u>

CONSOLIDATED BALANCE SHEET
30 APRIL 2020

	Notes	30.4.20 £	£	30.4.19 £	£
FIXED ASSETS					
Intangible assets	12		343,779		-
Tangible assets	13		6,393,136		5,628,452
Investments	14		-		-
			<u>6,736,915</u>		<u>5,628,452</u>
CURRENT ASSETS					
Stocks	15	229,598		181,976	
Debtors	16	1,628,774		1,231,357	
Cash at bank and in hand		<u>989,801</u>		<u>311,927</u>	
		2,848,173		1,725,260	
CREDITORS					
Amounts falling due within one year	17	<u>5,244,610</u>		<u>4,439,649</u>	
NET CURRENT LIABILITIES			<u>(2,396,437)</u>		<u>(2,714,389)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,340,478		2,914,063
CREDITORS					
Amounts falling due after more than one year	18		(1,703,122)		(573,726)
PROVISIONS FOR LIABILITIES	22		<u>(412,827)</u>		<u>(412,066)</u>
NET ASSETS			<u><u>2,224,529</u></u>		<u><u>1,928,271</u></u>
CAPITAL AND RESERVES					
Called up share capital	23		107		107
Share premium	24		299,970		299,970
Capital redemption reserve	24		56		56
Retained earnings	24		<u>1,924,396</u>		<u>1,628,138</u>
SHAREHOLDERS' FUNDS			<u><u>2,224,529</u></u>		<u><u>1,928,271</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2021 and were signed on its behalf by:

Mr C F Brown - Director

COMPANY BALANCE SHEET
30 APRIL 2020

	Notes	30.4.20 £	£	30.4.19 £	£
FIXED ASSETS					
Intangible assets	12		-		-
Tangible assets	13		4,533,462		5,515,869
Investments	14		<u>1,868,920</u>		<u>1</u>
			6,402,382		5,515,870
CURRENT ASSETS					
Stocks	15		157,958		181,976
Debtors	16		1,042,833		1,211,242
Cash at bank and in hand			<u>211,813</u>		<u>311,927</u>
			1,412,604		1,705,145
CREDITORS					
Amounts falling due within one year	17		<u>4,658,083</u>		<u>5,064,802</u>
NET CURRENT LIABILITIES			<u>(3,245,479)</u>		<u>(3,359,657)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,156,903		2,156,213
CREDITORS					
Amounts falling due after more than one year	18		(1,629,104)		(573,726)
PROVISIONS FOR LIABILITIES	22		<u>(334,475)</u>		<u>(399,937)</u>
NET ASSETS			<u><u>1,193,324</u></u>		<u><u>1,182,550</u></u>
CAPITAL AND RESERVES					
Called up share capital	23		107		107
Share premium	24		299,970		299,970
Capital redemption reserve	24		56		56
Retained earnings	24		<u>893,191</u>		<u>882,417</u>
SHAREHOLDERS' FUNDS			<u><u>1,193,324</u></u>		<u><u>1,182,550</u></u>
Company's profit for the financial year			<u>171,351</u>		<u>296,359</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2021 and were signed on its behalf by:

Mr C F Brown - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 May 2018	107	1,557,994	299,970	56	1,858,127
Changes in equity					
Dividends	-	(34,375)	-	-	(34,375)
Total comprehensive income	-	104,519	-	-	104,519
Balance at 30 April 2019	107	1,628,138	299,970	56	1,928,271
Changes in equity					
Dividends	-	(160,577)	-	-	(160,577)
Total comprehensive income	-	456,835	-	-	456,835
Balance at 30 April 2020	107	1,924,396	299,970	56	2,224,529

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 May 2018	107	620,433	299,970	56	920,566
Changes in equity					
Dividends	-	(34,375)	-	-	(34,375)
Total comprehensive income	-	296,359	-	-	296,359
Balance at 30 April 2019	107	882,417	299,970	56	1,182,550
Changes in equity					
Dividends	-	(160,577)	-	-	(160,577)
Total comprehensive income	-	171,351	-	-	171,351
Balance at 30 April 2020	107	893,191	299,970	56	1,193,324

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2020**

	Notes	30.4.20 £	30.4.19 £
Cash flows from operating activities			
Cash generated from operations	1	3,848,455	1,865,760
Interest paid		(7,068)	-
Interest element of hire purchase payments paid		(26,222)	(50,032)
Tax paid		(60,709)	(20,115)
Net cash from operating activities		<u>3,754,456</u>	<u>1,795,613</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(531,587)	(449,884)
Sale of tangible fixed assets		50,384	155,103
Net cash from investing activities		<u>(481,203)</u>	<u>(294,781)</u>
Cash flows from financing activities			
Capital repayments in year		(881,601)	(1,146,711)
Amount introduced by directors		23,077	-
Amount withdrawn by directors		-	(101,050)
Consideration paid on acquisition		(1,868,919)	-
Bank balance introduced on acquisition		292,641	-
Equity dividends paid		(160,577)	(34,375)
Net cash from financing activities		<u>(2,595,379)</u>	<u>(1,282,136)</u>
Increase in cash and cash equivalents		<u>677,874</u>	<u>218,696</u>
Cash and cash equivalents at beginning of year	2	311,927	93,231
Cash and cash equivalents at end of year	2	<u>989,801</u>	<u>311,927</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2020**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.4.20	30.4.19
	£	£
Profit before taxation	567,410	129,036
Depreciation charges	1,652,192	1,402,969
Loss/(profit) on disposal of fixed assets	60,248	(11,362)
Finance costs	<u>33,291</u>	<u>50,032</u>
	2,313,141	1,570,675
Decrease/(increase) in stocks	33,172	(2,345)
(Increase)/decrease in trade and other debtors	(24,918)	131,716
Increase in trade and other creditors	<u>1,527,060</u>	<u>165,714</u>
Cash generated from operations	<u><u>3,848,455</u></u>	<u><u>1,865,760</u></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:

Year ended 30 April 2020

	30.4.20	1.5.19
	£	£
Cash and cash equivalents	<u>989,801</u>	<u>311,927</u>

Year ended 30 April 2019

	30.4.19	1.5.18
	£	£
Cash and cash equivalents	<u>311,927</u>	<u>93,231</u>

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.5.19	Cash flow	At 30.4.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>311,927</u>	<u>677,874</u>	<u>989,801</u>
	<u>311,927</u>	<u>677,874</u>	<u>989,801</u>
Debt			
Finance leases	<u>(1,083,065)</u>	<u>686,794</u>	<u>(396,271)</u>
	<u>(1,083,065)</u>	<u>686,794</u>	<u>(396,271)</u>
Total	<u><u>(771,138)</u></u>	<u><u>1,364,668</u></u>	<u><u>593,530</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

1. STATUTORY INFORMATION

Centrebus 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The group financial statements consolidate the financial statements of Centrebus Limited and all its subsidiary undertakings drawn up to 30th April each year.

The group financial statements for the year ended 30th April 2020 includes D&G Bus Limited from the acquisition date of 16 December 2019 through to the accounting period end date of 30 April 2020.

In preparing its individual financial statements, which are presented alongside the consolidated financial statements, Centrebus Limited has taken advantage of the disclosure exemptions available in respect of financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going Concern

The directors have reviewed the company and group's forecasts and projections and, in particular, have considered the potential implications of the Coronavirus (COVID-19) pandemic. Whilst the eventual financial impact of the pandemic on the group, and on the overall economy, remains uncertain, the directors are confident that the group will be able to remain operational throughout the pandemic. However, operations have inevitably had to be scaled back slightly and the group has accessed the various government support available.

The directors have a reasonable expectation that the group will have adequate funding and resources to continue in operational existence for the foreseeable future

The company therefore continues to adopt the going concern basis in preparing their financial statements.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirers interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020**

3. ACCOUNTING POLICIES - continued

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and its entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investment in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial where these estimates and judgements have been made include:

Useful life of assets and residual value

Fixed assets are depreciated over a period estimated over their useful life and taking into account their residual value at the end of this period. Both of these factors are estimates and as a result are under constant review. The company continually monitors any fixed assets disposals to ensure reasonable estimates are being used in the above areas.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

Turnover relates to revenue earned from the rendering of services by companies within the group. These services relate to the operation of bus services.

Turnover is made up of on-bus revenue which is recognised immediately on receipt, as well as contract income which is recognised in line with the terms of the contract and at the point at which the company has satisfied the relevant terms of the contract to be entitled to the income.

Goodwill

Goodwill relates to the amount arising on the consolidation of subsidiary undertakings and is measured by calculating the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. The goodwill is capitalised and written off over its estimated useful economic life, which is 10 years. Provision is made for any impairment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance, 20% on cost, 10% on cost and Over periods of upto 15 years
Public Service Vehicles	- 25% on cost and Over periods of upto 15 years
Motor vehicles	- 33.3% on cost, 25% on cost and 20% on cost
Computer equipment	- 20% on cost

Plant and machinery, public service vehicles, office equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

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 YEAR ENDED 30 APRIL 2020**

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year 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 year 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.

Impairment

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivable are stated at cost less impairment losses for bad and doubtful debts

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

4. TURNOVER

Turnover relates to the group's principal activity of operating bus services. All of the group's turnover in the current and prior year relates to the rendering of services and arises in the UK.

5. EMPLOYEES AND DIRECTORS

	30.4.20	30.4.19
	£	£
Wages and salaries	<u>10,138,623</u>	<u>8,757,024</u>

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

	30.4.20	30.4.19
Drivers	316	246
Cleaning & Engineering	56	47
Administration	<u>35</u>	<u>35</u>
	<u>407</u>	<u>328</u>

	30.4.20	30.4.19
	£	£
Directors' remuneration	<u>155,272</u>	<u>261,044</u>

6. OPERATING PROFIT

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

	30.4.20	30.4.19
	£	£
Other operating leases	404,049	333,573
Depreciation - owned assets	1,196,828	811,423
Depreciation - assets on hire purchase contracts	443,509	591,546
Loss/(profit) on disposal of fixed assets	60,248	(11,362)
Goodwill amortisation	11,855	-
Auditors' remuneration	<u>30,580</u>	<u>26,004</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.4.20	30.4.19
	£	£
Other Interest	7,069	-
Hire purchase	<u>26,222</u>	<u>50,032</u>
	<u>33,291</u>	<u>50,032</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

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

The tax charge on the profit for the year was as follows:

	30.4.20	30.4.19
	£	£
Current tax:		
UK corporation tax	201,998	74,878
Deferred tax	(91,423)	(50,361)
Tax on profit	<u>110,575</u>	<u>24,517</u>

UK corporation tax has been charged at 19% (2019 - 19%).

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.

10. DIVIDENDS

	30.4.20	30.4.19
	£	£
ESS Shares shares of £1 each		
Interim	<u>160,577</u>	<u>34,375</u>

11. ACQUISITION OF SUBSIDIARY

The company acquired 100% of the issued share capital of D&G Bus Limited on 16th December 2019.

The acquisition has been accounted for under the acquisition method. The fair values of the identifiable assets and liabilities acquired in respect of all the companies set out above is shown below :

Fixed Assets	£1,981,583
Stock	£80,794
Debtors	£471,930
Bank & Cash	£292,640
Creditors	(£1,221,478)
Provisions	(£92,184)
Total net assets	£1,513,285

The total fair value of the consideration given was £1,868,919 including purchase costs.

The excess of the fair value of the consideration over the fair value of assets acquired was £355,634. and this has been included as goodwill arising on consolidation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

12. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £
COST	
Additions	355,634
At 30 April 2020	<u>355,634</u>
AMORTISATION	
Amortisation for year	11,855
At 30 April 2020	<u>11,855</u>
NET BOOK VALUE	
At 30 April 2020	<u>343,779</u>

13. TANGIBLE FIXED ASSETS**Group**

	Improvements to property £	Plant and machinery £	Public Service Vehicles £
COST			
At 1 May 2019	-	1,935,535	11,734,423
Additions	194,703	481,396	1,736,097
Disposals	-	-	(805,981)
Reclassification/transfer	-	(744,000)	744,000
At 30 April 2020	<u>194,703</u>	<u>1,672,931</u>	<u>13,408,539</u>
DEPRECIATION			
At 1 May 2019	-	1,537,584	6,671,778
Charge for year	19,470	120,795	1,422,206
Eliminated on disposal	-	-	(695,349)
Reclassification/transfer	-	(631,417)	631,417
At 30 April 2020	<u>19,470</u>	<u>1,026,962</u>	<u>8,030,052</u>
NET BOOK VALUE			
At 30 April 2020	<u>175,233</u>	<u>645,969</u>	<u>5,378,487</u>
At 30 April 2019	<u>-</u>	<u>397,951</u>	<u>5,062,645</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

13. **TANGIBLE FIXED ASSETS - continued****Group**

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2019	142,558	538,537	14,351,053
Additions	101,350	2,107	2,515,653
Disposals	(23,995)	-	(829,976)
Reclassification/transfer	-	-	-
At 30 April 2020	219,913	540,644	16,036,730
DEPRECIATION			
At 1 May 2019	88,004	425,235	8,722,601
Charge for year	37,315	40,551	1,640,337
Eliminated on disposal	(23,995)	-	(719,344)
Reclassification/transfer	-	-	-
At 30 April 2020	101,324	465,786	9,643,594
NET BOOK VALUE			
At 30 April 2020	118,589	74,858	6,393,136
At 30 April 2019	54,554	113,302	5,628,452

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Public Service Vehicles £
COST	
At 1 May 2019	4,231,868
Additions	563,367
Transfer to ownership	(2,493,927)
At 30 April 2020	2,301,308
DEPRECIATION	
At 1 May 2019	1,477,676
Charge for year	443,509
Transfer to ownership	(995,605)
At 30 April 2020	925,580
NET BOOK VALUE	
At 30 April 2020	1,375,728
At 30 April 2019	2,754,192

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

13. **TANGIBLE FIXED ASSETS - continued****Company**

	Plant and machinery £	Public Service Vehicles £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 May 2019	1,191,535	11,734,423	138,762	538,537	13,603,257
Additions	185,349	245,524	50,179	1,128	482,180
Disposals	-	(805,981)	(23,995)	-	(829,976)
At 30 April 2020	1,376,884	11,173,966	164,946	539,665	13,255,461
DEPRECIATION					
At 1 May 2019	906,167	6,671,778	84,208	425,235	8,087,388
Charge for year	89,710	1,192,053	31,750	40,442	1,353,955
Eliminated on disposal	-	(695,349)	(23,995)	-	(719,344)
At 30 April 2020	995,877	7,168,482	91,963	465,677	8,721,999
NET BOOK VALUE					
At 30 April 2020	381,007	4,005,484	72,983	73,988	4,533,462
At 30 April 2019	285,368	5,062,645	54,554	113,302	5,515,869

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Public Service Vehicles £
COST	
At 1 May 2019	4,231,868
Transfer to ownership	(2,225,454)
At 30 April 2020	2,006,414
DEPRECIATION	
At 1 May 2019	1,477,676
Charge for year	370,418
Transfer to ownership	(981,493)
At 30 April 2020	866,601
NET BOOK VALUE	
At 30 April 2020	1,139,813
At 30 April 2019	2,754,192

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

14. FIXED ASSET INVESTMENTS**Company**

	Shares in group undertakings £
COST	
At 1 May 2019	1
Additions	1,868,919
At 30 April 2020	<u>1,868,920</u>
NET BOOK VALUE	
At 30 April 2020	<u>1,868,920</u>
At 30 April 2019	<u>1</u>

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

Subsidiaries**Centrebus North Limited**

Registered office: 43 Wenlock Way, Leicester, LE4 9HU

Nature of business: Bus Service Operator

	% holding		
Class of shares:			
Ordinary	100.00		
		30.4.20	30.4.19
		£	£
Aggregate capital and reserves		731,802	745,723
Loss for the year		<u>(13,921)</u>	<u>(191,839)</u>

D&G Bus Limited

Registered office: Mossfield Road, Stoke-On-Trent, Staffordshire, ST3 5BW

Nature of business: Bus Service Operator

	% holding		
Class of shares:			
Ordinary A	100.00		
Ordinary B	100.00		
		30.4.20	31.8.19
		£	£
Aggregate capital and reserves		1,824,545	1,368,278
Profit for the period/year		<u>456,267</u>	<u>465,049</u>

15. STOCKS

	Group		Company	
	30.4.20	30.4.19	30.4.20	30.4.19
	£	£	£	£
Fuel and parts stock	<u>229,598</u>	<u>181,976</u>	<u>157,958</u>	<u>181,976</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.20	30.4.19	30.4.20	30.4.19
	£	£	£	£
Trade debtors	1,192,307	816,777	766,665	816,777
Amounts owed by participating interests	1,347	1,347	1,347	1,347
Other debtors	106,447	102,072	106,447	102,072
Tax	20,115	20,115	-	-
VAT	71,230	123,658	50,590	123,658
Prepayments and accrued income	237,328	167,388	117,784	167,388
	<u>1,628,774</u>	<u>1,231,357</u>	<u>1,042,833</u>	<u>1,211,242</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.20	30.4.19	30.4.20	30.4.19
	£	£	£	£
Hire purchase contracts (see note 19)	356,342	809,339	242,685	809,339
Trade creditors	710,106	1,310,165	695,460	1,310,165
Amounts owed to group undertakings	-	-	721,881	625,153
Amounts owed to participating interests	955,779	688,463	955,779	688,463
Tax	390,721	134,714	132,747	134,714
Social security and other taxes	779,599	221,885	576,350	221,885
Other creditors	1,101,209	731,739	843,287	731,739
Directors' current accounts	23,077	-	23,077	-
Accrued expenses	927,777	543,344	466,817	543,344
	<u>5,244,610</u>	<u>4,439,649</u>	<u>4,658,083</u>	<u>5,064,802</u>

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

	Group		Company	
	30.4.20	30.4.19	30.4.20	30.4.19
	£	£	£	£
Hire purchase contracts (see note 19)	39,929	273,726	31,040	273,726
Other creditors	1,663,193	300,000	1,598,064	300,000
	<u>1,703,122</u>	<u>573,726</u>	<u>1,629,104</u>	<u>573,726</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	30.4.20	30.4.19
	£	£
Net obligations repayable:		
Within one year	356,342	809,339
Between one and five years	39,929	273,726
	<u>396,271</u>	<u>1,083,065</u>

Company

	Hire purchase contracts	
	30.4.20	30.4.19
	£	£
Net obligations repayable:		
Within one year	242,685	809,339
Between one and five years	31,040	273,726
	<u>273,725</u>	<u>1,083,065</u>

Group

	Non-cancellable operating leases	
	30.4.20	30.4.19
	£	£
Within one year	386,374	303,009
Between one and five years	932,048	880,646
In more than five years	458,333	538,333
	<u>1,776,755</u>	<u>1,721,988</u>

Company

	Non-cancellable operating leases	
	30.4.20	30.4.19
	£	£
Within one year	301,374	303,009
Between one and five years	888,298	880,646
In more than five years	411,666	538,333
	<u>1,601,338</u>	<u>1,721,988</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	30.4.20	30.4.19	30.4.20	30.4.19
	£	£	£	£
Hire purchase contracts	<u>396,271</u>	<u>1,083,065</u>	<u>273,725</u>	<u>1,083,065</u>

Security has been provided to HSBC Bank Plc by way of a debenture dated 27th June 2005. This incorporates a fixed and floating charge over the company's assets. In addition, the bank holds a right of set-off with regard to balances owed by group companies.

The hire purchase creditors are secured by charges over the specific assets involved.

21. FINANCIAL INSTRUMENTS

All the group's financial instruments are classed as basic.

The following group financial assets are included at amortised cost :

Trade debtors - £1,192,307 (2019 : £816,777)

The following group financial liabilities are included at amortised cost :

Trade creditors - £710,106 (2019 : £1,310,165)

Due from related undertakings - £955,779 (2019 : £688,463)

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	30.4.20	30.4.19	30.4.20	30.4.19
	£	£	£	£
Deferred tax	<u>412,827</u>	<u>412,066</u>	<u>334,475</u>	<u>399,937</u>

Group

	Deferred tax
	£
Balance at 1 May 2019	412,066
Credit to Income Statement during year	(91,423)
Introduced on acquisition	92,184
Balance at 30 April 2020	<u>412,827</u>

Company

	Deferred tax
	£
Balance at 1 May 2019	399,937
Credit to Income Statement during year	(65,462)
Balance at 30 April 2020	<u>334,475</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.4.20 £	30.4.19 £
27	Ordinary A	£1	27	27
40	Ordinary B	£1	40	40
40	ESS Shares	£1	40	40
			<u>107</u>	<u>107</u>

24. RESERVES**Group**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 May 2019	1,628,138	299,970	56	1,928,164
Profit for the year	456,835			456,835
Dividends	(160,577)			(160,577)
At 30 April 2020	<u>1,924,396</u>	<u>299,970</u>	<u>56</u>	<u>2,224,422</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 May 2019	882,417	299,970	56	1,182,443
Profit for the year	171,351			171,351
Dividends	(160,577)			(160,577)
At 30 April 2020	<u>893,191</u>	<u>299,970</u>	<u>56</u>	<u>1,193,217</u>

25. RELATED PARTY DISCLOSURES

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.

During the year, total dividends of £160,577 were paid to the directors .

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020

25. RELATED PARTY DISCLOSURES - continued

During the year the group had the following transactions with related companies which are not fully owned subsidiaries:

Centrebus East Limited

A connected company by way of common shareholders

The company was recharged with vehicle expenses from Centrebus Limited of £6242 (2019:£9101) during the year. These recharges relate to vehicle running and finance costs, recharged on a cost basis.

Centrebus Limited also recharged management charges of £42,376 (2019:£83,205) during the year.

£	£	30.04.20	30.04.19
Amount due to related party at balance sheet date		497,952	239,286

Eric W Bowers Coaches Limited

A connected company by way of indirect common shareholders

The company was recharged with vehicle expenses from Centrebus Limited of £21,629 (2019:£75,475) during the year. These recharges relate to vehicle running and finance costs, recharged on a cost basis.

Centrebus Limited also recharged management charges of £126,332 (2019:£219,192) during the year.

£	£	30.04.20	30.04.19
Amount due to related party at balance sheet date		105,060	105,060

R Kime & Co Limited

A connected company by way of common shareholders

£	£	30.04.20	30.04.19
Amount due to related party at balance sheet date		348,190	339,140

Romdrive Limited

A connected company by way of common shareholders

£	£	30.04.20	30.04.19
Amount due from related party at balance sheet date		1347	1347

South Midland Connect CIC

A connected company by way of common shareholders

£	£	30.04.20	30.04.19
Amount due to related party at balance sheet date		4577	4577

During the year, a total of key management personnel compensation of £ 155,272 (2019 - £ 261,044) was paid.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020**

26. ULTIMATE CONTROLLING PARTY

The controlling party is Mr J H Peddle.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.