

Company Registration No. 06983718

First Bus Central Services Limited
Annual Report and Financial Statements
For the 52 week period ended 26 March 2022

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First Bus Central Services Limited

Report and financial statements

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First Bus Central Services Limited

Strategic report

The directors have pleasure in submitting their strategic report for the 52 weeks ended 26 March 2022.

Principal activities

The company's principal activity is that of a central management services company for the UK Bus Division of FirstGroup plc.

Business review

The profit for the financial period was £1.9 million (2021: loss £2.3). The company employs staff, however the costs associated with employing these individuals is recharged back to the group company that benefits from them.

The balance sheet shows the company's financial position at the period end. Net liabilities decreased from £17.6 million to £15.7 million due to the profit for the period being transferred to reserves.

FirstGroup plc, 'the Group', manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for understanding the development, performance or position of the business. The performance of the UK Bus Division of FirstGroup plc, which includes the company, and the key performance indicators for the group as a whole are discussed in the group's Annual Report which does not form part of this report. Details of where the group's Annual Report can be found are set out in note 13.

Future developments

The directors do not anticipate any significant changes to the company or the financial performance in the coming period. It is expected that all costs will continue to be recovered from other group companies.

Principal risks and uncertainties

Economic risk

The less certain economic outlook, together with the potential for on-going restrictions imposed as a result of the coronavirus, could have a negative impact on our businesses in terms of reduced demand and reduced opportunities for growth. The uncertainty around coronavirus may result in reduced demand for public transportation as alternative modes of transport become preferred due to social distancing concerns, or not required due to people travelling less for work purposes. It is not yet clear what form any future measures to contain coronavirus will take, how long they will last or how they will impact the economy, customer behaviour and demand for our services in the long term.

Going concern

The company utilises working capital provided by the ultimate parent company, FirstGroup plc, which has provided the directors of the company with a letter confirming that it has the intention to make available such funds as may be required to enable the company to meet its obligations for a period of at least 12 months from signing the financial statements. The directors have made enquiries and understand that the ultimate parent company has adequate resources to be able to provide this financial support. This letter of support is conditional upon FirstGroup plc continuing to own the company.

The directors have prepared the financial statements on a going concern basis as they expect that adequate financing will be in place and that the company will continue to operate for the foreseeable future.

Approved by the board of directors and signed on its behalf by:



C Brown
Director

21 December 2022

First Bus Central Services Limited

Directors' report

The directors have pleasure in submitting their annual report and financial statements for the 52 weeks ended 26 March 2022.

Results and dividends

The results for the financial period are given in the profit and loss account on page 4.

No ordinary dividends were paid during the period (2021: £nil). The directors do not recommend the payment of a final dividend (2021: £nil).

Directors

The directors who held office throughout the period and up to the date of signing the financial statements are as follows:

C Brown	
S D Pearson	(Appointed 1 June 2021)
D B Alexander	(Resigned 21 May 2021)

Directors' and officers' liability insurance

Directors' and officers' liability insurance is taken out by FirstGroup plc, the company's ultimate parent undertaking, for the benefit of the directors and officers of the company.

Strategic report

In accordance with the Companies Act 2006, section 414C(11) the directors have chosen to include details of future developments in the strategic report rather than the directors' report.

Financial risk management objectives and policies

Liquidity risk

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments the company uses intercompany loans.

Streamlined energy and carbon reporting (SECR)

The company is exempt from the Streamlined Energy and Carbon Reporting (SECR) regulations on the basis that it is a UK subsidiary whose results are included in the group's Annual Report. Details of where the group's Annual Report can be found are set out in note 13.

First Bus Central Services Limited

Directors' report (continued)

Directors' responsibility statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

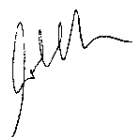
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the board of directors and signed on its behalf by:



C Brown
Director

21 December 2022

First Bus Central Services Limited

Profit and loss account

For the 52 weeks ended 26 March 2022

	Note	52 weeks ended 26 March 2022 £000	52 weeks ended 27 March 2021 £000
Turnover	3	21,891	20,265
Operating costs	4	(19,572)	(23,100)
Operating profit/(loss) and profit/(loss) before taxation		2,319	(2,834)
Tax credit on profit/(loss)	7	(439)	582
Profit/(loss) for the period		1,880	(2,252)

All activities relate to continued operations.

There is no other comprehensive income or loss in either the current or previous financial period other than the result for that period and accordingly no separate statement of comprehensive income has been prepared.

First Bus Central Services Limited

Balance sheet

As at 26 March 2022

		26 March 2022		27 March 2021	
	Note	£000	£000	£000	£000
Current assets					
Debtors: amounts falling due within one period	8	-		477	
Cash at bank and in hand		474		474	
		<u>474</u>		<u>951</u>	
Creditors: amounts falling due within one period	9	<u>(16,173)</u>		<u>(18,530)</u>	
Net current liabilities and net liabilities			<u>(15,699)</u>		<u>(17,579)</u>
Capital and reserves					
Called-up share capital	11	-		-	
Profit and loss account			<u>(15,699)</u>		<u>(17,579)</u>
Total shareholder's deficit			<u>(15,699)</u>		<u>(17,579)</u>

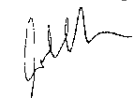
For the 52 weeks ending 26 March 2022 the company was entitled to exemption from audit by parent guarantee under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 6 to 11 are an integral part of these financial statements.

The financial statements on pages 4 to 11 were approved by the Board of Directors on 21 December 2022 and signed on its behalf by:



C Brown
Director

First Bus Central Services Limited

Notes to the financial statements (continued) For the 52 week period ended 26 March 2022

1. Principal accounting policies

The accounting policies have been applied consistently throughout the current and preceding period.

General information and basis of preparation

First Bus Central Services Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The company's registered office is 8th Floor, The Point, 37 North Wharf Road, London, W2 1AF. The nature of the company's operations and its principal activities are set out in the strategic report.

The financial statements for the period ended 26 March 2022 include the results and financial position of the company for the 52 weeks ended 26 March 2022.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of First Bus Central Services Limited is pound sterling.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. The company is consolidated in the financial statements of its ultimate parent, FirstGroup plc, which may be obtained at 395 King Street, Aberdeen, AB24 5RP.

The company has elected to take the following exemptions:

- not to present the company statement of cash flows, on the basis that FirstGroup plc includes the company's cash flows in its consolidated financial statements [1.12(b)];
- a reconciliation of the number of shares outstanding at the beginning and end of the period [4.12(a)(iv)];
- financial instrument disclosures as included in FirstGroup plc consolidated financial statements [11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A];
- disclosure requirements of Section 26 in respect of share-based payments as provided in FirstGroup plc consolidated financial statements [26.18(b), 26.19–26.21, and 26.23]; and
- key management personnel compensation in total [33.7].

Going concern

The company utilises working capital provided by the ultimate parent company, FirstGroup plc, which has provided the directors of the company with a letter confirming that it has the intention to make available such funds as may be required to enable the company to meet its obligations for a period of at least 12 months from signing the financial statements. The directors have made enquiries and understand that the ultimate parent company has adequate resources to be able to provide this financial support. This letter of support is conditional upon FirstGroup plc continuing to own the company.

The directors have prepared the financial statements on a going concern basis as they expect that adequate financing will be in place and that the company will continue to operate for the foreseeable future.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The taxation liability is reduced wholly or in part by the surrender of losses by group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the surrendering undertaking.

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted by the balance sheet date.

First Bus Central Services Limited

Notes to the financial statements (continued) For the 52 week period ended 26 March 2022

1. Principal accounting policies (continued)

Revenue recognition

Turnover represents recharges to other FirstGroup subsidiary undertakings in respect of staff costs incurred from acting as a central administration company for FirstGroup plc. Turnover is recognised as the services are provided.

Pension costs

FirstGroup Pension Scheme

The company participates in a group multi-employer defined benefit scheme, the FirstGroup Pension Scheme. This scheme is disclosed in FirstGroup Holdings Limited's financial statements and is funded separately by defined contributions which have been expensed to the profit and loss account of FirstGroup Holdings Limited during the period to 27 March 2021. There is no charge in the company's profit and loss. The assets and liabilities of the scheme are held separately and cannot be allocated out; accordingly, the scheme is treated as a defined contribution scheme in the financial statements.

Defined contribution pension scheme

The company operates a defined contribution pension scheme. Payments to the defined contribution scheme are charged as an expense as they fall due. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments. There is no legal or constructive obligation to pay additional contributions into the defined contribution scheme if the fund has insufficient assets to pay all employees' benefits relating to employee service in the current and prior periods.

Financial instruments

Financial instruments are accounted for using Sections 11 & 12 of Financial Reporting Standard 102 - Financial Instruments.

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, financing arrangements from banks and other third parties and balances due to and from related parties.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. Critical accounting judgements and key sources of estimation uncertainty

The directors do not consider there to be any accounting judgements or key sources of estimation uncertainty.

3. Turnover

Turnover represents recharges to other FirstGroup subsidiary undertakings in respect of staff costs incurred from acting as a central administration company for FirstGroup plc. The whole of the turnover derives from the company's principal activities within the United Kingdom.

Management recharges of £21.9 million (2021: £20.3 million) represent recharges to other FirstGroup subsidiary undertakings in respect of staff and admin costs incurred from acting as a central administration company for FirstGroup plc.

First Bus Central Services Limited

Notes to the financial statements (continued) For the 52 week period ended 26 March 2022

4. Operating costs

	Note	2022 £000	2021 £000
Staff costs	5	21,659	20,265
Consultancy costs		-	-
Management recharges		(2,087)	2,287
Restructuring		-	548
		<u>19,572</u>	<u>23,100</u>

5. Employee numbers and costs

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

	2022 No.	2021 No.
Administration	<u>309</u>	<u>267</u>

The aggregate payroll costs of these persons were as follows:

	2022 £000	2021 £000
Wages and salaries	18,695	17,503
Social security costs	1,741	1,526
Pension costs	1,223	1,236
Total staff costs	<u>21,659</u>	<u>20,265</u>

The pension costs relate to participation in the First Group plc defined contribution scheme. During the period, an exercise begun in prior year to align employee contracts to employing entities within the group continued.

6. Directors' remuneration

One of the directors (2021: all) is employed by another FirstGroup company, for which their apportioned qualifying services to the company total £nil (2021: £nil).

The remuneration of the directors who were remunerated by the company during the period was as follows:

	52 weeks ended 26 March 2022 £000	52 weeks ended 27 March 2021 £000
Aggregate emoluments	242	-
Company contributions to pension schemes	30	-
	<u>272</u>	<u>-</u>

Of the directors remunerated by the company, retirement benefits accrue to no directors (2021: none) under defined benefit schemes and to one director (2021: none) under defined contribution schemes.

Of the directors remunerated by the company, no directors (2021: none) exercised share options during the period and one director (2021: none) received or became entitled to receive shares in the ultimate parent company under a long term incentive plan. The total number of shares awarded was 57,863 (2021: nil).

First Bus Central Services Limited

Notes to the financial statements (continued) For the 52 week period ended 26 March 2022

7. Taxation

	2022 £000	2021 £000
Current taxation		
- Group relief	(36)	(68)
- Adjustments in respect of prior periods	(2)	(37)
Total current taxation	<u>(38)</u>	<u>(105)</u>
Deferred taxation		
- Origination and reversal of timing differences	477	(477)
Total deferred taxation	<u>477</u>	<u>(477)</u>
Total tax charge on profit	<u>439</u>	<u>(582)</u>

In the Spring Budget 2021 the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Legislation increasing the rate to 25% was substantively enacted on 24 May 2021. As the company has no timing differences expected to unwind after 1 April 2023 the rate change has no impact on these financial statements.

The actual current tax credit for the current and previous period differed from the standard rate for the reasons set out in the following reconciliation:

	2022 £000	2021 £000
Profit/(loss) before taxation	<u>2,319</u>	<u>(2,834)</u>
Tax charge/(credit) on profit/(loss) at standard UK corporation tax rate of 19% (2020: 19%)	441	(538)
Factors affecting charge		
- Prior period adjustments	(2)	(37)
- Non-taxable income	-	(7)
Total tax credit on loss	<u>439</u>	<u>(582)</u>

8. Debtors

	2022 £000	2021 £000
Deferred tax asset (note 10)	-	477
	<u>-</u>	<u>477</u>

First Bus Central Services Limited

Notes to the financial statements (continued) For the 52 week period ended 26 March 2022

9. Creditors

	2022 £000	2021 £000
Amounts falling due within one year		
Amounts owed to fellow group undertakings	16,173	18,530

Amounts owed to fellow group undertakings are repayable on demand and are interest free.

10. Deferred taxation

The movements in the deferred taxation asset were as follows:

	Deferred taxation £000
At 27 March 2021	477
Charged to the profit and loss account	(477)
At 26 March 2022	-

Deferred taxation consists of the following amounts:

	2022 £000	2021 £000
Other timing differences	-	477
Deferred taxation asset (note 8)	-	477

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Legislation increasing the rate to 25% was substantively enacted on 24 May 2021. As the company has no timing differences expected to unwind after 1 April 2023 the rate change has no impact on these financial statements.

First Bus Central Services Limited

Notes to the financial statements (continued) For the 52 week period ended 26 March 2022

11. Called-up share capital and reserves

	2022 £000	2021 £000
Allotted, called-up and fully paid		
1 ordinary shares of £1 each	-	-

The company has one class of ordinary shares which carry full voting, dividend and capital distribution rights.

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits and losses net of dividends paid.

12. Commitments

Capital commitments

The company had no capital commitments at 26 March 2022 or at 27 March 2021.

Other commitments

The company participates in a notional cash pool arrangement and overdraft facility with its ultimate parent company, FirstGroup plc, and other group companies. The company has jointly and severally guaranteed the liabilities of the other parties under these arrangements.

The company is a member of a Value Added Tax ("VAT") group covering a number of subsidiary undertakings. All members of the VAT group are jointly and severally liable in respect of any VAT owed to HMRC. The value of the group commitment owed to HMRC can be found within the FirstGroup plc financial statements.

13. Ultimate parent company

The company's immediate parent is FirstBus (South) Limited.

The directors regard FirstGroup plc, a company incorporated in the United Kingdom and registered in Scotland, as the ultimate parent and controlling company, which is the smallest and largest group that includes the company's results and for which group financial statements are prepared.

Copies of the financial statements of FirstGroup plc can be obtained on request from 395 King Street, Aberdeen, AB24 5RP, which is the registered office of FirstGroup plc.