RATP DEV UK LTD

Annual Report and Financial Statements
For the year ended 31 December 2021

COMPANY REGISTRATION NUMBER: 07281350 (England and Wales)

RATP DEV UK LTD
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FOR THE YEAR ENDED 31 DECEMBER 2021

RATP DEV UK LTD
COMPANY INFORMATION
31 DECEMBER 2021

DIRECTORS	M T Sinaceur L A Daniels J J Keenan L S West A-F Laclide F C F Tonetti
SECRETARY	G Fabre
REGISTERED OFFICE	Garrick House Stamford Brook Garage 74 Chiswick High Road London W4 1SY
AUDITOR	Mazars LLP 30 Old Bailey London EC4M 7AU

RATP DEV UK LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their strategic report for the year ended 31 December 2021.

Review of business
The company's principal activity is that of a holding company for the subsidiaries set out in note 12 and carrying on a trade of bidding for contracts and providing financial and support services to its subsidiaries.

In December 2021, to strengthen the Company's competitive position in west to central London, the Company entered into a joint venture agreement with Tower Transit Ltd (TTL), forming a new joint venture company called RATP Dev Transit London Ltd (RDTL), to operate the TTL network of TfL bus routes across west London from their Westbourne Park depot. Following completion, TTL held 12.5% and the Company 87.5%, respectively, of the issued share capital of RDTL.

On 22 September 2021, in advance of forming the joint venture, a conditional master transfer agreement (MTA) was entered into between RDUK, TTL and RDTL (formerly RDL2021 Ltd). The MTA organised the joint venture between TTL and RDUK. The joint venture was completed on 10 and 11 December 2021 as noted below.

On 10 December 2021, the network of bus routes operated by TTL across West London from Westbourne Park depot was transferred from TTL through its subsidiary Tower Transit Operations Limited (TTOL), a contracted operator of TfL, to London Transit Limited (LTL), a company incorporated by TTL on 10 August 2021. LTL is now also a contracted operator of TfL. The accounting reference period for LTL and RDTL were respectively extended from 31 August 2022 and 30 September 2022 to 31 December 2022.

On 11 December 2021, the Company, TTL, and RDTL entered into a shareholders' agreement to deal with the management of the affairs of the joint venture.

On the same date, the entire issued share capital of LUB, consisting of 23,616,985 ordinary shares of £1 was transferred by the Company to RDTL for the consideration price of £44,000,000 which was satisfied by the issue in RDTL of 4,400,000 A ordinary shares of £1 each in the share capital of RDTL, credited as fully paid up. In addition, the entire issued share capital of the LSL consisting of 1,199,596 ordinary shares of £1 each was transferred by the Company to RDTL for the consideration price of £11,000,000 which was satisfied by the issue in RDTL of 1,100,000 A ordinary shares of £1 each in the share capital of RDTL, credited as fully paid up.

Simultaneously, the entire share capital of LTL consisting of 10,000 ordinary shares of £1 each was transferred by TTOL to RDTL which was satisfied by the issue of 785,714 B ordinary shares of £1 each in the share capital of RDTL, credited as fully paid up.

Consequently, effective 11 December, the Company became the immediate parent company to RDTL and the former subsidiaries of LUB and LSL were transferred to RDTL. There were no other changes to the remaining subsidiaries of the Company.

Also, during the year and following consultation with the Trustee Board of London United Busways Retirement Benefits Plan ("Plan"), LUB transferred the Plan and changed the principal employer, effective from 17 June 2021 (date of signing of Deed of Substitution of Principal Employer and Apportionment) through a Flexible Apportionment Arrangement (FAA), to the Company. The process for changing the principal employer, that was collectively agreed by the Trustee Board and the Company, included an assessment of the overall covenant and a strengthening of the parent guarantee to the scheme.

The Directors also took the decision to close subsidiary company Quality Line Transport Ltd and discontinue operations from its Epsom garage and the company discontinued operations on 3 July 2021. Consequently, 100% of the carrying value of the investment in Quality Line Transport Ltd was impaired in 2020. The Company has completed a detailed review of all investments during the year, based on future cash flow projections for all subsidiaries, there is more detail on these projections included in note 11.

During the year the Company generated revenue of £3,453,000 (2020: £4,196,000), a reduction of £743,000, which is primarily due to the closure of Quality Line Transport Ltd. The Company made a loss for the year of £26,071,000 (2020: £70,836,000) which includes the loss on disposal of the investments in LUB and LSL of £20,627,000 as part of the formation of the joint venture as noted above.

Review of business (continued)
Losses for the period were also impacted by restructuring costs of £835,000, (2020: £1,933,000), which are exceptional costs in 2021.

In 2019, the bank covenant KPI's were replaced by a guarantee from the parent company, RATP Développement SA. This was agreed and accepted by all Lenders in 2019 and is in place for the full term of the external loans and therefore no issues in relation to banking covenants KPI's in the year and post year end.

Principal risks and uncertainties
The Company is not materially exposed to financial risks, its principal financial risk is the interest rate on its revolving facility with its bankers which is based upon SONIA. The Directors review financial risks regularly in accordance with group policies.

The Company receives management fees from all its subsidiaries in full, including the Joint Venture Company RDTL, but is not expecting to receive any dividend income during 2022. The Directors continue to manage this risk by working closely with the subsidiaries in developing their response to the short and medium term challenges faced.

The impact of Covid-19 continues to be felt on the financial and operating performance of the Company's investments. Investments involved with sightseeing activities have continued to experience significant revenue reductions: sightseeing tours were suspended at times during the year in accordance with Government advised national lockdowns and the collapse of the international tourist trade has reduced customer numbers, especially in London. Towards the end of the year these services began to experience a recovery in demand.

Those investments that run services on behalf of Transport for London do not bear the revenue risk of lower passenger numbers but continue to experience a rise in costs as a direct result of additional health and safety expenditures pertaining to COVID-19.

The UK withdrew from the European Union on 31 January 2020 and entered into a new free trade agreement that started on 31 December 2020. The Company is mitigating any risks to its human resources and supply chain through its planning and risk management.

The Company is monitoring the ongoing situation in Ukraine and does not expect immediate impacts on relevant supply chains. However the ongoing nature of the conflict is likely to have increasing impacts on global supply chains and the Company is assessing suitable mitigations where appropriate.

ON BEHALF OF THE BOARD:

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M T Sinaceur
Director

Date: 16/09/22

The Directors present their report of the Company for the year ended 31 December 2021.

Dividends
No dividends were paid during the current or prior year. The Directors have not recommended payment of a final dividend.

Future developments
The Company continues to assess the potential of increasing the group's market share in public transport operations in the United Kingdom, especially after forming the Joint Venture with Tower Transit Ltd in December 2021. In 2022, as the economy returns to near pre-Covid-19 levels, the Company's operating subsidiaries are actively managing the business impact, adjusting, and adapting its operating practices accordingly, with a particular focus on recruitment and staff retention as the Company deals with acute driver shortage that is prevalent across the London bus market. The Company is also assessing and evaluating its electrification strategy, to determine which garage to electrify or extend the electrification in 2022, which is heavily influenced by route wins and losses. Following a tough few years trading conditions for the sightseeing Companies, due to the impact of Covid-19 on the leisure and tourism sector, the sightseeing Companies are now experiencing early signs of improving demand in the market.

Directors
The Directors who held office during the year and up to the date of signature of this report, except as noted, were as follows:

M T Sinaceur
D Butler - resigned 26 February 2021
C M Chardon - resigned 31 January 2022
J J Keenan
J-L Onnis - resigned 31 March 2022
L S West
A-F Laclide - appointed 16 February 2021
F P Fullick - appointed 16 November 2021 and resigned 30 June 2022
L A Daniels - appointed on 17 December 2021
F C F Tonetti - appointed on 1 July 2022

Events after the reporting date
There were no material events subsequent to the reporting date.

Going concern
Since the end of the current financial year the company has experienced a trading environment that is improving, following the Covid-19 lockdowns and related restrictions, although patronage on buses have not fully returned to pre-Covid levels. During the Covid-19 periods, the company obtained additional lines of credit through its holding company to assist it in managing the financial impact and these remain in place. The company has also received a letter of support from its holding company and it will make available sufficient funds to enable the company to continue for at least twelve months from the date of signing the accounts. The Company multi-year transformation program that was launched in 2019, continues in different methods and forms to address underperformance which includes initiatives to modernise operating standards in garages, investment in new technology to directly enable and influence performance and electrification of the garage infrastructure. The directors have therefore deemed it appropriate to prepare these financial statements on a going concern basis.

Directors' liabilities
The Company maintains Directors' and officers' liability insurance in respect of legal action that might be brought against its directors. The Company has indemnified each of its directors and other officers of the Company against certain liabilities that may be incurred as a result of their offices.

Disclosure in the strategic report
As permitted by paragraph 1A of Schedule 7 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Report of the Directors have been omitted as they are included in the Strategic Report on page 2. These matters relate to the review and analysis of the business, development and financial performance, future prospects and the principal risks and uncertainties.

Statement as to disclosure of information to the auditor
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 Company's auditor is 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 Company's auditors are aware of that information.

Auditor
The auditor, Mazars LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Statement of Directors' responsibilities
The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors have elected under company law to prepare the financial statements in accordance with UK-adopted International Accounting Standards.

The financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the 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 they have been prepared in accordance with UK-adopted International Accounting Standards;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

ON BEHALF OF THE BOARD:

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M T Sinaceur
Director

Date: 16/09/22

Opinion

We have audited the financial statements of RATP Dev UK Ltd (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards. In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the accuracy and cut off assertions) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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

Gavin Barclay (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

Date: 30/09/22

RATP DEV UK LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Revenue	3	3,453	4,196
Administrative expenses		(4,832)	(5,608)
Operating loss before exceptional items	**4**	**(1,379)**	**(1,412)**
Impairment of investments		-	(64,106)
Loss on disposal of investments	11	(20,627)	-
Restructuring costs		(835)	(1,933)
Operating loss		**(22,841)**	**(67,451)**
Finance costs	6	(3,799)	(3,615)
Finance income	6	554	230
Loss before tax		**(26,086)**	**(70,836)**
Income tax credit	7	15	-
Loss for the year		**(26,071)**	**(70,836)**
Other comprehensive income			
Net fair value loss on interest rate swap		(342)	-
Remeasurements of post-employment benefit obligations		(1,694)	-
Net actuarial loss on retirement benefit plans	23	(90)	-
Income tax effect relating to the components of OCI		22	-
Other comprehensive income for the year, net of tax		(2,104)	-
Total comprehensive loss for the year		**(28,175)**	**(70,836)**

Continuing operations

None of the company's activities were acquired or discontinued during the current or preceding period.

COMPANY REGISTRATION NO. 07281350

RATP DEV UK LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Assets			
Non-current assets			
Intangible assets	8	119	160
Property, plant and equipment	9	91	139
Right-of-use assets	10	1,716	2,588
Investments	11	99,613	99,000
Loans and other financial assets	13	-	342
Pension asset	23	6,599	-
		108,138	**102,229**
Current assets			
Trade and other receivables	14	3,096	19,545
Cash and short-term deposits	15	13,013	-
		16,109	**19,545**
Total assets		**124,247**	**121,774**
Equity and liabilities			
Equity			
Share capital	16	46,860	46,860
Retained earnings	17	(108,804)	(80,971)
Other reserves	17	-	342
Total equity		**(61,944)**	**(33,769)**
Non-current liabilities			
Interest-bearing loans and borrowings	20	63,785	71,725
Deferred tax liabilities	18	1,657	-
		65,442	**71,725**
Current liabilities			
Trade and other payables	19	2,572	2,717
Bank overdrafts	20	-	4,354
Interest-bearing loans and borrowings	20	117,939	76,362
Provisions	21	238	385
		120,749	**83,818**
Total liabilities		**186,191**	**155,543**
Total liabilities and equity		**124,247**	**121,774**

The accompanying notes 1 to 27 are an integral part of the financial statements.

The financial statements were approved by the board of Directors and authorised for issue on 16/09/22 and were signed on its behalf by:

M T Sinaceur
Director

RATP DEV UK LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Retained earnings	Other reserves	Total
	£000	£000	£000	£000
As at 1 January 2020	**46,860**	**(10,135)**	**342**	**37,067**
Loss for the year	-	(70,836)	-	(70,836)
Total comprehensive loss for the year	-	(70,836)	-	(70,836)
At 31 December 2020	**46,860**	**(80,971)**	**342**	**(33,769)**
As at 1 January 2021	**46,860**	**(80,971)**	**342**	**(33,769)**
Loss for the year	-	(26,071)	-	(26,071)
Other comprehensive income				
Remeasurements of post-employment benefit obligations .	-	(1,694)	-	(1,694)
Net actuarial loss on retirement benefit plans	-	(68)	-	(68)
Net fair value loss on interest rate swap	-	-	(342)	(342)
Total comprehensive loss for the year	-	(27,833)	(342)	(28,175)
At 31 December 2021	**46,860**	**(108,804)**	**-**	**(61,944)**

The accompanying notes 1 to 27 are an integral part of the financial statements.

RATP DEV UK LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Cash provided by:			
Net cash flow from operating activities	15	(1,542)	(5,658)
Interest paid		(3,713)	(3,499)
Lease interest paid		(86)	(116)
Net cash flows used in operating activities		**(5,341)**	**(9,273)**
Investing activities			
Sale of tangible assets		-	78
Purchase of fixed assets investments		(4,633)	-
Interest received		479	230
Purchase of pension scheme from subsidiary	23	(6,775)	-
Net cash flows (used in)/from investing activities		**(10,929)**	**308**
Financing activities			
Repayment of group loans		(3,000)	(4,249)
Repayment of borrowings		(3,500)	(3,000)
Proceeds from group loans	20	41,000	26,815
Payment of lease liabilities	10	(863)	(833)
Loans to group companies		-	(15,177)
Net cash flows from financing activities		**33,637**	**3,556**
Net increase/(decrease) in cash and cash equivalents		17,367	(5,409)
Cash and cash equivalents at 1 January		(4,354)	1,055
Cash and cash equivalents at 31 December	**15**	13,013	(4,354)

The accompanying notes 1 to 27 are an integral part of the financial statements.

1 Company information

RATP Dev UK Limited ("the Company") is a private limited company limited by shares and is registered and incorporated in England and Wales. The registered office is Garrick House, Stamford Brook Bus Garage, 74 Chiswick High Road, London, W4 1SY.

The principal activity of the Company is that of a holding company for the subsidiaries set out in note 12 and carrying on a trade of bidding for contracts and providing financial and support services to its subsidiaries.

The financial statements are presented in Pounds Sterling which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1,000, unless otherwise indicated.

2 Accounting policies

Accounting convention

These financial statements have been prepared on a going concern basis in accordance with UK-adopted International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair value, as explained in the accounting policies below. The principal accounting policies adopted are set out below.

The Company was, at the end of the year, a subsidiary of Régie Autonome des Transports Parisiens whose registered address is 54, Quai de la Rapée - LAC LA 30, 75012 Paris, France. In accordance with the exemption given in section 401 of the Companies Act 2006, the Company is not required to produce, and has not published, consolidated accounts.

Going concern

Since the end of the current financial year the company has experienced a trading environment that is improving, following the Covid-19 lockdowns and related restrictions, although patronage on buses have not fully returned to pre-Covid levels. During the Covid-19 periods, the company obtained additional lines of credit through its holding company to assist it in managing the financial impact and these remain in place. The company has also received a letter of support from its holding company and it will make available sufficient funds to enable the company to continue for at least twelve months from the date of signing the accounts. The Company's multi-year transformation program that was launched in 2019, continues in different methods and forms to address underperformance which includes initiatives to modernise operating standards in garages, investment in new technology to directly enable and influence performance and electrification of the garage infrastructure. The directors have therefore deemed it appropriate to prepare these financial statements on a going concern basis.

Critical accounting estimates and judgements

The preparation of the Financial Statements in accordance with UK-adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Critical areas of accounting estimates

The key assumptions concerning estimation uncertainty at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Provisions - the estimation of the insurance claims provision is based on an assessment of the settlement of known claims. Given the varying factors that determine the cost of an incident, the Company makes assumptions based on past experience of similar incidents as well as the advice of its lawyers and insurers. Details of the provision for claims are given in note 21.

2 Accounting policies (continued)

Critical accounting estimates and judgements (continued)

Critical areas of accounting estimates (continued)

Impairment of investments - the carrying values of investments are estimated when events indicate the value may be impaired. Details of investments and the Company's approach to impairments are given in note 11.

Pension asset - the key actuarial assumptions underlying the defined benefit scheme and the position of the scheme at the year end. Details of the pension scheme are given in note 23.

Critical areas of accounting judgements

The key judgements made by the directors in the process of applying the Company's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, including those that are made using key sources of estimation uncertainty as at the reporting date, are set out below: Recognition of deferred tax assets -the Company recognises deferred tax assets where there is either a right of offset against a deferred tax liability or where there are expected to be sufficient taxable profits in the future to utilise any asset. The judgement on whether sufficient taxable profits will arise is made on the basis of the Company's budgets and forecasts, which reflect assumptions made on how the business will perform going forward. Details on deferred tax are given in note 18, Deferred tax. Impairments -The Directors review the Company's investments on an annual basis and decide on whether an impairment to the carrying value is required. The Directors have assessed the carrying value of investments in the year and concluded that no further impairment is required. More information on the valuation techniques used.is given in note 11, Investments.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable from other group companies and is derived from management fees.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Intangible assets

Intangible assets consist of computer software and associated implementation costs of that software. None of the costs are internally generated. Intangible assets are stated at cost, less accumulated amortisation and any impairment losses.

Amortisation is charged to write off the cost over their useful lives using the straight line method from 3 to 10 years.

Property, plant and equipment

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

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Computer equipment	-	2 to 10 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income.

2 Accounting policies (continued)

Impairment of tangible and intangible assets
At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investments in subsidiaries

Investments in subsidiaries within the Company's financial statements are stated at cost less any accumulated impairment losses. The carrying values of investments are reviewed for impairment only when events indicate the carrying value may be impaired.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and cash in hand and short-term deposits with an original maturity of three months or less.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Impairment of financial assets
Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

2 Accounting policies (continued)

Interest-bearing borrowings

Interest-bearing loans are initially recorded at the value of the amount received, net of attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Total Comprehensive Income over the period of the borrowing on an effective interest rate.

Equity investments

Equity investments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Taxation

The tax expense represents the sum of the current tax payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Total Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Total Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Leases

For any new contracts entered into the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

2 Accounting policies (continued)

Leases (continued)

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification or if there are changes in in-substance fixed payments.

Retirement benefit costs

The Company operates a defined benefit retirement scheme. The scheme is funded through payments to insurance companies or trustee administered funds, determined by periodic actuarial calculations. The defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of the defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for recognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates or high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms of the related pension liability.

The actuarial gains and losses arising are charged or credited to reserves through the statement of comprehensive income.

Standards, amendments and interpretations adopted in the current financial year ended 31 December 2021

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

	UK effective date Periods beginning on or after
Amendments to IFRS 16 Leases: Covid 19-Related Rent Concessions	1 June 2020
Amendments to IFRS 9: Financial Instruments, IAS 39: Financial Instruments - Recognition and Measurement and IFRS 7: Financial Instruments - Disclosures, IFRS 4: Insurance Contracts and IFRS 16: Leases Interest Rate Benchmark Reform- Phase 2	1 January 2021

Standards, amendments and interpretations in issue but not yet adopted

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

	UK effective date Periods beginning on or after
Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2022
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020	1 January 2022

3 Revenue

The Company's revenue is derived from management fees from the Company's subsidiary companies based in the United Kingdom.

4 Operating loss before exceptional items

	31 December 2021	31 December 2020
	£000	£000
Depreciation - owned assets (Note 9)	48	111
Depreciation - right of use assets (Note 10)	872	873
Computer software amortisation (Note 8)	41	41
Auditor's remuneration	41	11

5 Employees and Directors

	2021	2020
	£000	£000
Wages and salaries	270	55
Social security costs	71	(15)
	341	40

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

	2021	2020
	No.	No.
Management and administration	7	6
	7	6

Directors' remuneration is paid by London United Busways Ltd, an indirect subsidiary of the Company.

6 Finance costs and income

Finance income:

	2021	2020
	£000	£000
Bank interest income	64	66
Amounts receivable from related parties	423	164
Net pension interest receivable	67	-
	554	230

Finance costs:

	2021	2020
	£000	£000
Bank interest	809	976
Amounts payable to related parties	2,904	2,523
Lease interest	86	116
	3,799	3,615

7 Income tax

	2021	2020
	£000	£000
Deferred tax:		
Relating to origination and reversal of temporary differences	(15)	-
Income tax credit reported in the income statement	**(15)**	**-**

	2021	2020
	£000	£000
Accounting loss before tax	(26,086)	(70,836)
Loss on ordinary activities before tax	**(26,086)**	**(70,836)**
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 19% (2020: 19%)	(4,956)	(13,459)
Expenses not taxable for tax purposes	4,318	13,126
Fixed asset differences	21	-
Other differences	(17)	-
Deferred tax not recognised	879	333
Effect of change in tax rates on deferred tax not recognised	(273)	-
Change in tax rate	(9)	-
Deferred tax recognised via OCI	22	-
Total tax credit for the year	**(15)**	**-**

Factors that may affect future tax charges
In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.Deferred tax has been calculated at 25%, which was the tax rate substantively enacted at 30 April 2021.

8 Intangible assets

	Computer software
	£000
Cost	
At 1 January 2020	280
At 31 December 2020 and 31 December 2021	**280**
Amortisation and impairment	
At 1 January 2020	79
Amortisation charge for the year	41
At 31 December 2020	**120**
Amortisation charge for the year	41
At 31 December 2021	**161**
Net book value	
At 31 December 2021	119
At 31 December 2020	160

9 Property, plant and equipment

	Computer equipment £000
Cost	
At 1 January 2020	490
Disposals	(252)
At 31 December 2020 and 2021	**238**
Depreciation and impairment	
At 1 January 2020	162
Depreciation charge for the year	111
Disposals	(174)
At 31 December 2020	**99**
Depreciation charge for the year	48
At 31 December 2021	**147**
Net book value	
At 31 December 2021	91
At 31 December 2020	139

10 Right-of-use assets

	Leasehold property £000
Cost	
At 1 January 2020	4,334
At 31 December 2020 and 31 December 2021	**4,334**
Accumulated depreciation	
At 1 January 2020	873
Depreciation charge for the year	873
At 31 December 2020	**1,746**
Depreciation charge for the year	872
At 31 December 2021	**2,618**
Net book value	
At 31 December 2021	1,716
At 31 December 2020	2,588

The Company holds 3 long leasehold land and buildings (2020: 3) with an average remaining lease term of 4.7 years (2020: 5.7 years).

There were no extension options, purchase options, lease payments, or termination options on any of the leases.

Amounts recognised in the statement of cash flows:

	2021 £000	2020 £000
Long leasehold land and buildings	863	833
	863	**833**

10 Right-of-use assets (continued)

Amounts recognised in the statement of comprehensive income:

	2021	2020
	£000	£000
Depreciation expense on right-of-use asset	872	873
Interest expense on lease liabilities	86	116
	958	**989**

11 Investments

	Investments
	£000
Cost	
At 1 January 2020	190,163
Disposals	(5,300)
At 31 December 2020 and 1 January 2021	184,863
Additions	76,240
Disposal	(130,027)
At 31 December 2021	**131,076**
Impairment	
At 1 January 2020	27,057
Provision for year	64,106
Eliminated on disposal	(5,300)
At 31 December 2020 and 1 January 2021	85,863
Eliminated on disposal	(54,400)
At 31 December 2021	**31,463**
Net book value	
At 31 December 2021	99,613
At 31 December 2020	99,000

On 10 December 2021 the Company acquired 20,040,485 ordinary shares of £1 each in a subsidiary London United Busways Limited ('LUB') for cash consideration of £3,431,701 and non-cash consideration of £16,608,784.

On 10 December 2021 the Company acquired 1,199,596 ordinary shares of £1 each in a subsidiary London Sovereign Limited ('LS') for cash consideration of £1,199,596.

On 11 December 2021 the Company acquired 5,500,000 ordinary A shares of £1 each in RATP Dev Transit London Ltd ('RDTL') for a total consideration price of £55,000,000, satisfied by the transfer of the Company's shareholdings in LUB and LS. These shareholdings had a carrying value of £75,627,000 (cost of £130,027,000 and accumulated impairment of £54,400,000) and the difference between consideration and carrying value of £20,627,000 was expensed through the Statement of Comprehensive Income.

The Company tests investments annually for impairment or more frequently if there are indications that investment might be impaired. The recoverable amounts of the cash generating units are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding cash flow forecasts, growth rates and discount rates. The cash flow forecasts are derived from the most recent financial budgets for the next five years approved by management and extrapolated in perpetuity at a 2% growth rate.

The Directors have assessed the carrying value of investments in the year and concluded that no further impairment is required.

12 Subsidiaries

Details of the Company's subsidiaries at 31 December 2021 are as follows:

Name of subsidiary	Registered office address	Class of share capital	Principal activity	Proportion of ownership Direct %	Proportion of ownership Indirect %
London United Busways Limited	Garrick House, Stamford Brook Garage, 74 Chiswick High Street, London, W4 1SY	Ordinary	Provision of public transport services	-	87.5
Bath Bus Company Limited	6 North Parade, Bath, Bath & North East Somerset, BA1 1LF	Ordinary	Tour operator for sightseeing	100	-
Metrolink RATP Dev Limited	Garrick House, Stamford Brook Garage, 74 Chiswick High Street, London, W4 1SY	Ordinary	Dormant	100	-
Quality Line Transport Limited	Garrick House, Stamford Brook Garage, 74 Chiswick High Street, London, W4 1SY	Ordinary	Dormant	100	-
London Sovereign Limited	Garrick House, Stamford Brook Garage, 74 Chiswick High Street, London, W4 1SY	Ordinary	Provision of public transport services	-	87.5
The Original London Sightseeing Tour Limited	Garrick House, Stamford Brook Garage, 74 Chiswick High Street, London, W4 1SY	Ordinary	Tour operator for sightseeing	100	-
Slide Mobility Limited	Busways House, Wellington Road, Twickenham, TW2 5NX	Ordinary	Dormant	100	-
London Transit Limited	Garrick House, Stamford Brook Garage, 74 Chiswick High Street, London, W4 1SY	Ordinary	Provision of public transport services	-	87.5
RATP Dev Transit London Limited	Garrick House, Stamford Brook Garage, 74 Chiswick High Street, London, W4 1SY	Ordinary	Holding	87.5	-

13 Loans and other financial assets

	2021	2020
	£000	£000
Interest rate hedge asset	-	342

14 Trade and other receivables

	2021	2020
	£000	£000
Trade receivables	31	10
Receivables from other related parties (Note 24)	2,827	19,285
Prepayments	20	46
Other debtors	129	125
VAT repayable	89	79
	3,096	19,545

Amounts owed by other related parties include balances that are unsecured, interest free and repayable on demand.

15 Cash and short-term deposits

	2021	2020
	£000	£000
Cash at banks and on hand	13,013	-
	13,013	-

Cash generated from operations

	Notes	2021 £000	2020 £000
Loss before tax		**(26,086)**	**(70,836)**
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation of property, plant and equipment	9	48	111
Depreciation of right-of-use assets	10	872	873
Amortisation of intangible assets	8	41	41
Impairment of assets		-	64,106
Finance costs	6	3,799	3,615
Finance income	6	(554)	(230)
Loss on disposal of investments	11	20,627	-
Working capital adjustments:			
Decrease in provisions		(147)	(376)
Difference between pension charge and cash contributions		153	-
Increase in trade and other receivables		(150)	(153)
Decrease in trade and other payables		(145)	(2,809)
		(1,542)	(5,658)

16 Share capital and reserves

Issued, called up and fully paid

	2020 Units	2020 £000
Ordinary shares of 1p each	4,686,001,454	46,860
At 31 December 2020	**4,686,001,454**	**46,860**

	2021 Units	2021 £000
Ordinary shares of 1p each	4,686,001,454	46,860
At 31 December 2021	**4,686,001,454**	**46,860**

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. The ordinary shares do not confer any rights of redemption.

17 Reserves

Other reserves
Gains and losses on interest rate swaps.

Profit and loss reserves
Profit and loss reserves represents the cumulative earnings net of distributions to owners.

18 Deferred tax liabilities

	Pension scheme	Accelerated capital allowances	Total
	£000	£000	£000
At 1 January 2021	-	-	-
Provision on pension scheme acquired from London United Busways Limited	1,694	-	1,694
(Credited) / charged to profit or loss	(22)	7	(15)
(Credited) / charged direct to equity	(22)	-	(22)
At 31 December 2021	**1,650**	**7**	**1,657**

At 31 December 2021, the Company had an unrecognised deferred tax asset of £1,138,000 in respect of carried forward tax losses (2020: £259,000). This deferred tax asset remains unrecognised due to uncertainty that the Company will have sufficient taxable profits to utilise these losses in the near future.

19 Trade and other payables

	2021	2020
	£000	£000
Trade payables	95	120
Amounts owed to other related parties (Note 24)	1,842	1,945
Accruals	635	652
	2,572	**2,717**

Amounts owed to other related parties include balances that are unsecured, interest free and repayable on demand.

20 Borrowings

	2021	2020
Current:	£000	£000
Bank overdrafts	-	4,354
Bank loans	14,000	13,500
Loans from group undertakings (Note 24)	103,499	62,000
Lease liabilities	440	862
	117,939	80,716

	2021	2020
Non-current:	£000	£000
Bank loans	24,000	28,000
Loans from group undertakings (Note 24)	38,500	42,000
Lease liabilities	1,285	1,725
	63,785	71,725

Terms and repayment schedule

	1 year or less	1 - 2 years	2 - 5 years	5 years	Totals
	£000	£000	£000	£000	£000
Bank overdrafts	-	-	-	-	-
Bank loans	14,000	24,000	-	-	38,000
Loans from group undertakings	103,499	38,500	-	-	141,999
Leases	440	451	433	401	1,725
	117,939	62,951	433	401	181,724

The principal features of the Company's borrowings are as follows:

(i) Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates 1.2% (2020: 1.1%) per annum and are determined based on 1 percent plus SONIA.

(ii) The unsecured bank loan of £38,000,000 (2020: £41,500,000) is a term facility and RCF, of which £3,500,000 was repaid on 14 December 2021. The loan consists of £28,000,000 (2020: £31,500,000) term loan with interest rate of 1.1% above SONIA GBP 6 months and £10,000,000 (2020: £10,000,000) RCF with interest rate of 0.8% above SONIA GBP 6 months. The term loan is due to be fully repaid by 13 December 2024.

(iii) The short term intercompany with RATP Dev SA is a RCF for £100,000,000 (2020: £59,000,000) taken out on 27 September 2018 and due for repayment on 31 December 2022 with interest rate of 1.32% to 2.33% (2020: 1.73% to 2.44%) above SONIA GBP 3 months. RATP Dev SA, Treasury Department confirms that this facility will be increased and renewed for 2023 to cover RATP Dev UK Ltd financial needs.

(iv) The long term intercompany with RATP Dev SA for £42,000,000 (2020: £45,000,000), of which £3,500,000 is repayable in the next 12 months (2020: £3,000,000). The outstanding balances carry an interest rate of 2.97% (2020: 2.97% to 3.50%) per annum.

21 Provisions

	2021	2020
	£000	£000
Provisions	238	385
	238	385

	Claims
Movement in provisions	£000
At 1 January 2021	385
Provisions released	(7)
Provisions utilised	(140)
At 31 December 2021	238

Claims
Provision for claims against the Company, mainly for motor related incidents, are established when there is a high probability that the Company will be liable for the claim cost and that this is quantifiable. Claims may relate to personal injury and / or vehicle damage and the Company is advised by 3rd party claims-handling agents on the likelihood of the claim outcome and the estimated monetary cost both of which are monitored and updated over time. The majority of claims are anticipated to be settled within five years of the balance sheet date, although the timing of any outflow is dependent on the settlement of each individual claim.

22 Financial instruments

(a) Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern, whilst maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 20, cash and cash equivalents and equity attributable to equity holders of the parent, comprising share capital, reserves and retained earnings as disclosed in the statement of changes in equity.

(b) Financial instruments

Fair values
There is no material difference between the carrying value of financial instruments shown in the statement of financial position and their fair value.

Categories of financial instruments
The financial assets and financial liabilities by class together with their carrying amounts shown in the statement of financial position are as follows:

	Carrying value 2021	Carrying value 2020
	£000	£000
Financial assets		
Loans and receivables	-	17,754
Trade and other receivables	3,096	1,791
	3,096	19,545
Financial liabilities		
Interest bearing loans and borrowings	181,724	148,088
Trade and other payables	2,572	2,717
	184,296	150,805

Carrying values for both 2021 and 2020 also represent fair values.

22 Financial instruments (continued)

(b) Financial instruments (continued)

Financial instruments risk management objectives

The Company's activities expose it to certain financial risks. This risk relates primarily to interest rate increases. The Company is not significantly exposed to foreign exchange risk, credit risk and other cash flow risk. Management reviews financial risks regularly in accordance with Company policies.

(c) Credit risk

The Company's exposure to credit risk is limited by the fact that the Company's principal financial assets are trade and other receivables which primarily represents the amounts owing from group undertakings. The Company's maximum exposure to credit risk is £3,076,000 (2020: £5,028,000)
The ageing of trade receivables at the reporting date was:

		Gross		Impairment
	2021	2020	2021	2020
	£000	£000	£000	£000
Not past due	-	-	-	-
Past due	-	17	-	-
	-	17	-	-

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's banking arrangement are considered to be adequate in terms of flexibility and liquidity for its cash flow needs, thus mitigating its liquidity risk. Regular forward looking cash flow forecasts are prepared to ensure the Company has good visibility of cash flows. RATP Dev SA, Treasury Department confirms that the intercompany loan facility will be increased and renewed for 2023 to cover RATP Dev UK Ltd financial needs.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2020 and 2021 based on contractual undiscounted payments.

2021

	Carrying amount	Contractual	1 year or less	1-5 years	5+ years
	£000	£000	£000	£000	£000
Trade and other payables	2,572	2,572	2,572	-	-
Interest bearing loans and borrowings	181,724	181,724	117,939	63,384	401
	184,296	184,296	120,511	63,384	401

2020

	Carrying amount	Contractual	1 year or less	1-5 years	5+ years
	£000	£000	£000	£000	£000
Trade and other payables	2,717	2,717	2,717	-	-
Interest bearing loans and borrowings	148,087	148,087	76,362	71,103	622
	150,804	150,804	79,079	71,103	622

(e) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's income and expense or the value of its holdings of financial instruments.

22 Financial instruments (continued)

(f) Interest rate risk

The impact of a change of 100 basis points on all relevant floating interest rates on annualised interest payable on the bank loans outstanding at the reporting date is £0.1m increase (2020: £0.1m) in interest expense.

23 Pensions and other post-employment benefit plans

Following consultation with the Trustee Board of London United Busways Retirement Benefits Plan ("Plan"), the London United Busways Limited transferred the Plan and changed the principal employer, effective from 17 June 2021 (date of signing of Deed of Substitution of Principal Employer and Apportionment) through a Flexible Apportionment Arrangement (FAA), to the Company. The process for changing the principal employer, that was collectively agreed by the Trustee Board and the Company, included an assessment of the overall covenant and a strengthening of the parent guarantee to the scheme. Consequently, the estimated deficit reduction contributions paid into the Plan during the current financial year was £420,000. This is in accordance with the Company transferring the Plan and changing the principal employer, effective from 17 June 2021.

The Company operates a defined benefit scheme for qualifying employees of the Company. Under the scheme, the employees are entitled to retirement benefits amounting to 1/60th of final pensionable pay for each year of pensionable service on attainment of a retirement age of 65. No other post-retirement benefits are provided. The scheme is a funded scheme.

The decision was taken by the management of London United Busways Limited to close the scheme for future accrual with effective date beginning on 30 June 2017. From this date the members of the plan are not entitled anymore for future defined benefits and are auto-enrolled back to the defined contribution schemes.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 1 January 2020 by Mr M Wilkinson, Fellow of the Institute of Actuaries and Faculty of Actuaries and concluded in June 2021. This was the statutory valuation of the scheme. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit method.

In accordance with the statutory obligation of the Plan and to develop the expected long-term rate of return on assets assumption, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

The amounts recognised in the Statement of Financial Position are as follows:

	2021	2020
	£000	£000
Present value of funded obligations	(121,372)	-
Fair value of plan assets	127,971	-
	6,599	
Present value of unfunded obligations	-	-
Surplus	6,599	-
Net asset	6,599	-

The amounts recognised in profit or loss are as follows:

	2021	2020
	£000	£000
Net interest from defined benefit asset	(68)	-
Administrative expenses	368	-
	300	-

Of the charge for the period, £368,000 (2020: £nil) has been included in administrative expenses.

23 Pensions and other post-employment benefit plans (continued)

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

	2021	2020
	£000	£000
Opening liability	-	-
Transfer from subsidiary	114,885	-
Interest cost	1,140	-
Benefits paid	(1,559)	-
Actuarial gains	6,906	-
Closing liability	121,372	-

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

	2021	2020
	£000	£000
Opening fair value of scheme assets	-	-
Transfer from subsidiary	121,660	-
Contributions by employer	215	-
Interest income	1,207	-
Administrative expenses	(368)	-
Actuarial gains	6,816	-
Benefits paid	(1,559)	-
	127,971	-

The amounts recognised in other comprehensive income are as follows:

	2021	2020
	£000	£000
Effects of changes in demographic assumptions	(1,531)	-
Effects of changes in financial assumptions	(5,375)	-
Return on plan assets	6,816	-
	(90)	-

Major categories of scheme assets as amounts of total scheme assets are as follows:

	2021	2020
	£000	£000
Equities	11,631	-
Debt instruments	74,707	-
Other assets	41,633	-
	127,971	-

Principal actuarial assumptions at the statement of financial position date (expressed as weighted average):

Key assumptions	2021	2020
	%	%
Discount rate	1.80	n/a
Future pension increases	3.10	n/a
Inflation	3.30	n/a

The net asset of £6,599,000 as at 31 December 2021 (2020: £nil) is based on the actuarial assumptions detailed above. The impact on the present value of funded obligations of a change in the actuarial assumptions would be as follows:

23 Pensions and other post-employment benefit plans (continued)

	2021
	£000
Scheme assets acquired on transfer	121,660
Scheme liabilities assumed on transfer	(114,885)
Net scheme assets acquired on transfer	6,775
Deferred tax associated with the scheme assumed on transfer (Note 18)	(1,694)
Net asset acquired on transfer of scheme	5,081

	Present value of funded obligations
	£000
Discount rate reduce by 0.25%	127,180
Discount rate increase by 0.25%	115,943
Inflation rate reduce by 0.25%	116,537
Inflation rate increase by 0.25%	125,519

24 Related party disclosures

Transactions between the Company and its related parties are disclosed below:

	Purchases from related party		Sales to related party	
	2021	2020	2021	2020
	£000	£000	£000	£000
RATP Dev SA	2,391	3,013	-	-
Quality Line Transport Limited	-	-	47	185
Selwyns Travel Limited	-	-	-	36
The Original London Sightseeing Tour Limited	-	-	64	51
London United Busways Limited	13	13	1,781	2,229
London Sovereign Limited	-	-	438	565
	2,404	3,026	2,330	3,066

	Amounts owed to related parties		Amounts owed by related parties	
	2021	2020	2021	2020
	£000	£000	£000	£000
RATP Dev SA	142,085	104,336	-	-
Metrolink RATP Dev Limited	1,582	1,598	-	-
Bath Bus Company Limited	-	-	800	800
The Original London Sightseeing Tour Limited	-	-	1,946	1,946
RATP Dev Transit London Limited	-	-	-	-
London United Busways Limited	172	-	-	16,519
London Sovereign Limited	2	-	-	20
London Transit Limited	-	-	81	-
RDGS (RATP Dev Global Sightseeing) Limited	-	11	-	-
	143,841	105,945	2,827	19,285

24 Related party disclosures (continued)

RATP Dev Transit London Limited, Bath Bus Company Limited, The Original London Sightseeing Tour Limited, Metrolink RATP Dev Limited & RDGS (RATP Dev Global Sightseeing) Limited are all subsidiaries of the Company. London United Busways Limited, London Transit Limited & London Sovereign Limited are indirect subsidiaries of the Company, being subsidiaries of RATP Dev Transit London Limited.

Selwyns Travel Limited was sold on 31 March 2020 and all balances settled.

25 Ultimate controlling party

The ultimate parent undertaking of the smallest and largest group of undertakings for which group accounts are drawn up and of which the Company is a member is Régie Autonome des Transports Parisiens. The accounts of Régie Autonome des Transports Parisiens are available at 54, Quai de la Rapée - LAC LA 30, 75012 Paris or from their website: https://www.ratp.fr/en/groupe-ratp/group-presentation/our-essential- documents. The Company's immediate parent company is RATP Dev SA, a company registered in France.

26 Contingent liabilities

The Company is included in a group Composite Company Guarantee with its bankers in relation to group account netting overdraft facility. The liability as at year end was £nil (2020: £nil).

The Company has £8,608,000 (2020: £8,952,000) of guarantees with its bankers, the majority of which are in favour of the group insurers on behalf of the Company's operating subsidiaries. The Directors do not consider there to be any risk of a call against any of the guarantees.

27 Post balance sheet events

The Directors consider there to be no material events subsequent to the reporting date.