Registered in England No. 02652253

WEST MIDLANDS TRAVEL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

WEST MIDLANDS TRAVEL LIMITED

Annual Report and Financial Statements for the Year Ended 31 December 2019

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STRATEGIC REPORT

The Directors present the Strategic Report for the year ended 31 December 2019 for West Midlands Travel Limited (the "Company"). The Directors in preparing this strategic report, have complied with section 414c and section 172 (1) of the Companies Act 2006.

Principal activities and future developments

The principal activity of the Company is the operation of Bus services. There are no plans to change the activities of this Company.

Business review

Unemployment and low economic growth continues to impact on the West Midlands marketplace. Nevertheless the business retains its key strengths.

The Company has an extensive network, offering a high frequency, value for money service to customers. The Company's strong branded ticketing encourages customer loyalty, whilst multi-operator ticketing supports a competitive market.

Cost control programmes, in areas such as driver productivity and engineering excellence, continue to make progress.

In addition, revenue growth initiatives continue, including bulk sales to big employers and institutions; network reviews; marketing; and continued investment in improving fleet quality. The Company's first batch of Electric Vehicles were ordered during the year and have become operational in 2020.

The Company's partnerships with local stakeholders are vital to create the right environment to operate its business successfully. The Company works with the local integrated transport authority, Transport for West Midlands, and seven local authorities to promote transport across the region. The rolling programme of network reviews continues.

The Company's key financial performance indicators during the year were as follows:

	2019 £'000	2018 £'000	%
Revenue	262,925	264,745	(0.7)%
Operating profit	27,773	23,151	20.0 %
Shareholders' funds	68,945	28,381	142.9 %

Revenue decreased slightly in the year to £262,925,000 compared to £264,745,000 in 2018.

Operating profit (before exceptional items) for the year amounted to £27,773,000 (2018: £23,151,000).

Shareholders' funds increased as a result of net movements in the retained profits, dividends, hedge movements and actuarial movements net of deferred tax in respect of the Company's defined benefit pension scheme.

There were no key non-financial performance indicators.

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S172 statement

This statement is made in accordance with section 414CZA Companies Act 2006 (as amended).

In accordance with their duties under section 172(1) Companies Act 2006, the Company's Directors have collectively, and individually, acted in a way that they consider, in good faith, promotes the success of the Company for the benefit of its members as a whole.

In doing so they have had regard, not just to financial factors – denoted by the £ symbol – but also the factors specified in s.172(1)(a) to (f) Companies Act 2006 (the "Factors") – denoted by the symbols shown below.

The table below explains why the Directors always have regard to the Factors in their decision-making:

Factor	Explanation of why Directors have regard to this Factor
(a) The likely consequences of any long-term decision	Our renewed Vision – which is to be the world leader in mass transit and lead in safety, reliability and environmental standards, and is rooted in a belief that driving modal shift from cars to high quality mass transit is fundamental to a safe, green and prosperous future - means that we must make decisions for the long-term and that we must also consider the impacts of such long-term decisions as regards their ability to further and achieve our Vision. Further information about the Group's Vision, and how this has formulated our Purpose and is underpinned by our Values, is set out on page 16 of the Directors' Report.
(b) The interests of the Company's employees	Our employees and members of our wider workforce are our most valuable asset. They are the key to realising our Vision and achieving our Purpose. See page 8 of the Directors' Report for information about how we engage with our employees to enable us to take their views and interests into account in decision-making.
(c) The need to foster business relationships with stakeholders	Our customers are the heart of our business and we strive to earn their loyalty by providing safe, reliable and great value multi-modal services. We also foster strong relationships with other key stakeholders including central and local government and transport authorities, elected members, our regulators, industry groups and our suppliers. See page 10 of the Directors' Report for who our key stakeholders are and how we foster relationships with them to enable us to take their views and interests into account in decision-making.
(d) The impact of the Company's operations on the community and environment	We play a vital role in the communities we serve by connecting the people who live in those communities with their work, leisure, family and friends. We are also focused on reducing the environmental impact of our operations. Per passenger, bus travel is less polluting than trains and vastly better than petrol and diesel cars. As such, modal shift (getting people out of cars and onto buses) is the single most important thing we can do. Because of this, we take both the community and the environment into careful consideration in our decision-making.
(e) Maintaining a reputation of high standards and business conduct	Our reputation is key. It underpins our ability to earn the loyalty of our customers and thereby to grow our business through increased commercial passenger journeys and contract wins. We pride ourselves on being one of, if not the, safest transport service providers in the world. As a bus operator, we are also required to hold and maintain a PSV operator licence, pursuant to which we must meet a requirement of good repute. We will always therefore consider the importance of our reputation when making decisions.
(f) Acting fairly between members of the Company	We are a wholly owned subsidiary and therefore have only one shareholder to whom we are accountable. That said, everything we do well benefits our sole shareholder, financially through the returns we generate and reputationally through the way we operate. See page 24 of the Financial Statements for information on financial performance.

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The table below describes certain key decisions taken by the Company's Directors during its financial year ended 31 December 2019 and how the Board had regard (among other matters) to the Factors in those decisions:

Key Board Decision	**Factor(s)**	**Explanation of how the Directors have had regard to these Factors**
Purchase of 75 new double decker hybrid buses and 29 new electric buses		The new vehicles have expected useful economic lives of 18 years, contributing to the Company's fixed asset base and enabling it to use those assets to continue to provide its bus services in the long-term
		Newer vehicles are more reliable and provide a better experience both for our customers journeys and our drivers' driving experience, together with lower costs of ongoing maintenance for the Company
		The new vehicles have lower emissions than traditional diesel buses, to the benefit of both the local communities and the environment, also advancing the Company's reputation as one which rightly cares about these matters
		The purchase of the vehicles from the Company's long-term bus supplier, at favourable prices based on volumes, with whom the Company worked to develop the design and specification of the such vehicles, served to continue to foster good relations with such supplier
Upgrade of 500 buses by retro-fitting engines to bring them up to the cleanest EURO VI emission standard		The upgrade increased the value of these fixed assets, enhancing the Company's fixed asset base and enabling it to use those assets to continue to provide its bus services in the long-term
		The upgrades reduce the carbon and nitrogen oxide emissions from these vehicles, to the benefit of both the local communities they serve and the environment, also advancing the Company's reputation as one which rightly cares about these matters
		The Company fostered a new relationship with a new supplier for the majority of the upgrade work and received Government grant funding to part pay the costs
Launch of the Post Qualification Support (PQS) programme; a continuous personalised training plan aimed at newly qualified bus drivers to support them through the first 6 -12 months of their new career		The PQS provides a valuable personalised learning tool for new drivers, who have been shown to have the highest number of incidents within the first 6-12 months of their career. Approximately 5,000 drivers in the West Midlands will benefit from PQS by enhancing their driving skills and road safety awareness, creating a positive impact on the local community
		The PQS is expected to decrease driver turnover by keeping new employees engaged, and enhancing their performance, in their job, helping the Company to maintain a stable workforce to the benefit of both the Company and those new employees over the long-term
		The PQS should create safer drivers which will result in fewer road traffic accidents and personal injuries resulting from them, maintaining the Company's reputation as one which puts safety first and invests in its workforce and reducing costs from fewer claims
Launch of the Engineering Excellence (EE) programme; designed to identify areas of improvement in all aspects of the business, including to achieve cost-savings, safety improvements and better customer satisfaction		The EE programme could generate significant cost savings for the Company, via the EE team tasked to look at every aspect of the business, making the business more profitable in the longer-term
		The new EE team would be tasked with conducting deep dives into bus breakdowns, identifying common causes and implementing fixes, thereby improving the customer experience, in turn earning customers' loyalty over the long-term
		The new EE team would also be tasked with investigating incidents such as bus fires, identifying the common root causes and implementing fixes, thereby enhancing the safety of passengers, drivers and the reputation of the Company for putting safety first and reducing the Company's costs through fewer vehicle write offs and replacements
Continued involvement in the West Midlands Bus Alliance to deliver high levels of passenger satisfaction and drive forward investment in bus services		The continued Alliance allows us to continue to foster relationships with many of our key stakeholder groups resulting in improved services for our valued customers through transport improvement initiatives delivered in collaboration with such stakeholders
		The continued Alliance should cement our reputation as a provider of clean and green mass transit and provide us with a platform to make further investment in zero emissions vehicles, providing us with long-term valuable assets

Health and Safety

The safety of customers, employees and the general public is key to the Company's operations. During 2019 the enhanced focus on safety continued.

The majority of the Company's buses have CCTV systems leading to the availability of more and better images of on-board activity coupled with campaigns informing passengers that CCTV technology is in use.

Further discussion on corporate responsibility, including Health & Safety and Environment, in the context of the group as a whole can be found in the “Our Vision and Values” section of the National Express Group PLC Annual Report & Financial Statements.

Environment

The Company remains committed to reduce carbon emissions through its day to day activities and focuses on the three main areas of fuel, site energy and waste to landfill. Capital investment in new, low carbon and fuel efficient fleet continued in 2019 with 75 new vehicles being received.

The Company continues to show improvement against carbon emissions KPIs, showing a reduction in carbon emissions per million passenger kilometres year on year to 125,466 tCO2e (2018: 128,787 tCo2e). In addition, year on year reductions have been achieved in energy and water consumption.

During the year, the Company was judged the safest public transport company in the world by the British Safety Council, scoring 99.17% in its Five Star Health and Safety Audit.

Operational review

Improvements continued to be made to service quality across the operation, whilst continuous review of timetables and routes enabled revisions to be made to reflect changes in both long term and short term demand.

Employees

The UK Bus People Strategy is based upon the following key areas: health and well-being; reward and recognition; performance management, talent and development; resourcing and organisational design; partnerships and stakeholders and culture and engagement. All our human resources activities are structured around these areas.

The Company strives at all times to be absolutely fair, reasonable and professional in all its dealings with its employees. The Company has a diverse range of employees, reflecting well the communities it serves, and is committed to ensuring that all individuals are treated equally, with respect and are valued irrespective of disability, race, gender, health, social class, sexual preference, marital status, nationality, religion, employment status, age or membership or non-membership of a trade union.

Full and fair consideration is given to applications for employment received from disabled persons, according to their skills and capabilities. The services of any existing employee disabled during their period of employment are retained wherever possible.

One of the five core corporate Values of National Express Group is People and the Company recognises the impact that a well-trained, motivated and led workforce can have on customer satisfaction and business performance. Employee engagement is a key priority for the business and is measured every year with an employee survey. The results of this survey are extensively analysed and used to develop detailed action plans which incorporate both division-wide initiatives and local actions specific to individual sites. Both the results and the action plans are communicated widely across the business and

progress against the plans is monitored at Business Review Meetings alongside all the financial and operational key performances indicators. It was very encouraging that the latest employee survey results showed the highest ever level of employee engagement across the business, with some of the Company's targeted people initiatives clearly making a significant impact.

The Company places considerable value on the involvement of its employees and has a number of mechanisms to achieve this. These include: Garage Councils; regular consultative meetings with all the different trade union representatives; a 'Women's National Express' (WNX) working group (dealing specifically with gender equality issues); garage focus groups; health and safety meetings and other informal meetings.

Effective communication is a key part of the Company's employee engagement strategy and the Company consults with and keeps employees informed about issues which affect them, safety matters and about the performance of the business through: individual National Express email accounts for all employees; an on-line portal to access relevant information; divisional and local newsletters; 'toolbox talks'; team meetings and specific briefing sessions.

Principal risks and uncertainties

Coronavirus ("Covid-19") was declared a global pandemic in March 2020. The impact of Covid-19 on the business and the risks associated with its impact on future trading performance is discussed in more detail in the going concern section.

The Directors have determined that the level of uncertainty surrounding Brexit requires it to be disclosed as a specific principal risk. Whilst at the date of this report the likelihood of a trade deal not being struck appears to be increasing, given the limited exposure the Company has to cross-border trade, the Directors do not believe that Brexit poses a material threat to the Company.

There is also increasing popular, political and customer demand for alternative fuel (electric, hydrogen etc.) vehicles. Such a transition involves potentially material changes in financing, maintaining and operating the assets, creating execution risk.

The defined benefit pension scheme is also exposed to the sensitivity of its assumptions together with the volatility of investments since the balance sheet date following the Covid-19 pandemic.

Approved by the Board and signed on its behalf by:

S J Rollings
Director
29 September 2020

Registered office: 51 Bordesley Green
Birmingham
B9 4BZ

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DIRECTORS' REPORT

The Directors present the annual report and audited financial statements for the year ended 31 December 2019.

Principal activities and future developments

The principal activities and future developments of the Company are described in the Strategic Report.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of signing the financial statements. Accordingly, the financial statements have been prepared on a going concern basis. The Company is primarily funded through the cash held in the Company's bank accounts. It is not expected that the Company will require funding from the parent undertaking in the foreseeable future. Details of post balance sheet events are provided in Note 26 to the financial statements.

The Covid-19 pandemic has clearly had an unprecedented impact on the Company and on the transport sector in general. At the low point, patronage was well below 20% of the prior year but has since recovered to around 50-60% in the early autumn and continues to improve. As lockdown restrictions eased we saw improvement in activity levels, passenger numbers and revenue, but there remains some uncertainty over the short to medium term.

However, since mid-March we have been supported by the Covid Bus Services Support Grant, which is provided by the Department for Transport to ensure that we operate without incurring operating losses. We continue to receive this support during the ongoing period of uncertainty and social distancing and the programme is in place on a rolling basis until such time as it is no longer needed.

We also have the significant support of our ultimate parent company, National Express Group PLC. The parent has confirmed in a signed letter of support that it will make funding available to the Company to enable it to meet its debts as they fall due for repayment for a period of at least one year following the signature date of these Financial Statements. Even in light of the Covid 19 pandemic, National Express Group PLC has around £1.5 billion of overdraft and undrawn committed facilities that it can draw upon.

The Directors of National Express Group PLC recently reviewed financial projections across a range of scenarios; principally including a base case and a reasonable worst case. The Directors also applied reverse stress tests in which in which they assessed the set of circumstances that would be necessary for the Group to either breach the limits of its borrowing facilities or breach the revised covenant tests.

In the base case scenario the Group has a strong liquidity position over the next 12 months; materially above what is required to meet its obligations as they fall due. Furthermore the Group has headroom on all of its revised covenant tests. In the reasonable worst case scenario, and before applying operating and capital expenditure mitigations, the Group has a strong liquidity position throughout and there would also be headroom on the revised covenant tests over the next 12 months. For the reverse stress test, the Directors have concluded that the set of circumstances required to exhaust the level of Group liquidity are so extreme as to be considered clearly remote.

Dividends

The Directors do not propose the payment of a final dividend (2018: £Nil). An interim dividend of £15,000,000 was paid during the year (2018: £10,000,000) and a dividend of £10,000,000 was received (2018: £6,000,000).

Directors and their interests

The Directors of the Company who served during the year and up to the date of signing this report, together with their dates of appointment and/or resignation where appropriate, were:

D Bradford	
A Cook	
M D Hancock	
T F Stables	
P R Barlow	(appointed 8 May 2019, resigned 18 June 2020)
S J Rollings	(appointed 1 October 2019)
K Gale	(resigned 8 May 2019)

The Directors served throughout the year or from the date of their appointment if later or to the date of their resignation.

Directors' qualifying third party indemnity provision

Under the Company's Articles of Association the Company provides an indemnity for its Directors and officers in accordance with the provisions of the Companies Act 2006.

Employee engagement

This statement is made in accordance with paragraph 11(1) of Part 4 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

Engaging with employees and taking their views into account

The Company places considerable value on engagement with its employees (and members of its wider workforce) and various methods are used to communicate and engage with them, including:

- the regular issue of business related newsletters, edited by the Company's Managing Director and guest edited from time to time by other managers, providing information about the Company's performance and other matters of interest to staff, including business and operational successes and challenges, patronage trends, new ticket prices or arrangements, new business partnerships, new policies and procedures and top tips for staying safe;
- the regular posting of operational related notices, on Company depot noticeboards for those workers who do not work at a computer or have a work email address, or on the Company's intranet sites and by email for those workers who do, providing information about operational matters, such as route and rota changes, local congestion, accident hot-spots and ticketing changes;
- one-to-team communications between team leaders and their teams, and one-to-one communications between line managers and their direct reports raising awareness of matters covered by corporate communications and newsletters, dealing with team priorities and objectives or dealing with matters relevant to individual employees;
- consultation with Trade Unions where appropriate on matters that affect employees who are their members, including regarding pay and changes in working practices;
- formal consultation with employees where required in accordance with applicable law;

- a monthly ‘ask the manager’ conference call which employees may join to hear an update about the Company’s performance in the month and to ask, anonymously if they wish, any questions they have for management; and
- participation in employee engagement surveys, the results of which are shared with the workforce and, in the case of any areas identified for improvement, action plans are developed, supported by local engagement champions.

Some of our most successful initiatives have been born from workforce engagement. For example, the “Master Driver” programme was developed after drivers gave feedback that there was no clear programme for recognition and career progression. The award-winning Health Bus, which supports the health and wellbeing of our people, was also developed in response to a suggestion made in the employee engagement survey.

Across the Group we also run a variety of programmes which actively seek employees’ ideas about how performance can be improved. For example, we have ‘Idea Street’, which is a programme through which employees can submit their ideas and win prizes if those ideas are implemented. It has been used to reduce fraudulent use of OAP cards, reduce lost mileage due to spillages, reduce the cost of tyre damage and secure more prosecutions of members of the public who spit at drivers.

The views of employees and other workers, obtained via these engagement mechanisms, are often be taken into account by the Directors when taking decisions. Details of how employees’ and other workers’ interests have been taken into account in some key decisions taken by the Company’s Directors during the year under review are set out on pages 3 and 5 of the Strategic Report.

Involving employees in Company performance

Our Values underpin our strategy and are key to the fulfilment of our Purpose. As such, the promotion of our Values and our encouragement that every member of the Company’s workforce live by them is the most effective way of involving them in the Company’s performance. Every year, employees can nominate their colleagues for demonstrating behaviours which exemplify our Values. The winners in each value category are given a cash prize and nominated for the Group awards. The overall winners of the Group Values Awards are chosen at an annual event in London which brings employees from across the Group’s global businesses together to honour and congratulate their achievements.

The Company, as a member of a Group with a large proportion of the workforce based internationally, does not operate an all employee share scheme. Rather, the Company and its Group place emphasis on fair pay structures and local bonus and loyalty schemes to recognise and reward excellent performance and loyalty.

Promoting common awareness among employees of financial and economic factors affecting Company performance

The Company’s Directors and members of its executive management teams have an in-depth understanding of the financial, economic and other factors, such as safety, which affect the Company’s performance and they have developed key performance indicators (KPIs) for each of these and regularly track and report against such KPIs at the Board’s UK Divisional and Business Executive Committee meetings.

Various of the Company’s employee engagement mechanisms described on page 8 are also used to provide information about the Company’s strategy and explain the key factors that affect the Company’s performance to the wider workforce, including those working ‘on the front line’. For example, newsletters discuss patronage levels and ticket prices which are the key financial and economic factors affecting our open bus network services, and one-to-team and one-to-one communications cover service performance levels and costs which are the key financial and economic factors affecting our contracted services, all of which in turn are key to the financial health and overall performance of the Company.

Equal opportunities

The Company is an equal opportunities employer and, in line with the Group's Equal Opportunities Policy, treats all employees equally, irrespective of race, gender, disability, age, sexual preference, marital status, employment status, religious or political beliefs and social background.

The Company also gives full and fair consideration to disabled applicants for employment having regard to their skills and capabilities, as confirmed in the Group Recruitment and Selection Policy, and recognises its obligations in connection with the continuing employment and training of members of the workforce who have become disabled whilst in the Company's employment. Where an employee becomes disabled, the objective is to retain their services wherever possible. The Company also works to ensure the continued career development of disabled persons including through training and promotion wherever their skills and capabilities permit.

The Company promotes an environment free from discrimination, harassment or victimisation and a culture in which members of the workforce are able to raise concerns without suffering detrimental treatment. To this end, the Company has in place comprehensive policies and procedures which are designed to enable the workforce and others to raise any concerns they have, including a confidential whistleblowing helpline.

Stakeholder relationships

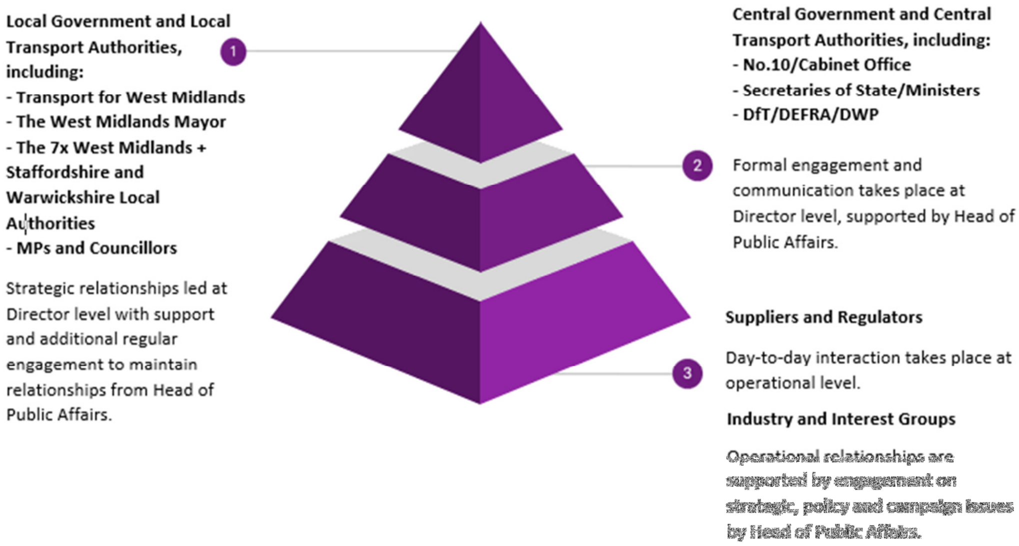
This statement is made in accordance with paragraph 11(B) of Part 4 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

As explained on page 3, the Company strives to be a proactive and trusted partner to its key stakeholders, by seeking to understand their priorities and form alliances with them. The Company does this by identifying and prioritising stakeholders across its business and maintaining a different engagement strategy with them depending on their importance to its business. The table below sets out who the Company's key stakeholders are, why they are key stakeholders and how the Company engages with them:

Key stakeholder	Why a key stakeholder?	How we engage with key stakeholders
Workforce	The Company's best asset is its workforce and is key in achieving the Company's Purpose by upholding its Values and delivering its strategy, particularly by their adherence to the Company's safety and operational standards and their provision of excellent customer service	We engage with our workforce via regular business newsletters, operational notices, one-to-team and one-to-one meetings, dialogue with Trade Unions, recognition and reward schemes and employee surveys. Further details of our employee engagement are set out in our Employee Engagement statement on page 8.
Customers	Our customers are the heart of our business and the source of our revenue so we strive to earn their loyalty by providing safe, reliable and great value multi-modal services on clean and green vehicles and by providing a great customer experience	We engage with our customers and receive feedback from them through our bus app, social media, our customer service centre, customer surveys, consumer testing of new digital technology developed to improve the customer experience, customer panels where a dialogue with customers is maintained and through the West Midlands Combined Authority and West Midlands Bus Alliance
Local Government and Local Transport Authorities, including:	These stakeholders are collectively highly influential to our business as they can help us to provide more effective, efficient and good value services for our customers, so	We engage in regular meaningful dialogue with relevant local and regional decision makers to help shape thinking in advance of the formal policy developments

• Transport for West Midlands • The Elected Mayor for the West Midlands • Birmingham, Coventry and other relevant City Councils	we pro-actively work alongside them and maintain open channels of dialogue As the largest local authority and managing the centre of the West Midlands transport network, Birmingham City Council is a particularly important stakeholder	Our partnership approach in the West Midlands – including the pioneering West Midlands Bus Alliance - has won us many awards, cemented our industry leadership and delivered many benefits to our business and customers We proactively respond to relevant local government consultations and communicate this through the media where appropriate
Central Government and Central Transport Authorities, including: • No.10 / DfT / DEFRA / DWP • Relevant Secretaries of State/Ministers • Highways England	Central Government is key to setting polices and regulation that can affect our business, so we work closely with this stakeholder group to ensure that policy-makers understand our operational requirements and consider them when developing policy	We engage in regular meaningful dialogue with Government departments to help shape thinking in advance of the formal policy developments We have established strategic quarterly meetings attended by a Director and those with relevant expertise in the business for key stakeholders such as Highways England and we provide representation on relevant external Boards including Highways England Bus We proactively respond to relevant national government consultations and communicate this through the media where appropriate
Elected members, such as MPs and Councillors	We gain useful knowledge and support from elected members as representatives of their residents/constituents, so we seek to engage with them whenever appropriate	We inform and engage elected members when we make large-scale changes to bus networks in an area through our public consultation process We also engage in regular meaningful dialogue with MPs and Councillors on bus issues that are important to their residents/constituents
Regulators, including: • Traffic Commissioner • DVSA • DVLA	The Traffic Commissioner – as the operating licence authority – and the DVSA and DVLA – as regulators of vehicle standards and driver licensing – are vital to the lawful operation of our bus services	We ensure that we keep the Traffic Commissioner fully appraised of any changes or developments through regular communication We work collaboratively with the DVSA to ensure our vehicles adhere to their standards and with the DVLA to ensure our drivers are duly licensed
Industry and interest groups	We are a member of the Confederation of Public Transport (CPT); Campaign for Better Transport; and Chambers of Commerce in Birmingham and the Black Country These stakeholders provide us with specialist knowledge and help us to amplify our message	We attend regular meetings of the CPT, give support to the Campaign for Better Transport and liaise as appropriate with the Chambers of Commerce As noted above, we led the establishment of the West Midlands Bus Alliance Board alongside the West Midlands Combined Authority, Transport Focus, the police and others and it acts as a forum for cohesive engagement and collaboration on topics of common interest
Suppliers	Our suppliers are vital in helping us to deliver our services in an effective, efficient and good value way and thereby help us to achieve our strategy and Purpose	We recognise the value of building strong relationships with our suppliers and our procurement teams work collaboratively with them to agree and then meet mutually acceptable contract terms and ensure there are no disruptions to supply chain

A pyramid approach is used to ensure stakeholder engagement takes place at the right level of the business so that the right people in the business (whether strategic or operational) lead the relationships with their equivalents in stakeholder organisations, as illustrated by the diagram below:



Details of how certain stakeholders views and interests have been taken into account in, and affected, some key decisions taken by the Company's Directors during the year under review are set out in the Company's s.172(1) Statement on page 3 of the Strategic Report.

Financial risk management objective and policies

a) Cash flow risk
The Company's activities expose it to market risks relating to fuel prices. It is the Company's policy to hedge this exposure in order to provide a level of certainty as to costs in the short term and to reduce the year on year fluctuations over the medium term. This is achieved by entering into fuel derivatives details of which can be found in note 19.

Interest bearing liabilities are held at fixed rates to ensure certainty of cash flows.

b) Credit risk
The Company's principal financial assets are bank balances, trade and other receivables. The risk is mitigated by a number of factors including many of the debtors being with other companies within the National Express Group or with public bodies. The Company has implemented policies that require appropriate credit checks on potential customers before sales commence.

c) Liquidity risk
In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of short and long term planning.

Statement of corporate governance arrangements

This statement is made in accordance with paragraphs 23 and 26 of Part 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

Corporate Governance Framework
The Company's corporate governance framework is designed to enable its Board of Directors to take appropriately high-level decisions and to delegate to Committees appropriate oversight activities and

operational decisions. The framework also reflects the facts that the Company is a wholly-owned (indirect) subsidiary of National Express Group PLC (LSE:NEX), and one of a number of companies comprised in the National Express UK Division, which includes National Express Group PLC's UK bus and coach operating companies, which receive support from various functional teams who support both UK bus and coach.

The diagram below illustrates the nature and explains the composition of the organs which are comprised in the Company's corporate governance framework, and the relationships between them:

Shareholder

The Company is ultimately owned by National Express Group PLC, to whom the Company and its Board of Directors regularly report via monthly UK Divisional Executive Reports which are discussed in monthly Group UK Executive meetings, and otherwise via ad hoc reporting as required. The Company also complies with appropriate directions given by National Express Group PLC as its ultimate parent company and shareholder, subject to the Directors' duties.

Board of Directors

The Company's Board of Directors is collectively responsible for the long-term sustainable success of the Company, through establishing the Company's purpose, strategy, risk appetite and governance arrangements. The Board has a formal list of matters reserved to it, details of which are set out on page 9. The Board meets quarterly or more frequently as required to discharge its responsibilities. Other matters are delegated by the Board to its UK Divisional and Business Executive Committees. Biographies of the individuals who comprised the Company's Board of Directors during the year under review are set out on page 15.

UK Divisional Committee

The UK Divisional Committee, which reports into the Board of Directors, is comprised of the UK Division Managing Director and Finance Director, the Company's Managing Director and Finance Director and has co-opted to it the UK Division's functional heads of service, including the UK Safety, Operations, Commercial, Sales & Marketing, Property and HR directors. The Committee has agreed terms of reference, details of which are set out on page 14, and meets monthly to discuss cross-Divisional risks and opportunities and agree cross-Divisional initiatives.

Business Executive Committee

The Business Executive Committee, which also reports into the Board of Directors, is comprised of the Company's Managing Director and Finance Director and their direct reports in the areas of safety, operations, finance and commercial. The Committee has agreed terms of reference, details of which are set out on page 14, and meets weekly to review the Company's safety, financial and operational performance and to refer appropriate matters to either the UK Divisional Committee or the Board of Directors for information or approval.

Our Approach to Governance

The Company has developed an internal governance policy – "One Team Moving People" - which expounds the philosophy and promotes the behaviours of the Board and its Committees when governing the Company. Further details are set out on page 14.

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Corporate Governance Framework continued

The table below summarises the matters which are reserved to the Company's Board of Directors and those which, in accordance with their respective terms of reference, are delegated by the Board to its UK Divisional Committee and its Business Executive Committee:

Board Reserved Matters	UK Divisional Committee Delegated Responsibilities	Business Executive Committee Delegated Responsibilities
➢ Approve the Company's strategy and risk appetite ➢ Approve the Company's business plans and budgets ➢ Approving the Company's accounts and the payment or recommendation of interim and final dividends ➢ Approve acquisitions and disposals of companies, businesses and material assets ➢ Approve joint venture and partnership arrangements ➢ Approve borrowings, swaps and guarantees ➢ Approve capital and operating expenditure above a certain level ➢ Approve the Company's entry into or variation of material contracts above a certain value ➢ Approve the issue, defence and settlement of legal proceedings above a certain value ➢ Approve Director appointments and removals ➢ Review the effectiveness of the management of the Company's transport operations and compliance with its operator licence undertakings ➢ Review the Company's compliance with its other legal obligations ➢ Review the effectiveness of the Board's corporate governance arrangements and each of its corporate governance statement, s.172(1), stakeholder engagement and employee engagement statements ➢ Receive reports on the activities of the UK Divisional Committee and the Business Executive Committee	➢ Review the Company's performance against its strategy and make recommendations to the Board regarding any change in strategy ➢ Review the Company's risks and the actions being taken to mitigate those risks and make recommendations to the Board regarding any change in risk appetite ➢ Monitor the Company's performance against its approved business plans and budgets ➢ Identify and develop business initiatives and review the Company's progress against those initiatives ➢ Approve all new health and safety policies and procedures and variations thereto ➢ Oversee succession planning for senior management ➢ Review and approve organisational changes and major changes to employment conditions and pension arrangements ➢ Report to the Board of Directors	➢ Monitor the Company's performance against KPIs ➢ Review and approve major changes to pricing strategy, including fares, and to the service offering, including routes and timetables ➢ Approve acquisitions and disposals of less material assets ➢ Approve the Company's entry into or variation of less material contracts ➢ Approve capital and operating expenditure below a certain level ➢ Approve the issue, defence and settlement of legal proceedings below a certain value ➢ Approve changes to employment conditions, including any negotiated with trade unions ➢ Review all major health & safety incidents to establish the root cause and devise any improvement plans ➢ Report to the Board of Directors

The table below provides more details about the Board's and its Committees' approach to governance:

The Company's "One Team Moving People" expounds the philosophy that good governance gives the Company:
- the ability to understand and identify opportunities and risks;
- the capability to use the Company's resources to capitalise on or manage them; and
- the agility to do so quickly and overcome resistance to change,

thereby, enabling the Company to deliver for its shareholder and other stakeholders.
It promotes the following behaviours in governance meetings:
- Truth – everyone should express views openly and honestly
- Respect – everyone should listen and learn
- Debate – everyone has the right to challenge and respond
- Independence – there should be no "group-think"
- Commitment – everyone should deliver on their actions
- Preparation – everyone should prepare and be prepared

And is underpinned by the following practical requirements for governance meetings:
- Mandatory and punctual attendance
- Clear agendas and timings
- Timely and well-prepared papers

Corporate Governance Framework continued

Short biographies of the individuals who were Directors of the Company during the year under review, together with an explanation of the key strengths and contributions to the Board, are given in the table below:

Tom Stables UK Division & Germany Managing Director	**Paul Barlow** UK Division & Germany Finance Director
Tom joined the National Express Group in 2011 as Business Development Director and was appointed Managing Director, UK Coach in 2012. In May 2017 Tom was appointed as Managing Director of the whole National Express UK Division, including UK coach and UK bus, and as Managing Director the Group's German Rail operation. Prior to joining the Group, Tom worked for First Great Western Trains as Commercial Director, First Group America as Senior Vice President Commercial Development (among other positions) and for KPMG. Tom is a qualified Chartered Accountant and his particular strengths lie in his strategic thinking, his ability to identify and capitalise on opportunities, his financial literacy and his strong leadership skills, including in particular through his strong focus on people development and management.	Paul joined the National Express Group in 2018 as the Finance Director of the whole National Express UK Division and the Group's German Rail operation. Prior to joining the Group, Paul held a number of financial accounting and operational roles at both private equity and listed firms including Cavendish & Gloucester plc, Morgan Tucker, Network Rail and Balfour Beatty plc. Paul is a qualified Chartered Accountant and is also fluent in both Spanish and German. He has over a decade of experience in the infrastructure sector and particular experience in cost reduction, including close cash control and process improvement and mergers and acquisitions. Since the end of the year under review, Paul Barlow has left the Company.
David Bradford UK Bus Managing Director	**Steve Rollings** UK Bus Finance Director
David has been with the National Express Group for nine years, including as Bus Commercial Director from 2011 to 2018 and as Managing Director of UK bus (including the Company) since then. Prior to this, David worked for FirstGroup in various roles across its UK rail, bus and North American operations. David brings particular strengths in strategic thinking, commercial focus and stakeholder relations, including the development of the West Midlands Bus Alliance. David also has a strong focus on UK bus operations, supported by his direct reports in safety and operations, and in winning new business and delivering projects, supported by his direct reports in commercial and business development.	Steve is a chartered accountant with over 20 years' experience in both practice and industry. He has been with the National Express Group for 10 years, holding a number of financial positions within the Group, including Group Chief Accountant and Deputy Group Controller. In 2019 Steve was appointed as Finance Director of UK bus (including the Company). Steve trained and worked at KPMG, before taking on a number of financial accounting roles in large listed and private equity companies. Steve brings to his role extensive experience of financial control and reporting, process change, cash management and technical assurance for projects.
Martin Hancock UK Bus Business Development Director	**Adam Cook** UK Property Director
Martin has been with the Company since 1990 and has held a number of different positions during that time, including in operations, business development, marketing and commercial. Martin became a Director of the Company in September 2004 with the title of Development Director. Martin is a professional town and transport planner. He brings a vast level of experience, gained over three decades, of bus operations in the West Midlands. He has particular expertise in operator's licence regulation and requirements and competition policies, particularly in respect of multi-operator ticketing, network development and interaction with other bus operators. Additionally, he has well-developed and productive relationships with National Government and Trade Organisations facilitating two-way feedback between policy makers and the Company. He is the National Express Bus lead on National bus policy issues and on the Confederation of Passenger Transport.	Adam joined the National Express Group in 2017 as the UK Property Director, advising and assisting all the National Express UK Division companies (including the Company) on property matters. This is particularly relevant to the Company in view of its large portfolio of bus depots. Prior to joining the Group Adam worked as a consultant for Nottingham Fire & Rescue Service, and also held roles with NHS UCLH Foundation Trust as Head of Facilities Management and Commercial Services; British Midlands Airways as Head of Property and Airport Development and various roles within British Airways. Adam has an MSc in The Built Environment and a Management Studies Diploma and brings to the role a technical property and management expertise and the ability to balance long term planning and strategic targets with operational requirements.

Corporate Governance Code

In 2019 the Company enhanced its existing governance framework and approach by adopting the Wates Corporate Governance Principles for Large Private Companies issued by the Financial Reporting Council (the "Wates Principles"). The way in which the Company complied with the Wates Principles during its financial year ended 31 December 2019 is explained in the table below:

<table>
<tr><th>Wates Principle</th><th>Explanation of Compliance</th></tr>
<tr><td>Purpose and Leadership – An effective board develops and promotes the purpose of a company and ensures that its values, strategy and culture align with that purpose</td><td>During the year under review, the Company's ultimate shareholder, National Express Group PLC ("NEG PLC"), reviewed and renewed its Purpose to better reflect its role and that of its subsidiaries (together, the "Group") in society. The Group's Vision is to be the world leader in mass transit and lead in safety, reliability and environmental standards, which Vision is rooted in a belief that driving modal shift from cars to high quality mass transit is fundamental to a safe, green and prosperous future. The Group's Purpose is to help lead this modal shift by making mass transit an increasingly attractive option for all its customers by earning their loyalty by providing safe, reliable and great value multi-modal services on clean and green vehicles. The Company, as a subsidiary of NEG PLC, has adopted this same Purpose and its strategy is geared towards achieving the same.

The Company has adopted the same core five Values as are held by NEG PLC as they provide the best framework to deliver the Group's renewed Vision and Purpose. These Values are:
• Safety – to be the safest mass transit operator in the communities we serve
• Excellence – to be the leader in every market we operate in, trusted to deliver service excellence, consistently
• Customers – to be the most trusted and valued mass transit partner
• People – to be the place to work in mass transit
• Community and Environment – to be the world's greenest mass transit operator; a trusted partner to the communities we serve

Our Values make clear our priorities and form the foundations of the Group's culture:
➢ Safety is our highest priority and underpins everything we do. The Group's "Driving out Harm" programme introduced in 2011 and involving multiple safety initiatives had by 2019 reduced the Group's Fatalities and Weighted Injuries score by more than 80%. The Group's "Target Zero" ambition adopted in 2017 was also achieved by 2019 through the Group having no responsible fatalities. The Company, as an integral part of the Group, helped deliver these considerable achievements; its own contribution highlighted through its commendation by the British Safety Council as being "the safest public transport company" of all those audited during 2019.
➢ The combination of Excellence in the delivery of our operations, including through the development and implementation of Standard Operating Procedures, our focus on putting the Customer at the heart of what we do, including by the development of the "NX Way" for customer service teams, and our investment in our People, including through the "Master Driver" and "Master Technician" programmes which recognise and reward the most skilled and dedicated drivers and vehicle technicians, support the delivery of the Company's strategy. These initiatives also make a collective contribution to the Community as they each help achieve the provision of quality bus services to the people living in the communities we serve.
➢ During the course of 2019, the Environment was also given significantly greater prominence by the Company and the Group, as evidenced through the Group's pledge never to buy another diesel bus in the UK and its ambition to achieve zero carbon emissions in UK bus by 2025. This ambition also serves the Community by helping to ensure cleaner air in the cities and regions we serve.

The Board actively communicates the Company's Purpose and promotes its Values via direct channels of communication between Directors and the workforce and through the adoption and promotion of the Group's standards, policies and procedures, such as its Global Safety Standards and its Anti-Bribery and Corruption, Anti-Slavery and Human Trafficking, Anti-Bullying and Harassment and Whistleblowing Policies, and the Company's own policies on fair employee practices and supplier protocols, which all promote a healthy corporate culture. The Board also monitors the Company's culture to assess whether the Company is living by its Values which, as noted above, support the achievement of its strategy and Purpose. Further details about the ways in which the Directors engage with the workforce are set out in the Company's employee engagement statement on page 8 of this Directors' Report.</td></tr>
</table>

Board Composition – *Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company*	During the year under review, the Company's Board was comprised of six individuals who held senior roles in the management and operation of the Company: the UK Division Managing Director and Finance Director (each of whom also served throughout the year on NEG PLC's UK Executive Committee and on the boards of other companies within the Group's UK Division); the Company Managing Director and Finance Director (each of whom also served throughout the year on the boards of other companies within the UK Bus Division); the Business Development Director and the UK Property Director. Biographies of these Directors are set out on page 15 and demonstrate the diverse range of the experience, skills and knowledge held by them. Collectively, such Directors are able to use these experiences, skills and knowledge to make valuable contributions to decisions in their day to day managerial work and in Board and Committee meetings. Their different backgrounds and skillsets also enable them to bring diverse perspectives to bear on decision-making and contribute to effective debate and challenge at Board and Committee meetings. Board and UK Divisional Committee meetings are chaired by the UK Division Managing Director, who, together with the UK Division Finance Director, provide strategic direction and an understanding (due to their roles on NEG PLC's UK Executive Committee) of the Company's contribution to the Group's objectives. Business Executive Committee meetings are chaired by the Company Managing Director who, together with the Company Finance Director, provide managerial direction, support and challenge to all their respective direct reports. As all Directors are engaged in the management of the Company and none hold any employment or professional engagements outside of the Company (or, in the case of the UK Division Managing Director and Finance Director, other members of the Group), all Directors have sufficient capacity to fulfil their legal responsibilities and make effective contributions to the management of the Company. In view of the size of the Company and scale and nature of its operations, the size and composition of the Board is currently considered appropriate.
Directors Responsibilities – *The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision making and independent challenge*	The Company's governance framework and approach to governance, as explained on pages 12 to 15, guides the Directors on their legal responsibilities and accountability to deliver sustainable value for the benefit of the Company's shareholder, after duly taking into account other stakeholder interests, and otherwise in their general conduct. Those matters also provide a roadmap to support good governance, effective decision making and independent challenge, including by prescribing that Board and Committee papers are provided in a timely manner in advance of meetings and that these are read and digested prior to each meeting to enable effective contribution by all those present and by encouraging open and active debate among and challenge at Board and Committee meetings to facilitate better decision-making. From time to time, the Company's Directors also receive refresher training on their legal duties and responsibilities as directors of an English company. During the year under review, the Directors received training on their new reporting obligations under the Companies (Miscellaneous Reporting) Regulations 2018 and on the scope and import of the Wates Principles, pursuant to which these disclosures and explanations are being made. They also received refresher training on their duties under s.172(1) Companies Act and training on the new reporting obligations under s.414CZA Companies Act 2006 (as amended) and Part 4 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).
Opportunity and Risk – *A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks*	The Company's approach to governance, as explained on pages 12 to 15, promotes the identification of both opportunities and risks through the open debate and challenge it encourages. The Board's UK Divisional Committee, as a Committee comprised of the UK Divisional Managing Director and Finance Director (with their oversight of the entire UK Division) and of the functional heads of services (which support the Company and all other companies within the UK Division), also serves an integral role in the identification and exploitation of opportunities and the identification and management of risk. For example, opportunities for the Company and its bus operations will arise out of the Group's coach operations, and vice versa, and common risks will be identified together with the best means of managing them. The Company reports monthly to its ultimate shareholder on its opportunities and risks. During the year under review, the Company also contributed to the development of a UK Divisional Risk Register which, through a series of workshops between the Group's risk team and the Company's business teams, identified the key risks affecting or that could affect the Company (and other companies within the Group's UK Division), devised plans using the

	Group's three lines of defence model to manage and, where possible, mitigate those risks, and agreed accountability for who was responsible for managing or mitigating each risk. A rigorous review of the UK Divisional Risk Register by the NEG PLC Audit Committee in November 2019 concluded that it was comprehensive, robust and had added real value to UK Division's management of risk. The principal financial risks for the Company, and how these are mitigated, are set-out on page 6 of the Strategic Report.
Remuneration – *A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company*	The Company, together with other companies comprised in the Group's UK Division, has an established executive remuneration policy, the principal purpose of which is to ensure that executive remuneration is aligned with long-term sustainable success of the Company (and its wider Group). In addition to competitive base pay levels and appropriate benefit packages, UK Divisional and Company senior managers are invited to participate in the Senior Management Bonus Plan or the Management Bonus Plan (together, the "Plans"). The Plans are designed to seek alignment between the Company's and its wider Group's Vision, Values and strategy and executives' individual objectives via participants being set a mix of weighted safety, financial and other objectives geared towards achieving the Group's Vision, Values and strategic plans. Bonus pay-outs under the Plans are dependent on the Group's achievement of certain threshold financial and safety targets, the UK Division's (including the Company's) achievement of financial and safety targets and participants' personal performance against their individual objectives. The Plans are designed to reward outstanding performance, rather than expected performance. In addition to the Plans, certain of the Company's senior executives are eligible to participate in the NEG PLC Long-Term Incentive Plan ("LTIP"). NEG PLC's Remuneration Committee grants annual LTIP awards of nil cost options over NEG PLC shares to certain selected individuals, the maximum potential value of which awards are based on a percentage of their salaries. All LTIP awards are subject to weighted performance metrics, including NEG PLC's total shareholder return, earnings per share and return on capital employed plus two recently added environmental performance metrics, which are measured over a three-year performance period. The performance metrics are designed to align participants interests with those of the long-term sustainable success of the Group. The precise performance conditions, their weightings and their vesting levels are set out on page 119 of NEG PLC's Annual Report and Accounts. The Company's and UK Division's executive remuneration policy also takes account of the pay and conditions of the Company's and UK Division's wider workforce, as well as the respective levels of responsibility held by mangers and other members of the workforce. The majority of the Company's and UK Division's wider workforce are drivers and vehicle technicians whose pay levels and conditions are negotiated through discussions with Trade Unions. The outcome of these discussions and other important pay initiatives promoted by the Company's management, such as the Company becoming in 2017 the first Living Wage employer in the West Midlands region and the recognition and reward given to long-serving and loyal employees through various share-based and cash awards and benefits, are taken into account both in setting executive base salary levels and in making bonus awards under the Plans and LTIP awards under the LTIP.
Stakeholder Relationships and Engagement – *Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions*	The Company strives to be a proactive and trusted partner to its key stakeholders, by seeking to understand their priorities and form alliances with them. This is because investing in long-term relationship building helps the Company to deliver its strategy and objectives more effectively and mitigates potential barriers in doing so and thereby achieve its Purpose and Vision. Further details of the approach taken by the Company to fostering relationships with its key stakeholders, who the Company's key stakeholders are and how the Company has engaged with them during the year under review is set out in the Company's stakeholder engagement statement on page 10 of this Directors' Report. Furthermore, details of how the Directors have had regard to stakeholders' views in some key decisions taken by them during the year under review are set out in the Company's section 172(1) statement on page 3 of the Strategic Report.

Post balance sheet events

The impact of the Covid-19 pandemic had an immediate and unprecedented impact on the Company, with patronage initially down over 80%. In response to this, swift actions were taken to reduce operational costs, with mileage also initially down by approximately 80% and over 2,000 colleagues furloughed.

In addition, as a public transport operator running essential services we were awarded Government support via the Covid Bus Services Support Grant. This support remains in place as at the date of signing and will continue on a rolling basis until such time as it is no longer needed.

The safety and welfare of colleagues and customers remains our priority (enhanced cleaning regimes, revised seating layouts and PPE), and as at the date of signing we have seen patronage return to around 60% of pre-pandemic levels.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

S J Rollings
Director

29 September 2020

Registered Office:
51 Bordesley Green
Birmingham
B9 4BZ

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT
to the members of West Midlands Travel Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of West Midlands Travel Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 these financial statements.

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

Report on other legal and regulatory requirements

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.

INDEPENDENT AUDITOR'S REPORT (continued)
to the members of West Midlands Travel Limited

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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

Jonathan Dodworth

Jonathan Dodworth (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

29 September 2020

WEST MIDLANDS TRAVEL LIMITED

Profit and Loss Account
For the Year Ended 31 December 2019

	Note	2019 £'000	2018 £'000
Revenue	3	262,925	264,745
Operating costs	4	(235,152)	(241,594)
Operating profit	4	27,773	23,151
Interest receivable and similar income	7	49	-
Interest payable and similar expenses	8	(1,389)	(478)
Other finance payable	22	(3,360)	(3,148)
Amounts written off investments		-	(10,392)
Income from shares in subsidiary undertaking	12	10,000	6,000
Profit before taxation		33,073	15,133
Tax on profit	9	(994)	(774)
Profit for the financial year attributable to the owners of the Company		32,079	14,359

Results are derived from continuing operations.

The notes on pages 28 to 54 form part of these financial statements.

WEST MIDLANDS TRAVEL LIMITED

Statement of Comprehensive Income
for the Year Ended 31 December 2019

	Note	2019 £'000	2018 £'000
Profit for the financial year	4	32,079	14,359
Actuarial gain for the year on the defined benefit pension scheme	22	25,189	3,798
Deferred tax on actuarial gain above		(4,282)	(646)
Reclassification of financial derivatives		1,723	(1,204)
Deferred tax on cash flow hedges		(293)	205
Total comprehensive income relating to the financial year attributable to owners of the company		54,416	16,512

The notes on pages 28 to 54 form part of these financial statements.

WEST MIDLANDS TRAVEL LIMITED

Balance Sheet
As at 31 December 2019

	Note	2019	2018
		£'000	£'000
Fixed assets			
Tangible fixed assets	10	212,394	154,776
Intangible assets	11	1,219	373
Investments in subsidiary undertakings	12	10,730	8,480
Deferred tax assets	13	17,721	23,334
		242,064	186,963
Current assets			
Stocks	14	2,218	2,138
Debtors	15	53,607	33,268
Cash and cash equivalents	16	18,765	37,695
		74,590	73,101
Creditors : amounts falling due within one year	17	(106,535)	(96,225)
Net current liabilities		(31,945)	(23,124)
Total assets less current liabilities		210,119	163,839
Creditors : amounts falling due after more than one year	18	(33,977)	(2,574)
Provisions for liabilities	19	(107,197)	(132,884)
Net assets		68,945	28,381
Capital and reserves			
Called up share capital	20	97	97
Share premium account		796	796
Capital reserve		(254)	(254)
Hedging reserve		632	(798)
Profit and loss account		67,674	28,540
Shareholders' funds		68,945	28,381

The financial statements of West Midlands Travel Limited, registered number 02652253, were approved and authorised for issue by the Board of Directors on 29 September 2020 and were signed on its behalf by:

S J Rollings
Director

The notes on pages 28 to 54 form part of these financial statements.

WEST MIDLANDS TRAVEL LIMITED

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up Share capital £'000	Share premium account £'000	Capital reserve £'000	Hedging reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2018	97	796	(254)	201	20,609	21,449
Actuarial gain for the year (net of deferred tax)	-	-	-	-	3,152	3,152
Hedge movements (net of deferred tax)	-	-	-	(999)	-	(999)
Share-based payments	-	-	-	-	420	420
Dividend paid	-	-	-	-	(10,000)	(10,000)
Profit for the year	-	-	-	-	14,359	14,359
At 31 December 2018	97	796	(254)	(798)	28,540	28,381
Effect of transition to IFRS16 (note 2)					1,148	1,148
Actuarial gain for the year (net of deferred tax)	-	-	-	-	20,907	20,907
Hedge movements (net of deferred tax)	-	-	-	1,430	-	1,430
Dividend paid	-	-	-	-	(15,000)	(15,000)
Profit for the year	-	-	-	-	32,079	32,079
At 31 December 2019	97	796	(254)	632	67,674	68,945

The notes on pages 28 to 54 form part of these financial statements.

Notes to the financial statements for the Year Ended 31 December 2019

1. General information

West Midlands Travel Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is 51 Bordesley Green, Birmingham, B9 4BZ.

The financial information is presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Significant accounting policies

Basis of accounting
The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, and related party transactions. This information comprises separate financial statements.

The Company is exempt under s400 of Companies Act 2006 from the preparation of consolidated financial statements, because it is included in the group financial statements of National Express Group PLC. Where required, equivalent disclosures are given in the group financial statements of National Express Group PLC. The group financial statements of National Express Group PLC are available to the public and can be obtained as set out in note 26.

The financial information has been prepared on the historical cost basis, except for the revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. Derivatives are accounted for at fair value. The principal accounting policies adopted are set out below.

Critical judgements and estimation uncertainty
The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge, actual results may ultimately differ from those 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 revision and future periods if the revision affects both current and future periods. No areas of critical accounting judgements or key sources of estimation uncertainty have been identified in relation to Brexit.

2. Significant Accounting Policies (continued)

Key accounting judgements

There are no critical accounting judgements.

Key sources of estimation uncertainty

Insurance

The estimation of the insurance provisions is based on an assessment of the expected settlement on known claims together with an estimate of settlements that will be made in respect of incidents occurring prior to the Balance Sheet date but for which claims have not been reported to the Company. The Company makes assumptions concerning these judgemental matters with the assistance of advice from the Third Party Administrator (TPA), responsible for the management of claims on behalf of the Company.

The insurance provision at 31 December was £3,261,000 (2018: £3,906,000). See note 19 for further details

Tax provisions

Assessing the outcome of tax uncertainties, such as the deductibility of interest expense, requires judgements to be made regarding the result of negotiations with and enquiries from tax authorities. Management assessments are supported by external advisors where appropriate based on our business transaction facts and circumstances and the status of ongoing discussions with the relevant tax authorities.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of signing the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

National Express Group PLC, has confirmed in a signed letter of support that it will make funding available to the Company to enable it to meet its debts as they fall due for repayment for a period of at least one year following the signature date of these Financial Statements. Accordingly, the Financial Statements have been prepared on a going concern basis. The Directors note that even in light of the Covid-19 pandemic, National Express Group PLC has around £1.5billion of overdraft and undrawn committed facilities that it can draw upon.

Further notes on going concern, including Covid-19, are provided in the Directors' Report.

Revenue recognition

Revenue is measured based on the consideration specified in the contract with a customer and is recognised when the performance obligations of the contract have been fulfilled.

Operating exceptional items

Operating exceptional items are material items of income or expenditure which due to their nature and infrequency require separate identification on the face of the profit and loss account to allow a better understanding of the financial performance in the year, in comparison to prior years.

2. Significant Accounting Policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into consideration timing differences arising as a result of different treatments of certain items for taxation and accounting purposes.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet 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 estimated to be certain that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer estimated to be certain that sufficient taxable profits will be available to allow all or part of the asset 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Investments

Fixed asset investments are stated at cost less provision for any impairment in value. They are subject to an annual test of impairment and an impairment charge recognised as required.

Intangible fixed assets

Intangible fixed assets are measured initially at purchase/internal cost and are amortised on a straight-line basis over their estimated useful lives or otherwise in line with any specific external contractual agreements which apply.

2. Significant Accounting Policies (continued)

Leased assets and obligations

Lease identification
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Right-of-use asset
The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the low-value assets recognition exemption to leases of assets below £5,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2. Significant Accounting Policies (continued)

Tangible fixed assets
Property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses, with the exception of certain properties that have been stated at deemed cost.

Depreciation is provided on a straight line basis on all property and plant and equipment on the following basis:

Freehold buildings	10 to 40 years
Leasehold premises	15 to 40 years (or period of lease if shorter)
Infrastructure assets	10 years
Public service vehicles	18 years
Other vehicles, plant and equipment	3 to 18 years

The carrying values of property, plant and equipment are reviewed for impairment at each balance sheet date or if events or changes in circumstances indicate the carrying value may not be recoverable.

During the period, the Company reviewed its estimates of the useful economic lives of its buses and coaches, together with exhaust traps fitted to its vehicles (classed as plant & equipment). These were revised to a period of 18 years, resulting in a credit to the profit and loss account in the current year of £1,378,000.

Government grants
Government grants are recognised in the Profit and Loss Account on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants relating to property, plant and equipment are treated as deferred income and released to the profit and loss account over the expected useful economic life of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

Impairment of non-financial assets
All non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset’s fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows.

In assessing value in use, the estimated risk adjusted 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. Impairment losses are recognised in the Profit and Loss Account in expense categories consistent with the function of the impaired asset.

Stocks
Stocks are valued at the lower of cost and net realisable value on a first in-first out basis, after making due allowance for obsolete or slow moving items.

2. Significant Accounting Policies (continued)

Pensions and other post-retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside profit or loss and presented in other comprehensive income. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Determining the amount of the Company's retirement benefit obligations and the net costs of providing such benefits requires assumptions to be made concerning long term interest rates, inflation, salary and pension increases, investment returns and longevity of current and future pensioners. Changes in these assumptions could significantly impact the amount of the obligations or the cost of providing such benefits. The Company makes assumptions concerning these matters with the assistance of advice from independent qualified actuaries. Details of the assumptions made are set out in note 22.

The preparation of Financial Statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge, actual results may ultimately differ from those estimates.

Share-based payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant by an external valuer using a stochastic model. Non-market-based performance-related vesting conditions are not taken into account when estimating the fair value; instead those non-market conditions are taken into account in calculating the current best estimate of the number of shares that will eventually vest and at each balance sheet date before vesting. The cumulative expense is calculated based on that estimate.

Market-based performance conditions are taken into account when determining the fair value and at each balance sheet date before vesting, the cumulative expense is calculated irrespective of whether or not the market conditions are satisfied, provided that all other performance conditions are met. For non market-based performance conditions at each balance sheet date before vesting, the cumulative expense is calculated based on the Company's estimate of the number of shares that will eventually vest, and the movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account, with a corresponding entry in equity.

2. Significant Accounting Policies (continued)

Insurance provisions
The Company's policy is to self-insure high frequency claims within the business. To provide protection above these types of losses, the Company purchases insurance cover from a selection of proven and financially strong insurers. These insurance policies provide individual claim cover subject to excess limits and aggregate stop losses for total claims within the excess limits. A provision is made on a discounted basis for the estimated cost to the Company to settle claims for incidents occurring prior to the balance sheet date, subject to the overall stop loss.

Financial instruments

Financial assets at amortised cost
Financial assets at amortised costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment.
Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the Balance Sheet.

Financial liabilities
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised. Amortisation is included as finance costs in the Income Statement.

Derivative financial instruments
The Company uses derivative financial instruments to hedge its risks associated with fuel price. These instruments are initially recognised at fair value and subsequently remeasured to fair value for the reported Balance Sheet. The fair value is calculated by reference to fuel prices at the year end.

The derivatives are designated as cash flow hedges. The gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in equity, with any material ineffective portion recognised in the Profit and Loss Account. The gains or losses deferred in equity in this way are recycled through the Profit and Loss Account in the same period in which the hedged underlying transaction or firm commitment is recognised in the Profit and Loss Account.

For derivatives that do not qualify for hedge accounting, gains or losses are taken directly to the Profit and Loss Account in the period.

Hedge accounting is discontinued when the hedging instrument expires, is sold, terminated, exercised, or no longer qualifies for hedge accounting.

2. Significant Accounting Policies (continued)

New standards and interpretations applied

IFRS16 'Leases'

IFRS 16 supersedes IAS 17 'Leases' and IFRIC 4 'Determining Whether an Arrangement Contains a Lease'. IFRS 16 introduces a single, on-balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognised right-of-use assets representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17.

The Company has applied IFRS 16 using the modified retrospective approach. Therefore the cumulative effect of adopting IFRS 16 has been recognised as an adjustment to opening retained earnings. The Company has lease contracts for various items of property, vehicles, plant and other equipment. Before the adoption of IFRS 16, leases were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance leases
The Company did not change the initial carrying amounts of assets and liabilities at the date of initial application for leases previously classified as finance leases.

Leases previously accounted for as operating leases
The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied. For practical reasons, in some cases the right-of-use asset value was set equal to the lease liability, adjusted for any related prepaid and accrued lease payments previously recognised.

Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

2. Significant Accounting Policies (continued)

The Company applied the available practical expedients wherein it:

- used a single discount rate for a portfolio of leases with reasonably similar characteristics;
- applied the short-term lease exemption to leases with a lease term that ends within 12 months at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The weighted average incremental borrowing rate used to measure lease liabilities at the date of initial application was 3.4%. The impact on the Company's primary statements upon adoption of IFRS16 are provided below:

	2018	Effect of transition to IFRS16	2019 (opening)
	£'000	£'000	£'000
Fixed Assets			
Tangible assets	154,776	31,605	186,381
Intangible assets	373	-	373
Investments in subsidiary undertakings	8,480	-	8,480
Deferred tax asset	23,334	(214)	23,120
	186,963	31,391	218,354
Current Assets			
Stocks	2,138	-	2,138
Debtors	33,268	-	33,268
Cash at bank and in hand	37,695	-	37,695
	73,101	-	73,101
Creditors: amounts falling due within one year	(96,225)	(2,914)	(99,139)
Net current liabilities	(23,124)	(2,914)	(26,038)
Total assets less current liabilities	163,839	28,477	192,316
Creditors: amounts falling due after one year	(2,574)	(27,329)	(29,903)
Provisions for liabilities	(132,884)	-	(132,884)
Net assets	28,381	1,148	29,529
Capital and reserves			
Called up share capital	97	-	97
Share premium account	796	-	796
Capital reserve	(254)	-	(254)
Hedging reserve	(798)	-	(798)
Profit and loss account	28,540	1,148	29,688
Shareholders' funds	28,381	1,148	29,529

2. Significant Accounting Policies (continued)

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

3. Revenue

An analysis of the Company's revenue is as follows:

	2019 £'000	2018 £'000
Passenger revenue	250,522	251,845
Other revenue	12,403	12,900
	262,925	264,745

Revenue is stated net of value added tax where applicable and is wholly derived within the United Kingdom.

4. Profit for the year

	2019 £'000	2018 £'000
Operating profit is stated after charging/(crediting):		
Fees payable to the Company's auditor:		
- The audit of the Company financial statements	36	36
- Non-audit services	-	-
Depreciation of tangible fixed assets		
- Owned	14,201	14,151
- Leased	4,710	494
Amortisation of intangible fixed assets	190	212
(Gain)/loss on disposal of tangible fixed assets	(2,516)	5,678
Cost of stock recognised as expense	12,045	14,022
Staff costs (see note 5)	163,565	164,317

5. Staff costs

	2019 £'000	2018 £'000
Wages and salaries	143,547	143,691
Social security costs	13,450	13,752
Pension costs - defined contribution scheme (Note 22)	3,291	2,457
Pension costs - defined benefit scheme (Note 22)	3,277	3,997
Share based payments	-	420
	163,565	164,317

The monthly average number of persons employed by the Company during the year was:

	2019 Number	2018 Number
Managerial and administrative	197	192
Operational	4,699	4,707
	4,896	4,899

6. Directors' remuneration

Total remuneration for all Directors in respect of qualifying services as a Director of the Company:

	2019 £'000	2018 £'000
Aggregate emoluments	940	810
Company contributions to money purchase pensions	51	30
	991	840

The Directors of the Company are also Directors of a number of other companies in the National Express Group.

Retirement benefits accrued to 3 (2018: 3) Directors under a money purchase pension scheme and no Director accrued (2018: nil) under defined benefit schemes.

No Directors who are remunerated by the Company exercised share options during the year.

Qualifying services of highest paid Director:

	2019 £'000	2018 £'000
Aggregate emoluments	440	349

Pension contributions to a defined contribution scheme of £20,000 (2018: £12,000) were paid in respect of the highest paid Director.

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7. Interest receivable and similar income

	2019 £'000	2018 £'000
Short term deposits	49	-
	49	-

8. Interest payable and similar expenses

	2019 £'000	2018 £'000
Finance leases and hire purchase contracts	-	29
Interest payable on IFRS16 leases	1,076	-
Other interest payable	34	124
Unwinding of discounting on insurance provisions (Note 19)	260	260
Unwinding of discounting on accrued holiday provision	19	65
	1,389	478

Notes to the financial statements for the Year Ended 31 December 2019 (continued)

9. Tax on Profit

	2019	2018
	£'000	£'000
a) Analysis of tax charge in the year		
Current tax		
United Kingdom corporation tax	-	(864)
Adjustments in respect of prior periods	(3,043)	(2,143)
Total current tax	(3,043)	(3,007)
Deferred tax		
Origination and reversal of timing differences	3,526	3,883
Defined benefit pension scheme	-	461
Effect of change in tax rate	-	-
Prior year adjustment	511	(563)
	4,037	3,781
Tax on profit	994	774

b) Factors affecting the total tax charge for the year

	2019	2018
Profit before taxation	33,073	15,133
Notional charge at UK corporation tax rate of 19.0% (2018: 19.0%)	6,284	2,875
Utilisation of unrecognised capital losses	-	1,065
Permanent disallowable items	(443)	1,191
Impact of rate change	(415)	(511)
Dividend income not taxable	(1,900)	(1,140)
Adjustments in respect of prior periods deferred tax	511	(563)
Adjustments in respect of prior periods corporation tax	(3,043)	(2,143)
Total tax	994	774

c) Tax on items recognised on other comprehensive income or equity

	2019	2018
Deferred tax (credit)/charge on actuarial movements	4,282	646
Deferred tax charge on cash flow hedges	293	(205)
	4,575	441

d) Factors affecting future charges

The Finance Act 2016 which was substantively enacted in September 2016, included provisions to reduce the corporation tax to 17% from April 2020. Accordingly, deferred tax balances have been revalued to the lower rate of 17% in these accounts.

However in Finance Act 2020, enacted in March 2020, it was announced that the corporation tax rates would remain at 19% for 2020 and 2021. The current deferred tax balance will need to be revalued to 19% in next year's statutory accounts, resulting in a charge of £1,507,000 to the profit and loss account.

The current tax rate is 19% and deferred tax has been recognised at 17%, being the rates substantively enacted at year end.

10. Tangible Fixed Assets

	Land and buildings			Public	Vehicles,	
	Freehold £'000	Short lease £'000	Infrastructure £'000	service vehicles £'000	plant and equipment £'000	Company total £'000
Cost or valuation						
At 31 December 2018	8,782	690	521	252,589	37,812	300,394
Effect of transition to IFRS16	-	17,351	-	27,090	692	45,133
At 1 January 2019	8,782	18,041	521	279,679	38,504	345,527
Additions	572	-	-	31,207	13,667	45,446
Group transfers out	-	-	-	(4)	-	(4)
Disposals	(563)	-	-	(10,273)	(853)	(11,689)
At 31 December 2019	8,791	18,041	521	300,609	51,318	379,280
Depreciation						
At 31 December 2018	3,814	586	521	114,278	26,419	145,618
Effect of transition to IFRS16	-	581	-	12,587	360	13,528
At 1 January 2019	3,814	1,167	521	126,865	26,779	159,146
Group transfers out	-	-	-	(1)	-	(1)
Disposals	(313)	-	-	(10,078)	(779)	(11,170)
Charge for the year	422	1,133	-	11,814	5,542	18,911
At 31 December 2019	3,923	2,300	521	128,600	31,542	166,886
Net book value						
At 31 December 2019	4,868	15,741	-	172,009	19,776	212,394
At 31 December 2018	4,968	104	-	138,311	11,393	154,776

The net book value at 31 December 2019 for land and buildings above includes freehold land of £96,000 (2018: £96,000) which is not depreciated.

11. Intangible Fixed Assets

	Computer Software £'000
Cost or valuation	
At 1 January 2019	4,201
Additions	1,036
Transfer to related party	-
At 31 December 2019	**5,237**
Depreciation	
At 1 January 2019	3,828
Charge for the year	190
At 31 December 2019	**4,018**
Net book value	
At 31 December 2019	**1,219**
At 31 December 2018	373

12. Fixed Asset Investments

a) Investment in subsidiary undertakings	
At 31 December 2018	20,821
Additions in the year	2,250
At 31 December 2019	**23,071**
Provision	
As at 31 December 2018 and 31 December 2019	**(12,341)**
Net book value	
At 31 December 2019	**10,730**
At 31 December 2018	8,480

On 14 November 2019, the Company purchased 2,249,998 ordinary shares of £1 each (which were issued on that date) of the ordinary issued share capital of West Midlands Accessible Transport Limited. This was in relation to the subsidiary company’s acquisition of the trade and assets of Accessible Transport Group Limited during the year.

The provisions relate to Altram LRT Limited, Travel West Midlands Limited and Taybus Holdings Limited.

12. Fixed Asset Investments (continued)

a) Investments in subsidiary undertakings (continued)

The investment in the Company's subsidiary undertakings at 31 December 2019 consisted of the following:

	Country of registration	% of voting rights and shares held
Altram LRT Limited	England and Wales	100
Taybus Holdings Limited	Scotland	100
Tayside Public Transport Company Limited	Scotland	100
WM Ventures Limited	England and Wales	100
WM Property Holdings Limited	England and Wales	100
West Midlands Accessible Transport Limited	England and Wales	100
National Express Manchester Metrolink Limited	England and Wales	100
Travel Birmingham Limited	England and Wales	100
Travel Coventry Limited	England and Wales	100
WM Travel Limited	England and Wales	100
Travel West Midlands Limited	England and Wales	100
Travel WM Limited	England and Wales	100
Travel Yourbus Limited	England and Wales	100
Travel Merryhill Limited	England and Wales	100
Travel Dundee Limited	Scotland	100

WM Property Holdings Limited and Tayside Public Transport Company Limited are held indirectly through a subsidiary Company.

All the above companies operated principally in their country of registration. All holdings are of £1 ordinary shares. The percentage holdings shown above are the interest in the nominal value of the shares held and in all cases the percentage of voting rights held is the same.

The registered office address of Altram LRT Limited is National Express House, Birmingham Coach Station, Mill Lane, Digbeth, Birmingham B5 6DD. The registered office address of Tayside Public Transport Company Limited, Taybus Holdings Limited and Travel Dundee Limited is 44-48 East Dock Street, Dundee, DD1 3JS. The registered office address of West Midlands Transport Information Services Limited is Darwin House, 7 Kidderminster Road, Bromsgrove, Worcestershire, B61 7JJ. The registered office address of all other subsidiary undertakings is 51 Bordesley Green, Birmingham B9 4BZ.

b) Interest in associated undertakings

The Company owns 20% of the share capital of West Midlands Transport Information Services Limited ("WMTIS"), a Company incorporated in England and Wales which provides passenger information on a not for profit basis. The investment (cost and carrying value) in the WMTIS share capital is £100 (2018: £100).

12. Fixed Asset Investments (continued)

c) Dividends received

	2019 £'000	2018 £'000
Dividends received from subsidiary undertakings	10,000	6,000

13. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2019 £'000	2018 £'000
Included in provisions for liabilities	(4,890)	(1,677)
Deferred tax assets	17,721	23,334
	12,831	21,657
Timing differences on tangible fixed assets and capital allowances	(4,890)	(1,438)
Short term timing differences	94	77
Pension costs	16,838	21,641
Losses	918	1,214
Derivative financial instruments	(129)	163
Total deferred tax	12,831	21,657

	£'000
At 1 January 2019 including deferred tax on pension liability	21,657
Effect of transition to IFRS16	(214)
Deferred tax charged in profit and loss account	(4,037)
Amount credited to Statement of comprehensive income	(4,575)
At 31 December 2019 including deferred tax on defined benefit pension liability	12,831

The Company has unrecognised deferred tax assets in respect of capital losses of £449,000 (gross) (2018: £1,214,000 gross). These are unrecognised on the basis that no suitable capital gains are expected to arise in the foreseeable future against which these assets can be offset.

14. Stocks

	2019 £'000	2018 £'000
Engineering spare parts, spare units and fuel	2,218	2,138

If stocks were stated at replacement cost, the amounts above would not change significantly.

15. Debtors

	2019 £'000	2018 £'000
Trade debtors	17,891	6,235
Amounts owed by other group companies	7,138	6,405
Corporation tax	3,043	5,456
Derivative financial instruments	761	-
Other debtors	2,159	2,194
Accrued income	5,717	2,797
Prepayments	16,898	10,181
	53,607	33,268

Amounts owed by other group companies are interest free, unsecured and repayable on demand.

The Company is exposed to movements in commodity prices as a result of its fuel usage. It is the policy of the ultimate parent, National Express Group PLC, to hedge this exposure in order to provide a level of certainty as to its cost in the short term and to reduce the year on year impact of price fluctuations over the medium term. This is achieved by entering into fuel derivatives.

The fuel derivative financial instruments are accounted for as cash flow hedges. They are initially recognised at fair value and subsequently remeasured to fair value at each reported Balance Sheet date. The fair value is calculated by reference to fuel prices at the period end.

16. Cash at bank and in hand

	2019 £'000	2018 £'000
Cash at bank and in hand	18,265	37,195
Short term deposit	500	500
	18,765	37,695

Short term deposit is with the Supreme Court and is required under Section 144 (1) of the Road Traffic Act 1988.

17. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Obligations under IFRS16 leases	2,774	-
Trade creditors	18,731	13,259
Amounts owed to parent	14,943	18,027
Other taxes and social security costs	3,495	3,955
Accruals	52,634	46,343
Deferred income	3,574	8,959
Other payables	9,355	4,290
Derivative financial instruments	-	961
Deferred fixed asset grants	1,029	431
	106,535	96,225

Amounts owed to other group companies are interest free, unsecured and repayable on demand.

The Company is exposed to movements in commodity prices as a result of its fuel usage. It is the policy of the ultimate parent, National Express Group PLC, to hedge this exposure in order to provide a level of certainty as to its cost in the short term and to reduce the year on year impact of price fluctuations over the medium term. This is achieved by entering into fuel derivatives.

The fuel derivative financial instruments are accounted for as cash flow hedges. They are initially recognised at fair value and subsequently remeasured to fair value at each reported Balance Sheet date. The fair value is calculated by reference to fuel prices at the period end.

Other payables comprise advance payments for factoring of concessionary revenues.

18. Creditors: amounts falling due after more than one year

	2019 £'000	2018 £'000
Deferred fixed asset grants	7,837	2,574
Obligations under IFRS16 leases	26,140	-
	33,977	2,574

19. Provisions for liabilities

	2019 £'000	2018 £'000
Insurance claims	3,261	3,906
Deferred tax liability	4,890	1,677
Net pension liability	99,046	127,301
	107,197	132,884

Deferred tax liability
Details regarding the deferred tax liability are provided in Note 13.

Net pension liability
Details regarding the net pension liability are provided in Note 22.

Insurance claims

	£'000
At 1 January 2019	3,906
Provided in the year	3,945
Utilised in the year	(4,850)
Unwinding of discount (Note 8)	260
At 31 December 2019	3,261

The insurance claims provision arises from estimated liabilities at 31 December under the Company's insurance arrangements, the majority of which will be utilised in the next six years. The claims held within the insurance provision relate to the periods prior to 31 October 1995 and during the period 1 November 2000 to 31 December 2019. The claims relating to the intervening period were covered by either external insurance arrangements or through the National Express Group insurance programme.

	2019 £'000	2018 £'000
Outstanding insurance liability below one year	1,951	2,449
Outstanding insurance liability above one year	1,310	1,457
	3,261	3,906

Notes to the financial statements for the Year Ended 31 December 2019 (continued)

20. Called up share capital

The Company's share capital is as follows:

	2019 £	2018 £
Authorised		
100,000,000 ordinary shares of 0.1p each	100,000	100,000
100 "A" ordinary shares of 1p each	1	1
2 deferred shares of £1 each	2	2
	100,003	100,003
Allotted, called up and fully paid		
97,276,400 ordinary shares of 0.1p each	97,276	97,276
2 deferred shares of £1 each	2	2
	97,278	97,278

There are deferred shares of £2 (2018: £2) that have no voting rights or any entitlement to participation in the profits or the assets of the Company. The profit and loss reserve is the accumulation of all current and prior year retained profits, less any dividends distributed.

21. Capital commitments

	2019 £'000	2018 £'000
Contracted	9,788	23,659

The capital commitments relate to tangible fixed assets, including new public service vehicles.

22. Retirement benefits

The Company participates in the West Midlands Integrated Transport Authority Pension Fund, a defined benefit scheme which is closed to new entrants.

The assets of the scheme are held separately from those of the Company. Contributions to the scheme are determined by independent professionally qualified actuaries.

The employer's contributions made in respect of the Company in the year were £9,909,000 (2018: £10,087,000) which included an additional amount of £7,554,000 (2018: £7,384,000) in order to reduce the scheme deficit. With effect from 1 April 2014, the Company contributed 21.5% to March 2017 and 25.1% from April 2017 onwards of pensionable pay to the scheme. The expected employer contributions for 2020 are £11,200,000.

The valuation of the scheme as at 31 December 2019 is based on the results of the 31 March 2016 triennial actuarial valuation, which has been updated by independent professionally qualified actuaries to take account of the requirements of IAS 19. The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice. The relevant assumptions used are as follows:

	2019	2018
Rate of increase in salaries	2.5%	2.5%
Rate of increase of pensions	2.1%	2.2%
Discount rate	2.0%	2.7%
Inflation assumption:RPI	3.0%	3.2%
Inflation assumption:CPI	2.1%	2.2%

Mortality assumptions - Current pensioners (retired in normal health)

Actuarial tables used	97% of S3PXA Heavy tables, CMI_2018 improvements with 1.25% trend rate, smoothing factor of 7 and nil initial addition parameter	110% of S2PXA tables, CMI_2017 improvements with 1.25% trend rate and a smoothing factor of 7.5
Life expectancy of Male (Female) current pensioner aged 65	19.8 (23.0) years	21.2 (23.1) years
Life expectancy of Male (Female) future pensioner aged 65 in 20 years time	21.2 (24.5) years	22.6 (24.7) years

22. Retirement benefits (continued)

Sensitivity analysis:

The sensitivity of the present value of scheme liabilities to changes in the principle assumptions used is set out below:

	Change in assumption	Impact on scheme liabilities	Impact on scheme deficit
Discount rate	Decrease by 0.10%	Increase by £7,965k	Increase by £6,300k
Rate of inflation	Increase by 0.10%	Increase by £5,731k	Increase by £5,731k
Rate of salary increase	Increase by 0.10%	Increase by £762k	Increase by £762k
Post retirement pension increases	Increase by 0.10%	Increase by £5,132k	Increase by £5,132k
Mortality	adding -1 year age rating	Increase by £22,267k	Increase by £13,905k

The assets in the scheme, the expected rates of return and the net pension liability were as follows:

	2019 £'000	2018 £'000
Total market value of assets	458,084	453,019
Present value of scheme liabilities	(557,130)	(580,320)
Deficit in scheme	(99,046)	(127,301)

The major classes of assets as a percentage of total assets are as follows:

	2019 %	2018 %
Equities	16.4%	13.9%
Indexed linked gilts	5.4%	5.0%
Bonds	2.2%	2.1%
Multi-asset credit	10.7%	10.2%
Insurance Policy	42.8%	48.6%
Diversified growth funds	22.2%	20.0%
Other	0.3%	0.2%
	100.0%	100.0%

22. Retirement benefits (continued)

Profit and loss account:

	2019 £'000	2018 £'000
Amounts charged to operating profit:		
Current service cost	3,277	4,038
Administrative expenses	206	187
Charge to operating profit	3,483	4,225
Net finance cost	3,360	3,148
Total charge to profit and loss account	6,843	7,373

Statement of comprehensive income

	2019 £'000	2018 £'000
Difference between expected and actual return on assets	8,931	(29,936)
Actuarial gain arising on scheme liabilities	16,258	33,734
Actuarial gain	25,189	3,798

	2019 £'000	2018 £'000
At 1 January	580,320	619,983
Current service cost	3,277	4,038
Contributions paid by scheme participants	627	688
Interest cost	15,598	14,879
Benefits paid	(26,434)	(25,535)
Actuarial gain	(16,258)	(33,733)
At 31 December	**557,130**	**580,320**

Changes in the fair value of plan assets are analysed as follows

	2019 £'000	2018 £'000
At 1 January	453,019	486,170
Expected return on plan assets	12,238	11,731
Employer contributions	9,909	10,087
Contributions paid by scheme participants	627	688
Benefits paid	(26,434)	(25,535)
Administrative expenses	(206)	(187)
Actuarial gain/(loss)	8,931	(29,935)
At 31 December	**458,084**	**453,019**

22. Retirement benefits (continued)

History of experience gains and losses

	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Defined benefit obligation	(557,130)	(580,320)	(619,983)	(603,024)	(484,045)
Value of scheme assets	458,084	453,019	486,170	474,502	423,688
Deficit in scheme	(99,046)	(127,301)	(133,813)	(128,522)	(60,357)
Experience gain/(losses) arising on scheme liabilities	(52,151)	(1,083)	(4,962)	1,357	(816)
Experience gain/(losses) arising on scheme assets	8,931	(29,936)	17,605	50,786	(9,124)

Defined Contribution Scheme

West Midlands Travel Limited operates a defined contribution pension schemes under the National Express Worksave Pension Plan, a Group Personal Pension provided by Legal & General.

Employer contribution rates are 2% of pensionable pay for auto enrolled employees, with former members of the National express UK pension scheme retaining a 2.5% employer contribution rate.

At 31 December 2019 there were 5,174 employees in the National Express Worksave Pension Plan (2018: 4,810). The pension cost for the year was £3,291,000 (2018: £2,457,000). Outstanding contributions at 31 December 2019 amounted to £nil (2018: £nil).

23. Contingent liabilities

The Company is party to a series of cross guarantees relating to the bank accounts of fellow group companies amounting to £10,000,000 (2018: £10,000,000).

The Company is a guarantor to a number of its ultimate parent Company's financing agreements, consisting of a £400 million bond, a £225 million bond, a €250m floating rate note, a €78.5 million private placement, a £399 million revolving credit facility and £128 million of further committed revolving credit facilities. These are described in the National Express Group PLC 2019 Annual Report and Financial Statements.

24. Post balance sheet events

The impact of the Covid-19 pandemic had an immediate and unprecedented impact on the Company, with patronage initially down over 80%. In response to this, swift actions were taken to reduce operational costs, with mileage also initially down by approximately 80% and over 2,000 colleagues furloughed.

In addition, as a public transport operator running essential services we were awarded Government support via the Covid Bus Services Support Grant. This support remains in place as at the date of signing and will continue on a rolling basis until such time as it is no longer needed.

The safety and welfare of colleagues and customers remains our priority (enhanced cleaning regimes, revised seating layouts and PPE), and as at the date of signing we have seen patronage return to around 60% of pre-pandemic levels.

25. Related party transactions

The Company has taken advantage of the exemption in FRS 101 from disclosing transactions with related parties that are wholly owned subsidiaries of National Express Group PLC.

Payments of £Nil (2018: £Nil) were made to West Midlands Transport Information Services Limited ("WMTIS"), an associated undertaking, for the receipt of services. Creditors due to WMTIS at 31 December 2019 are £Nil (2018: £Nil).

26. Ultimate parent and controlling undertaking

The Company's immediate parent undertaking is National Express Intermediate Holdings Limited. The Company is ultimately controlled by and is a wholly owned subsidiary undertaking of National Express Group PLC, a company registered in England and Wales.

The Company's ultimate parent and controlling company and the largest and smallest company in which the Company's results are consolidated, is National Express Group PLC, registered in England and Wales.

Copies of the group financial statements of National Express Group PLC, the parent undertaking of the only group preparing group financial statements which include West Midlands Travel Limited, are available to the public and may be obtained from its registered address, National Express Group PLC, National Express House, Birmingham Coach Station, Mill Lane, Digbeth, Birmingham B5 6DD.