

WEST MIDLANDS TRAVEL LIMITED

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 |
|---|---|
| <p><i>(a) The likely consequences of any long-term decision</i></p>  | <p>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.</p> <p>Further information about the Group's Vision, and how this has formulated our Purpose and is underpinned by our Values, is set out in the Directors' Report.</p> |
| <p><i>(b) The interests of the Company's employees</i></p>  | <p>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 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.</p> |
| <p><i>(c) The need to foster business relationships with stakeholders</i></p>  | <p>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 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.</p> |
| <p><i>(d) The impact of the Company's operations on the community and environment</i></p>  | <p>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. We are taking this one step further through our 2030 pledge to replace all of our diesel fleet with zero emission vehicles. 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.</p> |
| <p><i>(e) Maintaining a reputation of high standards and business conduct</i></p>  | <p>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.</p> |
| <p><i>(f) Acting fairly between members of the Company</i></p>  | <p>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. We engage via monthly financial reporting, as well as regular forecasting, budgeting and ad hoc discussion. The Company also complies with appropriate directions as given by the parent company. See the Financial Statements for information on financial performance.</p> |

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The table below describes certain key decisions taken by the Company's Directors during its financial year ended 31 December 2021 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 |
|---|---|--|
| <i>Introduction of 20 new hydrogen buses into our operations and an order placed for a further 130 electric vehicles from Zenobe</i> |   | The 20 new vehicles (owned by Birmingham City Council) are our first hydrogen buses and add to an existing 29 electric buses already in operation and under an availability arrangement with Zenobe. A further order in the year with Zenobe for 130 electric double deck buses for Coventry will bring the total number of zero emission buses in operation to 179. |
| |    | 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 zero Co2 emissions, 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 electric buses have been supplied by the Company's long-term bus suppliers, with whom the Company worked to develop their design and specification, thereby continuing to foster good relations with those suppliers |
| <i>Utilisation of the CBSSG and BRG support grants; submission of claims and liaison with the Department for Transport</i> |    | Ensuring financial viability of the operation during a period of lower passenger demand, thereby protecting the business and its employees |
| |  | Maintaining a control of expenditure during the period of the grants to further protect the business and to meet the terms of the grant. |
| |    | Established a strong relationship with the Department for Transport by sharing financial information during the grant support period and submitting all relevant information within timescales |
| <i>Continued involvement in the West Midlands Bus Alliance to deliver passenger satisfaction and drive forward investment in bus services</i> |  | 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 |
| <i>Fares reduced or frozen to ensure travel remains affordable for our customers and to bring back patronage, along with a major marketing campaign in the year</i> |  | A key decision in the year was to reduce the pricing for a number of core ticket lines, and to implement price freezes elsewhere. In addition, we introduced greater flexibility via weekly contactless capping and undertook a major marketing campaign to communicate these benefits to our customer base. These actions helped bring more people onto our buses, while also helping the modal shift drive towards public transport. |
| |  | Encouraging more people to take public transport has a fundamental, positive impact of the environment, reducing the number of cars on the road and overall emissions, and benefitting our communities as a whole. |
| |  | Bringing back passengers also improves our total income and financial performance of the business, and ensures financial viability for the future |
| <i>Initiated a significant project to digitalise the entire engineering process and continue to promote engineering excellence</i> |  | The design and roll out of a new digital engineering system provides a modern, efficient approach to our engineering teams, ultimately giving them a better way of working. In addition to the new system, significant investment will be made in training and consulting with the teams. |
| |   | The new system and processes, and the focus on promoting operational excellence in engineering is helping us to further develop our high standards of work and performance. This also benefits us financially in the longer term. |