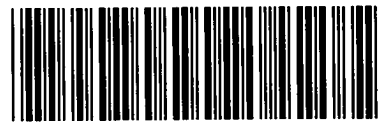


Company number: 01991069

Eurolines (UK) Limited
Annual Report and Financial Statements
For the year ended 31 December 2014

WEDNESDAY



A37 *A4H0VENE* #278
30/09/2015
COMPANIES HOUSE

Eurolines (UK) Limited

Contents of the Annual Report and Financial Statements

	Page
Strategic Report	3 - 4
Directors' Report	5 – 7
Directors' Responsibilities Statement	8
Independent Auditor's Report	9 - 10
Profit & Loss Account	11
Balance Sheet	12
Notes to the Financial Statements	13 – 22

Eurolines (UK) Limited

Strategic Report

The Directors' present the strategic report for the year ended 31 December 2014.

Principal activities

The Company administers and markets express coach services to Europe. The Company's website, www.eurolines.co.uk, provides information on timetables, fares and further information on the business.

Review of business and outlook

The Company has performed satisfactorily during the year and has seen some growth in passenger numbers on key European corridors. The competitive landscape continues to be challenging. Net profit margin on ordinary activities before tax and after royalty charges to National Express Group of 7 % (2013: 11%).

The Company has continued to consolidate the position of its product in the market and is confident that this will continue into the future.

Results and dividend

Revenue has decreased in the year by 8% to £9.6m compared to £10.4m in 2013. This was largely as a result of increased competition in the market.

The profit for the year after taxation amounted to £0.6m (2013: £0.9m). Retained profits for the year of £ 0.6 m (2013: £0.9m) have been transferred to reserves.

The Company has paid an interim dividend in the year of £2.0m (2013: £0.5m). The Directors' do not propose the payment of a final dividend (2013: £nil). Net assets decreased to £ 145,000 (2013: £1,562,000).

Key risks and uncertainties

The Company is subject to internal and external risk factors. External risks include general economic conditions, fuel costs and regulatory changes. Internal risks include failure of internal controls, regulatory compliance and industrial disputes.

Economic conditions – Revenue for Eurolines (UK) Limited may be affected by lower passenger demand. This can be managed through proactive cost control, revenue management systems and the careful economic modelling of new and existing contracts.

Eurolines (UK) Limited

Strategic Report (continued)

Key risks and uncertainties (continued)

Fuel costs – Fuel costs constitute a high proportion of the costs of Eurolines (UK) Limited and consequentially, to the extent that price increases cannot be passed on to the customers, increases in fuel costs will affect profitability.

Exchange rate – The Company is exposed to the currency market fluctuations as the majority of the operators are paid in Euros rather than sterling.

The Directors' evaluate the above risks and the results are discussed at management level prior to being presented to the Board.

Further discussion of these risks and uncertainties, in the context of the Group as a whole is provided in the Business Review of the National Express Group PLC 2014 Annual Report and Consolidated Financial statements.

By order of the Board



John Gilbert
Director
28 September 2015

Registered Office:
National Express House
Birmingham Coach Station
Mill Lane
Birmingham
B5 6DD

Eurolines (UK) Limited

Directors' Report

The Directors' present the Annual Report and audited financial statements for the year ended 31 December 2014.

Principal activities and future developments

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

Going concern

At the time of preparation of these financial statements and after making enquires, the Directors' have considered the uncertainties of Eurolines and have concluded that there is a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Health and Safety

Our safety plans focus on engaging and empowering our employees to make a difference in Driving out Harm from our business activities by identifying and challenging unsafe behaviours and workplace conditions.

Our culture shift has been progressive and is driven by a number of changes implemented, i.e. promoting greater worker involvement, improved data analysis and a pragmatic, proportionate approach to risk management focusing on behaviour and challenging unsafe conditions.

Environment

The Company is actively combating climate change in three ways: making its own operations more carbon-efficient; working with the government and other bodies such as the World Wildlife Fund and the Climate Group to help shape lower carbon transport policies; and directly encouraging people to switch to public transport.

Operational review

The business performed well in the year with improvements to the management of load factors.

Eurolines (UK) Limited

Directors' Report (continued)

Employees

The Company is a non-discriminatory employer operating an Equal Opportunities Policy which aims to eliminate unfair discrimination, harassment, and victimisation and bullying. The Company is committed to ensuring that all individuals are treated fairly, with respect and are valued irrespective of disability, race, gender, health, social class, sexual preference, marital status, nationality, religion, employment status, age, beliefs or membership or non-membership of a trade union.

The Company's policy is to continue to employ those who become disabled in service and recruitment policies ensure that disabled persons are considered fairly for positions within the Company. Training is adjusted to cater for an individual disability and disabled employees share the same conditions of service as other staff in relation to career development and promotion.

The Company uses consultative procedures agreed with its staff and elected representatives with a view to ensuring that employees are aware of the financial and economic factors which affect the Company's performance and prospects. In addition the Company issues a periodic briefing to all employees informing them of developments within the Company, whilst the National Express Group's magazine keeps employees in touch with the world wide activities of the Group. The Company maintains a companywide intranet service.

The Company participates in the Group wide annual Employee Survey to monitor employee satisfaction. Results are followed through using employee focus groups to understand the key issues raised in the survey. Employees make recommendations at these forums which are then developed into local and companywide action plans.

Directors'

The Directors' of the Company who served during the year and up to the date of signing were:

John Gilbert	
Tom Stables	
Richard Newman	Resigned 28 February 2015
Edward Lunt	Appointed 1 March 2015

Directors' indemnity

The Company's Articles of Association include a provision indemnifying the Directors' and officers' in accordance with the provisions of the Companies Act 2006.

Eurolines (UK) Limited

Directors' Report (continued)

Auditor

Deloitte LLP have indicated their willingness to be re-appointed for another term. Appropriate arrangements have been put in place for them to be re-appointed as auditor in the absence of an Annual General Meeting.

Directors' statement as to disclosure of information to auditor

The Directors' who held office at the date of approval of the Directors' Report confirm that:

- to the best of each Directors' knowledge there is no information relevant to the preparation of their audit report to which the Company's auditor is unaware; and
- each Director has taken all steps that a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies' Act 2006.

By order of the Board



John Gilbert
Director
28 September 2015

Registered Office:
National Express House
Mill Lane
Birmingham
B5 6DD

Eurolines (UK) Limited

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). 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 judgements 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.

The Directors' are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Eurolines (UK) Limited

We have audited the financial statements of Eurolines (UK) limited for the year ended 31 December 2014 which comprise the profit and Loss Account, Balance Sheet, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors' and auditor

As explained more fully in the Director's 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors'; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements of inconsistencies we consider the implications of our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as of 31 December 2014 and of its profit for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report to the Members of Eurolines (UK) Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



Peter Gallimore FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
28 September 2015

Eurolines (UK) Limited
Profit and Loss Account
For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	2	9,591	10,399
Operating costs	3	<u>(8,938)</u>	<u>(9,316)</u>
Operating profit		653	1,083
 Interest receivable	 6	 <u>8</u>	 <u>6</u>
Profit on ordinary activities before tax		661	1,089
 Tax on profit on ordinary activities	 7	 <u>(86)</u>	 <u>(200)</u>
Profit on ordinary activities after tax	14	<u>575</u>	<u>889</u>

The Profit and Loss Account relates wholly to continuing operations.

The Company had no recognised gains and losses other than the profit for the year of £575,000 (2013: £889,000), and therefore no separate Statement of Recognised Gains and Losses has been prepared.

Eurolines (UK) Limited

Balance Sheet

As at 31 December 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	9	98	108
Current assets			
Debtors	10	1,875	1,949
Cash at bank and in hand		841	1,700
		<u>2,716</u>	<u>3,649</u>
Creditors: amounts falling due within one year	11	(2,669)	(2,195)
Net current assets		47	1,454
Net assets		<u>145</u>	<u>1,562</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	45	1,462
Shareholders' funds	15	<u>145</u>	<u>1,562</u>

The financial statements of Eurolines (UK) Limited were approved and authorised for issue by the Board of Directors' on 28 September 2015 and were signed on its behalf by:



John Gilbert
Director
28 September 2015

Eurolines (UK) Limited

Notes to the Financial Statements

For the year ended 31 December 2014

1. Accounting policies

(a) Basis of preparation

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards. The accounting policies have been applied consistently through the current and prior year.

The financial statements have been prepared under the going concern basis as outlined in the Directors' Report.

(b) Turnover

Turnover of the Company comprises revenue from road passenger transport and is recognised in the period in which the journeys take place. The Company is party to contracts with other European Eurolines organisations under the terms of which arrangements for the sharing of revenue are in place. Turnover for the last three months of the year therefore includes figures in respect of amounts earned under these contracts which had not been finalised at the year end. The subsequent finalisation of these figures after the year end has had no significant impact on the turnover figure.

(c) Fixed assets and depreciation

Tangible fixed assets are stated at cost together with any direct incidental costs of acquisition.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

Plant and equipment	3-5 years
---------------------	-----------

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Eurolines (UK) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2014

1. Accounting policies (continued)

(d) 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 recognised in respect of all material timing differences that have originated, but not reversed, by the Balance Sheet date. Deferred tax is measured on a non-discounted basis at tax rates that are expected to apply in the periods in which the timing differences reverse. Deferred tax assets are recognised where their recovery is considered more likely than not in that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

(e) Cash Flow Statement

As the Company is a wholly owned subsidiary undertaking of National Express Group PLC, a Company registered in England and Wales, which prepares a published consolidated Cash Flow Statement, the Company has taken advantage of the exemption provided under FRS 1 (Revised) not to prepare a Cash Flow Statement.

(f) Pension costs

The Company is part of a multi-employer defined benefit pension scheme that also incorporates other companies within the National Express Group. In accordance with the multi employer exemption within FRS 17, where it is not possible to determine the Company's share of the assets and liabilities, the Company treats the scheme as if it were a defined contribution scheme and recognises charges as and when contributions are due to the scheme.

(g) Operating leases

Rentals payable under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Eurolines (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2014

1. Accounting policies (continued)

(h) Share based payments

The Company applied the requirements of FRS 20 'Share-based Payment' with effect from 1 January 2005. In accordance with the transitional provisions, the standard has been applied to all equity-settled awards granted after 7 November 2002 that were unvested as of 1 January 2005.

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. 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.

(i) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are expressed in sterling at the rates of exchange ruling at the Balance Sheet date. Any exchange differences arising are dealt with through the Profit & Loss Account.

(j) Classification of debtors and creditors

Amounts owing to and from other European Eurolines organisations have been classified as trade debtors and creditors.

2. Turnover

Turnover comprises revenue from the one principal activity of road passenger transport and related activities. Revenue, all of which arises in the United Kingdom, is stated net of value added tax where applicable.

Eurolines (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2014

3. Operating costs

	2014	2013
	£'000	£'000
External charges	7,793	8,310
Auditor remuneration	12	12
Staff costs (note 5)	701	818
Depreciation – Owned assets	45	38
Exceptional items	332	63
Operating lease charges – Land and buildings	55	75
	<u>8,938</u>	<u>9,316</u>

4. Directors' remuneration

The remuneration of the Directors' during the year comprised the following:

	2014	2013
	£'000	£'000
Directors		
Aggregate emoluments	134	126
Pension	9	8
Number of Directors' granted share options in respect of qualifying services	-	1
Number of Directors' who exercised share options	-	1

One director was remunerated in Eurolines UK Limited. Other Directors' of the Company are also Directors' of other companies in the National Express Group and are remunerated in these other group companies. The Directors' consider that the levels of their qualifying services provided to this Company are inconsequential.

Defined benefit pension scheme finished in January 2011, no retirement benefits are accruing under defined benefit schemes operated on behalf of the Company.

Eurolines (UK) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2014

5. Staff costs

	2014 £'000	2013 £'000
Wages and salaries	634	721
Social security costs	49	69
Pension contributions (note 16)	18	28
	<u>701</u>	<u>818</u>

The average monthly number of full time equivalent employees during the year, including Directors', was:

	2014 Number	2013 Number
Management and administration	14	16
Operational	7	10
	<u>21</u>	<u>26</u>

Share based payments

The charge in respect of share-based payment transactions included in the Profit and Loss Account for the year is as follows:

	2014 £'000	2013 £'000
Charge arising from share and share options	<u>9</u>	<u>9</u>

6. Interest receivable

	2014 £'000	2013 £'000
Group interest	<u>8</u>	<u>6</u>

Eurolines (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2014

7. Taxation

(a) Analysis of taxation charge in the year

	2014 £'000	2013 £'000
<i>Current tax:</i>		
UK Corporation tax	151	255
Adjustments in respect of prior years	(57)	(50)
Total corporation tax (note 7b)	<u>94</u>	<u>205</u>
<i>Deferred tax (note 12)</i>		
Origination and reversal of timing differences	(1)	(1)
Change in tax rate	-	2
Adjustments in respect of prior years	(7)	(6)
Total deferred tax	<u>(8)</u>	<u>(5)</u>
Tax on profit on ordinary activities	<u>86</u>	<u>200</u>

(b) Factors affecting the current tax charge for the year

The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are reconciled below.

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	661	1,089
Profit on ordinary activities at the standard rate of corporation tax 21.5% (2013: 23.25%)	142	253
Timing differences in respect of fixed assets	1	1
Permanent differences	8	1
Adjustments in respect of prior years	(57)	(50)
Total current tax (note 7a)	<u>94</u>	<u>205</u>

Eurolines (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2014

7. Taxation (continued)

On 20 March 2013, in the Chancellor's 2013 Budget Statement, reductions in the UK Corporation tax rate to 21% on 1 April 2014 and 20% on 1 April 2015 were announced.

At the Balance Sheet date a rate of 20% (2013:20%) was substantively enacted.

On 8 July 2015 the Chancellor announced a further reduction in the main rate of UK Corporation tax to 19% with effect from 1 April 2017, and to 18% from 1 April 2020. This change has not been substantively enacted, and has not therefore been included in the figures above. The impact of the future rate reductions will be accounted for to the extent that they are enacted at the Balance Sheet date; however it is estimated that this will not have a material effect on the Company.

8. Dividends

	2014 £'000	2013 £'000
Dividend declared and paid during the year of £50 per share (2013: £5 per share)	<u>2,000</u>	<u>500</u>

9. Tangible assets

	Plant and Equipment £'000
Cost	
At 1 January 2014	226
Additions	35
At 31 December 2014	<u>261</u>
Depreciation	
At 1 January 2014	118
Charge for the year	45
At 31 December 2014	<u>163</u>
Net Book Value	
At 31 December 2014	<u>98</u>
At 31 December 2013	<u>108</u>

Eurolines (UK) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2014

10. Debtors

	2014	2013
	£'000	£'000
Trade debtors	473	565
Amounts due from group undertakings	1,248	1,162
Deferred tax asset (note 12)	22	14
Other debtors	70	133
Prepayments and accrued income	62	75
	<u>1,875</u>	<u>1,949</u>

11. Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Trade creditors	2,130	1,777
Amounts due to group undertakings	20	10
UK corporation tax	151	255
Other creditors and accruals	368	153
	<u>2,669</u>	<u>2,195</u>

12. Deferred taxation

The movements in the deferred taxation asset during the current year are as follows:

	£'000
At 1 January 2014	14
Credit in the profit and loss account (note 7(a))	8
At 31 December 2014	<u>22</u>

The deferred tax asset comprises:

	2014	2013
	£'000	£'000
Accelerated capital allowances	<u>22</u>	<u>14</u>

Eurolines (UK) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2014

13. Share capital

	2014 £'000	2013 £'000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each, (2013: 100,000)	<u>100</u>	<u>100</u>

14. Reserves

	Profit and loss account £'000
At 1 January 2014	1,462
Profit for the year	575
Transfers from profit and loss	8
Interim dividend	<u>(2,000)</u>
At 31 December 2014	<u>45</u>

15. Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Shareholders' funds at 1 January	1,562	1,163
Profit for the year	575	889
Interim dividend	(2,000)	(500)
Transfers from profit and loss	<u>8</u>	<u>10</u>
Shareholders' funds at 31 December	<u>145</u>	<u>1,562</u>

16. Retirement benefits

The pension charge for the year amounted to £18,000 (2013: £28,000). Unpaid contributions at the year end amounted to £nil (2013: £nil).

17. Contingent liabilities

The Company is a party to guarantees supported by charges in respect of overdraft facilities, which have been granted by the Groups' bankers.

Eurolines (UK) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2014

18. Annual commitments under non-cancellable operating lease agreements

	Land and buildings	
	2014	2013
	£'000	£'000
Leases expiring:		
In less than one year	-	65
Within two to five years	43	81
In more than five years	-	-
	<u>43</u>	<u>146</u>

19. Related party transactions

The Company has taken advantage of the exemption in paragraph 3c of FRS8 from disclosing transactions with wholly owned subsidiaries. There were no other related party transactions.

20. Ultimate parent and controlling Company

The Company is a wholly owned subsidiary undertaking of National Express Holdings Limited, registered in England and Wales.

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

The Group financial statements are available to the public and may be obtained from:

The Company Secretary
National Express Group PLC
National Express House
Mill Lane
Birmingham
B5 6DD