

COMPANY NUMBER 1991069

**EUROLINES (UK) LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**



EUROLINES (UK) LIMITED

DIRECTORS' REPORT AND BUSINESS REVIEW

The Directors present their annual report, business review and accounts for the year ended 31 December 2011

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 continued growth in passenger numbers on key European corridors. The major routes have performed well producing a profit on ordinary activities before tax and after royalty charges to National Express Group of 15% (2010 14%)

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 increased in the year by 12% to £9.6m compared to £8.6m in 2010. This was largely as a result of improved passenger numbers, load factors and average fares.

The profit for the year after taxation amounted to £1.1m (2010 £0.9m) representing an increase in operating profit of £0.2m. Retained profits for the year of £1.1m (2010 £0.9m) have been transferred to reserves.

The Company has paid an interim dividend in the year of £5m (2010 £nil). The directors do not propose the payment of a final dividend (2010 £nil). Net assets decreased to £1,081,000 (2010 £5,000,000) due to payment of the dividend out of the cash held.

Health and Safety

Safety is of paramount importance to the Company. The Company's policy is one of continuous improvement in safety.

All the Company's coaches are fitted with seat belts by law, and since 2006 it has been mandatory for passengers over 14 to wear them in the UK.

Environment

It is becoming clear that wider recognition of the environmental credentials of public transport over the car and the plane is contributing to the increased use of the Company's services. Businesses, as well as consumers, are becoming more focused on reducing their carbon footprint for travel and the Company is developing a range of corporate products to encourage this.

Operational review

The business performed well in the year with significant improvements to the average fare and to the management of load factors.

EUROLINES (UK) LIMITED

DIRECTORS' REPORT AND BUSINESS REVIEW

Employees

The Company is a non-discriminatory employer operating an Equal Opportunities Policy which aims to eliminate unfair discrimination, harassment, 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 or membership or non-membership of a trade union.

The Company's policy is to continue to employ those who become disabled in service. Training is adjusted to cater for an individual disability and the disabled 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 newspaper 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 Company wide 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 Company action plans.

Key risks and uncertainties

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

Economic conditions – Difficult economic conditions currently exist in the UK and Europe. As passenger transport is a more discretionary part of people's spend, the business may be adversely affected by reduced economic activity. Revenues may be affected by lower passenger demand. We seek to mitigate this risk through proactive cost control and our revenue management systems.

Fuel costs – The business is exposed indirectly to fuel costs, primarily Ultra low sulphur diesel for coaches. Fuel prices are subject to significant volatility due to economic, political and climate circumstances. Increases in fuel costs will affect profitability. We seek to control these costs by negotiation with our coach operators.

Competition – The coach market in Europe is increasingly competitive and new entrants to the market are commencing operations during 2012 which will result in more difficult trading conditions.

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

EUROLINES (UK) LIMITED

DIRECTORS' REPORT AND BUSINESS REVIEW

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 2011 Annual Report and Accounts

Going concern

At the time of preparation of these accounts 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 accounts

Directors and their interests

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

J Gilbert

A Cleaves

N J Barker (Resigned 31st October 2011)

R Newman (Appointed 26th May 2011)

Indemnity

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

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 year. In preparing those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper 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 to enable them to ensure that the accounts 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

EUROLINES (UK) LIMITED

DIRECTORS' REPORT AND BUSINESS REVIEW

Directors' statement as to disclosure of information to auditor

The Directors who held office at the date of approval of the Directors' Report and Business Review 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

Auditor

Following a tender during the year, Deloitte LLP was appointed as auditor to the group and Ernst & Young LLP resigned. Deloitte LLP has expressed its willingness to continue in office as auditor of the Company and its reappointment will be put to shareholders at the AGM.

By order of the Board



J Gilbert
Director

Date ~~30 AUGUST~~ 2012

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

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF EUROLINES (UK) LIMITED

We have audited the financial statements of Eurolines (UK) Limited for the year ended 31st December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. 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 members 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 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. 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 accounts

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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as of 31 December 2011 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
EUROLINES (UK) LIMITED**

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



Christopher Robertson (Senior statutory auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

Birmingham

Date Approved 30 August 2012

EUROLINES (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	<i>Note</i>	2011 £'000	2010 £'000
Turnover	2	9,600	8,571
Operating costs	3	<u>(8,160)</u>	<u>(7,365)</u>
Operating profit		1,440	1,206
Interest receivable	6	<u>31</u>	<u>25</u>
Profit on ordinary activities before taxation		1,471	1,231
Tax on profit on ordinary activities	7	(390)	(342)
Profit on ordinary activities after taxation and for the financial year	14	<u>1,081</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 £1,081,000 (2010 £889,000), and therefore no separate statement of recognised gains and losses has been prepared

EUROLINES (UK) LIMITED

BALANCE SHEET

AT 31 DECEMBER 2011

		2011 £'000	2010 £'000
	<i>Note</i>		
Fixed assets			
Tangible assets	9	8	5
Current assets			
Debtors	10	1,862	1,686
Cash at bank and in hand		1,719	5,821
		<u>3,581</u>	<u>7,507</u>
Creditors: amounts falling due within one year	11	<u>(2,508)</u>	<u>(2,512)</u>
Net current assets		<u>1,073</u>	<u>4,995</u>
Net assets		<u>1,081</u>	<u>5,000</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	<u>981</u>	<u>4,900</u>
Shareholders' funds	15	<u>1,081</u>	<u>5,000</u>

The accounts were approved for issue by the board of directors and were signed on their behalf by


J Gilbert
Director

Date: 30 AUGUST 2012

COMPANY NUMBER 1991069

EUROLINES (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards. The accounting policy have been applied consistently through the current and prior period.

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

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.

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
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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.

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.

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

EUROLINES (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Accounting policies (continued)

of the exemption provided under FRS 1 (Revised) not to prepare a cash flow statement

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.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

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.

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.

Classification of debtors and creditors

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

EUROLINES (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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.

3. Operating costs

	2011 £'000	2010 £'000
External charges	7,288	6,535
Auditors' remuneration – audit of the accounts	12	12
Staff costs (note 5)	798	734
Depreciation - Owned assets	4	10
Operating lease charges – Land and buildings	58	58
Exceptional Item Redundancy Costs	-	16
	<u>8,160</u>	<u>7,365</u>

4. Directors' remuneration

The remuneration of the Directors during the year comprised the following

	2011 £'000	2010 £'000
Aggregate Emoluments	<u>111</u>	<u>106</u>
Number of directors granted share options in respect of qualifying services	<u>2</u>	<u>2</u>
Number of directors who exercised share options	<u>-</u>	<u>3</u>

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 level of their qualifying services provided to this Company are inconsequential.

Retirement benefits are accruing to one Director (2010: one Director) under defined benefit schemes operated on behalf of the Company.

EUROLINES (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

5. Staff costs

	2011 £'000	2010 £'000
Wages and salaries	706	586
Social security costs	65	50
Pension contributions (Note 16)	27	98
	<u>798</u>	<u>734</u>

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

	2011 Number	2010 Number
Management and administration	16	16
Operational	13	11
	<u>29</u>	<u>27</u>

6. Interest receivable

	2011 £'000	2010 £'000
Group interest	<u>31</u>	<u>25</u>

7. Taxation

(a) Analysis of taxation charge in the year

	2011 £'000	2010 £'000
<i>Current tax.</i>		
UK Corporation tax	386	343
Adjustments in respect of prior years	-	4
Total Current tax (note 7b)	<u>386</u>	<u>347</u>
<i>Deferred tax (note 12)</i>		
Origination and reversal of timing differences	3	3
Change in tax rate	1	1
Adjustment in respect of prior years	-	(9)
Total Deferred tax	<u>4</u>	<u>(5)</u>
Tax on profit on ordinary activities	<u>390</u>	<u>342</u>

EUROLINES (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

7. Taxation (continued...)

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

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	<u>1,471</u>	<u>1,231</u>
Profit on ordinary activities at the standard rate of corporation tax 26.5% (2010: 28%)	<u>390</u>	<u>345</u>
Short term timing differences	-	(3)
Timing differences in respect of fixed assets	(3)	-
Permanent differences	(1)	1
Adjustments in respect of prior years		4
Total current tax (note 7(a))	<u>386</u>	<u>347</u>

- On the 22 June 2010 the UK Chancellor of the Exchequer announced a number of corporate tax reforms. The following changes to corporation tax will have an impact on the Company:
 - Corporation tax rate reduction from 28% to 24%, over 4 years. This reduction will be staggered as a 1% reduction each year, the first reduction of 1% is effective from 1 April 2011.
 - As of 1 April 2012, the tax amortisation rate on plant and machinery capital additions will be reduced from 20% to 18% per annum. There has also been a decrease of the tax amortisation rate on long-life assets (those assets capable of being used for more than 25 years) from 10% to 8%.
- On the 22 March 2011, the UK Chancellor of the Exchequer announced a further 1% reduction in the UK Corporation tax rate to 26% effective from 1 April 2011, along with subsequent reductions of 1% each year to a final rate of 23%.
- At the balance sheet date a rate of 25% (2010: 27%) was substantively enacted, to come into effect from 1 April 2012. The change in rate from 27% to 25% has resulted in a tax charge of £1,326 to the profit and loss account.
- On the 21 March 2012, the UK Chancellor of the Exchequer announced a further 1% reduction in the UK Corporation tax rate to 24% effective from 1 April 2012, along with subsequent reductions of 1% each year to a final rate of 22%.
- The 24% rate was substantively enacted on 26 March 2012. If the entire deferred tax asset, currently at 25%, were to unwind at 24%, the effect of the changes would be to reduce the deferred tax asset provided at 31 December 2011 by £542.

EUROLINES (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

8 Dividends payable

	2011	2010
	£'000	£'000
Dividend declared and paid during the year of £50 per share (2010 nil)	<u>5,000</u>	<u>-</u>

9. Tangible assets

	Plant and Equipment £'000
Cost	
At 1 January 2011	66
Additions	7
Disposals	-
At 31 December 2011	<u>73</u>
Depreciation	
At 1 January 2011	61
Charge for the year	4
Disposals	-
At 31 December 2011	<u>65</u>
Net Book Value	
At December 31 2011	<u>8</u>
At December 31 2010	<u>5</u>

10. Debtors

	2011	2010
	£'000	£'000
Trade debtors	602	542
Amounts due from group undertakings	1,139	1,029
Deferred tax asset (note 12)	14	18
Other debtors	70	57
Prepayments and accrued income	37	40
	<u>1,862</u>	<u>1,686</u>

EUROLINES (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

11. Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Trade creditors	1,750	1,748
Amounts due to group undertakings	30	39
UK corporation tax	385	347
Other creditors and accruals	343	378
	2,508	2,512

12. Deferred taxation

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

	£'000
At 1 January 2011	18
Credit in the profit and loss account (note 7(a))	(4)
At 31 December 2011	14

The deferred tax asset comprises

	2011	2010
	£'000	£'000
Accelerated capital allowances	14	18

13. Share capital

Issued, called up and fully paid

	2011	2010
	£'000	£'000
100,000 Ordinary shares of £1 each, (2010 100,000)	100	100

EUROLINES (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

14. Reserves

	Profit & loss account £'000
At 1 January 2011	4,900
Profit for the financial year	1,081
Interim Dividend	(5,000)
At 31 December 2011	981

15. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit for the financial year	1,081	889
Shareholders' funds at 1 January	5,000	4,111
Interim Dividend	(5,000)	-
Shareholders' funds at 31 December	1,081	5,000

16. Retirement benefits

The company is a member of the National Express Group PLC multi-employer funded defined benefit scheme and is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis, and therefore has accounted for the scheme as if it were a defined contribution scheme under FRS 17 "Retirement Benefits". Contributions to this scheme are determined by independent professionally qualified actuaries. At the latest actuarial valuation of the scheme carried out on 5 April 2010, the group scheme assets were £54.8m and percentage of funding was 68%.

The valuations conducted for financial reporting purposes are based on the triennial actuarial valuations and are presented in the table below

	UK Coach 5 April 2010
Date of actuarial valuation	Projected unit
Actuarial method used	4.1%
Rate of investment returns per annum	-
Increase in earnings per annum	£54.8m
Scheme assets taken at market value	68%
Funding level	

EUROLINES (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

16. Retirement benefits (continued)

The most recent triennial valuations are then updated by independent professionally qualified actuaries for financial reporting purposes, in accordance with FRS 17. The main actuarial assumptions underlying the FRS 17 valuations are

	2011	2010
	UK	
	Coach	UK Coach
Rate of increase in salaries	3.0%	3.9%
Rate of increase of pensions	3.0%	3.5%
Discount rate	5.0%	5.4%
Inflation assumption (RPI)	3.0%	3.5%
Inflation assumption (CPI)	2.0%	2.9%
Expected rates of return on scheme assets		
Equities	7.7%	7.7%
Bonds	3.0%	4.2%
Properties	5.7%	6.0%
Other	1.25%	1.25%
Post-retirement mortality in years		
Current pensioners at 65 – male	24.5	21.9
Current pensioners at 65 – male, pension under £8,500 pa or pensionable pay under £30,000 pa		
Current pensioners at 65 – male – others		
Current pensioners at 65 – female	27.5	24.8
Current pensioners at 65 – female, pension under £3,000 pa or pensionable pay under £30,000 pa		
Current pensioners at 65 – female – others		
Future pensioners at 65 – male	26.6	23.0
Future pensioners at 65 – male, pension under £8,500 pa or pensionable pay under £30,000 pa		
Future pensioners at 65 – male – others		
Future pensioners at 65 – female	29.5	25.8
Future pensioners at 65 – female, pension under £3,000 pa or pensionable pay under £30,000 pa		
Future pensioners at 65 – female – others		

EUROLINES (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

16. Retirement benefits (continued)

The table presented below discloses the surplus of the scheme for which UK Coach are a part of however the actual surplus specific to National Express Limited is not identifiable

As at 31 December 2011	UK Coach 2011 £m
Equities	—
Bonds	63.6
Property	—
Other	4.3
Fair value of scheme assets	67.9
Present value of scheme liabilities	(49.3)
Franchise adjustment	—
Defined benefit obligation	(49.3)
Members' share of deficit	—
Defined benefit pension (deficit)/surplus	18.6

The UK Coach plan is now closed to all future accrual. A funding plan aimed at bringing the plan to self sufficiency over a six year period was agreed in 2010, National express contributes £4.2m annually to this scheme.

Details of this scheme and the underlying actuarial assumptions thereto can be found in the 2011 Annual Report and Accounts of National Express Group PLC, the ultimate holding company.

The company also participates in a defined contribution scheme, the West Midlands Pension Scheme, a non-contracted out money purchase scheme.

The pension charge for the year amounted to £756,000 (2010: £3,211,000), of which £674,000 (2010: £170,000) was in relation to the defined contribution scheme and £82,000 (2010: £3,041,000) was in relation to the defined benefit scheme. Unpaid contributions at the year end amounted to £nil (2010: £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 Group's bankers.

18. Annual commitments under non-cancellable operating lease agreements

	Land and buildings	
	2011 £'000	2010 £'000
Leases expiring:		
In less than one year	36	31
Within two to five years	—	5
In more than five years	22	22
	58	58

EUROLINES (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

19. Related party transactions

The Company has taken advantage of the exemption in paragraph 3c of FRS8 from disclosing transactions with related parties that are part of the National Express Group PLC or investees of the Group. 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 accounts are available to the public and may be obtained from

The Secretary
National Express Group PLC
National Express House
Birmingham Coach Station
Mill Lane
Digbeth
Birmingham B5 6DD