

Eurolines (U.K.) Limited
Annual Report and Financial Statements
For the year ended 31 December 2017



Eurolines (U.K.) Limited

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Eurolines (U.K.) Limited

Strategic Report

The Directors present the Strategic Report for the year ended 31 December 2017.

Principal activities

The Company administered and marketed express coach services to Europe.

Review of business and outlook

The Company has made a loss in the year which reflects the impact of increased competition and terrorist attacks in the UK. The competitive landscape continues to be challenging with increased competition from other operators and low-cost airlines.

On 30th June 2017 the Company gave notice to exit from the Eurolines Organisation and its pool partners. The Company ceased trading on 31st December 2017, and any future opportunities in this market will be put through National Express Limited, a sister company of the Company.

Results and dividend

Revenue has decreased in the year by 16% to £5,275,000 compared to £6,268,000 in 2016. This was largely as a result of increased competition and terrorism attacks in Europe.

The loss for the year after taxation amounted to £65,000 (2016 loss: £566,000) as the Company recovered from the terrorist attacks in Brussels and Paris. Retained loss for the year of £65,000 (2016 retained loss: £566,000) has been transferred to reserves.

Net assets decreased to £557,000 (2016: £613,000).

The Company has not paid any interim dividend in the year (2016: £nil). The Directors do not propose the payment of a final dividend (2016: £nil).

Key risks and uncertainties

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

Economic conditions – Revenue for Eurolines (U.K.) 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 (U.K.) Limited

Strategic Report (continued)

Key risks and uncertainties (continued)

Fuel costs – Fuel costs constitute a high proportion of the costs of Eurolines (U.K.) 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 principal risks and uncertainties of the National Express Group PLC 2017 Annual Report and Consolidated Financial statements.

Approved and authorised for issue by the board of directors



Tom Stables
Director
27 September 2018

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

Eurolines (U.K.) Limited

Directors' Report

The Directors present the Annual Report and audited financial statements for the year ended 31 December 2017.

Principal activities and future developments

The principal activities, key risks, uncertainties and future developments of the Company are described in the Strategic Report.

Going concern

The Company ceased trading on 31st December 2017 and the accounts have being prepared on a basis other than going concern. There are sufficient funds available to settle all liabilities.

Post balance sheet event

The Company has exited from Eurolines Organisation and its pool partners and has ceased trading from 31st December 2017. The pools will continue to unwind throughout 2018.

Directors

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

T F Stables

E H Lunt (resigned 9 March 2018)

C Hardy (appointed 12 January 2017)

E M Rickard (appointed 12 January 2017)

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 (U.K.) Limited

Directors' Report (continued)

Health and Safety

The Company continued to demonstrate continuous improvement in 2017 making good progress in improving safety through strong leadership commitment, evidence of continuous improvement and industry leading best practice. To underpin the success the Company gained external recognition through the verification of its safety management system and associated arrangements to an internationally recognised standard through the British Safety Council.

The 'Driving Out Harm' safety management systems are externally verified annually and were recognised during 2017 in the following areas:

- Attained re-certification to BS OHSAS18001 internationally recognised safety standard until 2020
- British Safety Council 5 Star recognition for excellence in safety management systems for 4th consecutive year with an audit score of 96.14%
- British Safety Council 'Sword of Honour' Winner – 3rd consecutive year
- ROSPA Gold Award for Excellence in Safety – 3rd consecutive year

To benchmark the Company's achievements its British Safety Council audit score of 96.14% was audited against a new and improved specification, and the Company was successful in achieving the British Safety Councils 'Sword of Honour' for the 3rd consecutive year, demonstrating a proven track record of excellence in managing risks to workers' health and safety from the organisations activities.

An excellent achievement which recognises the 'best of the best' in health and safety management having attained the Company's 5 Star status in October 2017 for the fourth consecutive year.

Environment

The Company was profiled to establish environmental risk, legal obligations, impacting activities, measurement and monitoring opportunities and tenancy arrangements to determine overall environmental impact for each site.

During 2017 environmental assessments were conducted for the Company's owned operational sites. These assessments are designed to benchmark each sites state of readiness prior to 3rd party assessment.

Synergies were established within the current health and safety management system to embed environmental management.

The setting of individual site environmental targets improved performance of the Company's key performance indicators, which relate to our significant environmental impacts i.e. energy, incidents, fuel and emissions. All vehicles are a minimum Euro V, with 47.2% being Euro VI.

Eurolines (U.K.) 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 the Directors' knowledge there is no information relevant to the preparation of their audit report to which the Company's auditor is unaware; and
- the Directors have 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 provisions of Section 418 of the Companies Act 2006.

By order of the Board



Tom Stables

Director

27 September 2018

Registered Office:

National Express House
Birmingham Coach Station
Mill Lane
Birmingham
B5 6DD

Eurolines (U.K.) 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), including FRS 101 "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 judgements and accounting estimates that are reasonable and prudent; 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 Eurolines (U.K.) Limited

Opinion

In our opinion the financial statements of Eurolines (U.K.) Limited (the 'company'):

- give a true and fair view of the state of the Company's affairs as of 31 December 2017 and of its loss 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

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18

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 of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the strategic 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.

Independent Auditor's Report to the Members of Eurolines (U.K.) Limited (continued)

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 to the Members of Eurolines (U.K.) Limited (continued)

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.



Peter Gallimore FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
27 September 2018

Eurolines (U.K.) Limited
Profit and Loss Account
For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Turnover	3	5,275	6,268
Operating costs	4	<u>(5,400)</u>	<u>(7,039)</u>
Operating Loss		(125)	(771)
Interest receivable/(payable)	7	<u>2</u>	<u>(2)</u>
Loss before tax		(123)	(773)
Tax on loss	8	<u>58</u>	<u>207</u>
Loss after tax		(65)	(566)

The Company had no recognised gains and losses other than the loss for the year of £65,000 attributable to the shareholders as stated above (2016 loss: £566,000), and therefore no separate Statement of Other Comprehensive Income has been prepared. The operations are now discontinued.

Eurolines (U.K.) Limited

Balance Sheet

As at 31 December 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	9	-	59
Deferred taxation	10	33	25
		<u>33</u>	<u>84</u>
Current assets			
Debtors	11	875	1,709
Cash at bank and in hand		1,344	1,298
		<u>2,219</u>	<u>3,007</u>
Creditors: amounts falling due within one year	12	(1,695)	(2,478)
Total assets less current liabilities		557	613
Net assets		<u>557</u>	<u>613</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account		457	513
Shareholders' funds		<u>557</u>	<u>613</u>

The financial statements of Eurolines (U.K.) Limited were approved and authorised for issue by the Board of Directors on 27 September 2018 and were signed on its behalf by:



Tom Stables
Director
27 September 2018

Eurolines (U.K.) Limited
Statement of Changes in Equity
For the year ended 31 December 2017

	Share Capital £'000	Profit and Loss Account £'000	Total £'000
At 1 January 2016	100	1,071	1,171
Share-based payments (note 6)	-	8	8
Profit and total comprehensive income for the year	-	(566)	(566)
At 31 December 2016	100	513	613

	Share Capital £'000	Profit and Loss Account £'000	Total £'000
At 1 January 2017	100	513	613
Share-based payments (note 6)	-	9	9
Loss and total comprehensive income for the year	-	(65)	(65)
At 31 December 2017	100	457	557

Eurolines (U.K.) Limited

Notes to the Financial Statements

For the year ended 31 December 2017

1. General information

Eurolines (U.K.) Limited is a private limited company, limited by shares incorporated in the United Kingdom and registered in England and Wales.

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. These financial statements were prepared in accordance with FRS101 (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 business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management and presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. 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 18.

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

The entity has ceased trading in the financial year. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the entity's assets to net realisable value. Provision has also been made for any contractual commitments that have become onerous at the end of the reporting period. The financial statements do not include any provision for the future costs of terminating the business of the entity except to the extent that such costs were committed at the end of the reporting period.

Eurolines (U.K.) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

2. Significant accounting policies (continued)

Cash flow statement

As the Company is a wholly owned subsidiary undertaking of National Express Group PLC, a company registered in England and Wales, the Company has taken advantage of the exemption provided under FRS 101 not to prepare a cash flow statement.

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 less accumulated depreciation and any provisions for impairment.

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.

Eurolines (U.K.) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

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 probable 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 probable 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 income statement, 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.

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 line with FRS 17 as the Company is unable to identify its share of the scheme, the Company treats the scheme as if it was a defined contribution scheme and recognises charges as and when contributions are due to the scheme.

Eurolines (U.K.) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

2. Significant accounting policies (continued)

Lease commitments

Rentals paid 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 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.

Financial Instruments

The Company determines the classification of its financial instruments at initial recognition. The Company classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Financial assets at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the Income Statement. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are presented in the Income Statement within finance costs in the period in which they arise.

Eurolines (U.K.) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

2. Significant accounting policies (continued)

Financial Instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the Balance Sheet date which are classified as non-current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in the category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Balance Sheet date.

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, except for indefinite life intangible assets and goodwill which are reviewed annually. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is 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 level 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 Income Statement in expense categories consistent with the function of the impaired asset.

Except for goodwill impairments, a review is made at each reporting date of any previous impairment losses to assess whether they no longer exist or may have decreased. If such indication exists, the asset's recoverable amount is estimated and any previously recognised impairment loss is reversed only if there has been a change in the estimates used to assess the recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased, subject to a limit of the asset's net book value had no previous impairment loss been recognised. Such reversal is recognised in the Income Statement. Future depreciation or amortisation is then adjusted to allocate the asset's revised carrying amount over its remaining useful economic life. Impairment to goodwill cannot be reversed.

Eurolines (U.K.) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

2. Significant accounting policies (continued)

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 and Loss Account.

Classification of debtors and creditors

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

Significant accounting adjustments and key sources of 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 key accounting estimates and judgements are:

Tax provisions

Assessing the outcome of tax uncertainties requires judgements to be made regarding the result of negotiations with and enquiries from tax authorities in a number of jurisdictions. 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

3. 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 (U.K.) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

4. Operating costs

	2017	2016
	£'000	£'000
External charges	4,859	6,287
Audit of the company's financial statements	12	12
Staff costs (note 6)	500	693
Depreciation – Owned assets	23	27
Operating lease charges – Land and buildings	6	20
	<u>5,400</u>	<u>7,039</u>

5. Directors' emoluments

The Directors of the Company for 2017 are remunerated by National Express Limited. The Directors consider that the level of their qualifying services provided to this Company amounts to £73,000 (2016: £159,000). No recharge of Directors' remuneration has been made by National Express Limited for 2017.

6. Staff costs

	2017	2016
	£'000	£'000
Wages and salaries	479	625
Social security costs	16	48
Pension contributions (note 14)	5	20
	<u>500</u>	<u>693</u>

The average monthly number of full time equivalent employees during the year was:

	2017	2016
	Number	Number
Management and administration	5	6
Operational	3	4
	<u>8</u>	<u>10</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:

	2017	2016
	£'000	£'000
Charge arising from share and share options	<u>9</u>	<u>8</u>

Eurolines (U.K.) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

7. Interest receivable/(payable)

	2017 £'000	2016 £'000
Bank interest	<u>2</u>	<u>(2)</u>

8. Taxation**(a) Analysis of taxation credit in the year**

	2017 £'000	2016 £'000
<i>UK corporation tax:</i>		
UK Corporation tax on results for the year	(21)	(152)
Adjustments in respect of prior years	<u>(29)</u>	<u>(56)</u>
Total corporation tax	(50)	(208)
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(1)	-
Change in tax rate	-	1
Adjustments in respect of prior years	<u>(7)</u>	<u>-</u>
Total deferred tax (note 10)	(8)	1
Tax credit on loss (note 8b)	<u>(58)</u>	<u>(207)</u>

(b) Factors affecting the total tax credit for the year

The tax assessed on the loss for the year is different from the standard rate of corporation tax in the UK. The differences are reconciled below:

	2017 £'000	2016 £'000
Loss before taxation	(123)	(773)
Loss multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(24)	(155)
Effect of:		
Expenses not deductible for tax purposes	2	3
Effect of change in tax rate in the year	-	1
Adjustments in respect of prior years - CT	(29)	(56)
Adjustments in respect of prior years - DT	<u>(7)</u>	<u>-</u>
Total tax credit (note 8a)	(58)	(207)

Eurolines (U.K.) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

8. Taxation (continued)

Reductions in the future UK corporation tax rates from 20% to 19% and then 18% were substantively enacted in July 2015 and will take effect in April 2017 and April 2020 respectively. The Finance Act 2016 which was substantively enacted on 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. To the extent the deferred tax reverses before 1 April 2020 then the impact on the net deferred tax liability will be reduced.

9. Tangible fixed assets

	Plant and Equipment £'000
Cost:	
At 1 January 2017	137
Disposals	(137)
At 31 December 2017	-
Depreciation:	
At 1 January 2017	78
Charge for the year	23
Disposals	(101)
At 31 December 2017	-
Net book value:	
At 31 December 2017	-
At 31 December 2016	59

Eurolines (U.K.) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

10. Deferred taxation

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

	£'000
At 1 January 2017	25
Credit in the profit and loss account (note 8a)	8
At 31 December 2017	<u>33</u>

The deferred tax asset comprises:

	2017	2016
	£'000	£'000
Accelerated capital allowances	<u>33</u>	<u>25</u>

11. Debtors

	2017	2016
	£'000	£'000
Trade debtors	117	604
Amounts due from group undertakings:		
National Express Limited	315	640
Other group companies	154	143
Other debtors	240	143
UK Corporation Tax	31	151
Prepayments and accrued income	18	28
	<u>875</u>	<u>1,709</u>

12. Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Trade creditors	575	881
Amounts due to group undertakings	107	161
Other creditors and accruals	1,013	1,436
	<u>1,695</u>	<u>2,478</u>

Eurolines (U.K.) Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2017

13. Share capital

	2017 £'000	2016 £'000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each, (2016: 100,000)	<u>100</u>	<u>100</u>

14. Pension commitments

The pension charge for the year amounted to £5,000 (2016: £20,000). Unpaid contributions at the year-end amounted to £nil (2016: £nil).

15. 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 (2016: £10,000,000).

16. Annual commitments under non-cancellable operating lease agreements

At the Balance Sheet date, the Company had outstanding commitments for future minimum lease payments under operating leases, which fall due as follows:

	Land and buildings	
	2017 £'000	2016 £'000
Leases expiring:		
In less than one year	-	6
Within two to five years	-	7
In more than five years	-	-
	<u>-</u>	<u>13</u>

17. 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.

Eurolines (U.K.) Limited
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18. 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 largest and smallest 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
Birmingham Coach Station
Mill Lane
Birmingham
B5 6DD