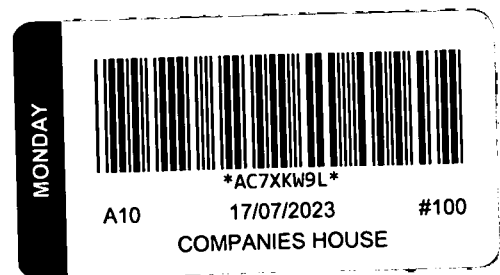


**Trainline.com Limited**

**Annual Report and Financial Statements as of and for the year ended**

**28 February 2023**

**Registered number: 03846791**



## **Annual Report and Financial Statements**

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## Strategic Report

The Directors present their Strategic Report for the year ended 28 February 2023.

### Principal activities

The Company's principal activities during the year were that of rail and coach ticket retail, fulfilment, distribution and ancillary services being offered in conjunction with the core rail journey.

### Review of the business

#### Key Performance Indicators

Net ticket sales have increased by 65% from £2,170 million in FY2022 to £3,590 million in FY2023. Company revenue has increased by 65% from £172.9 million in FY2022 to £286.0 million in FY2023.

Adjusted EBITDA (earnings before tax, net finance income, depreciation and amortisation, exceptional items and share-based payment charges) was £95.1 million (FY2022: £44.0 million).

Operating profit of £44.6 million in the current year, up £42.7 million on the prior year.

UK industry eticket penetration (an internally calculated value of eticket sales as a percentage of total rail ticket sales value for the UK rail industry) increased to 43% in the current year (FY2022: 40%).

The profit for the year of £39.2 million (FY2022: £3.4 million) has been taken to reserves.

Net assets at year end amounted to £88.4million (FY2022: £49.1million).

#### Review of the business

Over the last year Trainline has played a leading role in the rail industry's recovery from the significant disruption of COVID-19 in previous years. Having continued to invest in product and technology through the pandemic, the business was in a strong position to encourage people back to train travel and accelerate the market shift to online and mobile, despite the impact of train strikes during the year.

The unwavering focus of the business reflects a team and organisational culture centred around a core purpose – to increase greener travel. Looking forward, the business is in a strong position to grow and further support the rail industry recovery.

The Directors are focused on the Company's financial and strategic performance. We were pleased with the financial recovery in FY2023, with net ticket sales recovering well and the business achieving increased profitability.

The Company made further good progress against its strategic priorities, enhancing the customer experience, building demand, increasing customer lifetime value and growing Trainline Solutions ('TS' – our B2B offering). We invested behind an enhanced 'new commuter' proposition in the UK and stepped up our investment in our international business as the rail market in Europe increasingly liberalises.

## Strategic Report (continued)

### Principal risks and uncertainties

Risk	Mitigation
<p><b>Regulatory and political environment</b></p> <p>Trainline's operations could be affected by policy and legislative changes enacted by governments and regulators in the UK and the European Union. Our results and performance may be negatively impacted if unfavourable measures are implemented in our key operating markets.</p>	<p>Trainline recognises the importance of developing strong and effective relationships with governments and rail industry partners. The Corporate Affairs team proactively engages with UK and EU national government, institutions and carrier partners as part of a structured programme of stakeholder engagement.</p> <p>Our regulatory engagement is coordinated with our overall communication and brand positioning to present a coherent message to all our audiences and industry stakeholders, for example developing thought leadership in support of the 'I Came by Train' initiative which was strongly welcomed by the UK Government. We continue to engage with key rail industry stakeholders across UK and EU markets through networking, organising and sponsoring industry events and knowledge sharing e.g. our proprietary data insights.</p> <p>Through doing this, we ensure that Trainline's external operating environment remains as supportive as possible to our growth ambitions.</p>
<p><b>Market shock/economic disruption</b></p> <p>Though Trainline is not significantly exposed to inflation and interest spikes directly, adverse economic conditions may impact the spending power of our customers and may therefore affect our financial results. Significant geopolitical events or disruptions in our markets (e.g., rail strikes) could damage our operational results and profitability.</p>	<p>The Executive Team continue to closely monitor and assess the potential impact of geopolitical trends and macroeconomic pressures on the business. Detailed and timely metrics are in place around customer and corporate travel spend and trends.</p> <p>We conduct detailed and careful analysis and modelling of cash balances and debt levels to ensure Trainline's liquidity, access to financial facilities and sustainable business operations all support our long-term growth. As part of our robust strategic planning and budgeting cycles, we continue to monitor and strengthen our balance sheet to improve resilience.</p> <p>Trainline has a large and diverse portfolio of investors, banks and advisers, allowing us to maintain access to global capital markets and funding.</p>

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

Risk	Mitigation
<p><b>Technology operations and security</b></p> <p>As an on-line retailing platform, our operations depend on the uptime, availability and security of our technology infrastructure and systems. Significant disruptions to our products and services, including potential security incidents could significantly impact our financial results and reputation.</p> <p>As we work closely with key third-party technology service providers, a potential failure or outage at these providers may reverberate across our systems infrastructure and product portfolio.</p> <p>Any potential loss or compromise of our critical customer data may also lead to significant financial penalties, and a loss of employee and customer confidence.</p>	<p>Our Infrastructure and Operations teams have a formal 'Major Incident Management' framework in place, including an 'on-call' rota to provide continuous monitoring coverage over our key systems, infrastructure and mission-critical processes. Our "Cloud First" strategy helps mitigate this risk.</p> <p>Our Infrastructure and Platform operations jointly with our Security practice continue to regularly review critical third-party technology providers to assess service levels, resilience and security.</p> <p>The Group's cross-functional Security Steering Committee regularly reviews and monitors existing and emerging security threats as well as our current mitigation strategies. The committee also discusses privacy matters to validate that we continue to adhere to data privacy regulations across our markets.</p> <p>All new Trainline employees are required to complete a cyber security and privacy related training course as part of their onboarding. The Chief Information Security Officer ('CISO'), Security and Privacy teams provide additional periodic and, if required, targeted training to Trainline employees to upskill and ensure good practices are followed.</p> <p>Trainline is certified PCI Level 1 compliant. We have been awarded the ISO22301 certification and are in the process of obtaining ISO27001 for the business. These international standards around business resilience and information systems management, respectively, require us to continuously monitor, review and improve the relevant controls and practices.</p>
<p><b>Competitive landscape</b></p> <p>As we operate in the fast-moving technology sector, we are faced with new and emerging technologies as well as new entrants in our markets.</p> <p>As part of our international expansion in Europe, we undertake targeted branding and marketing activities. If these campaigns were to be unsuccessful, our long-term expansion and growth strategy may be at risk.</p> <p>Failure to ensure that our technology and user experience meet the needs of our customers and that Trainline's offering remains ahead of competitor products could have an adverse impact on our results.</p>	<p>Our leadership team, exceptional team of c. 500 engineers, data and technology specialists, strong industry networks and agile way of working help ensure that we remain innovative.</p> <p>We undertake regular customer, market and competitor analyses to identify and assess potential competitive threats and opportunities. We continue to closely monitor entrants in the "Mobility as a Service" market and if deemed to be the right strategic fit, may consider potential partnership opportunities.</p> <p>As part of our mission to grow awareness of the sustainability of rail travel compared to car and air, and ultimately to grow the rail industry, we launched the "I Came by Train" brand platform in the UK.</p> <p>We have a robust and well-defined product strategy and roadmap that aims to address evolving customer trends. We have plans to trial and launch industry-leading contactless ticketing capabilities within our app.</p>

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

Risk	Mitigation
<p><b>People</b></p> <p>Trainline's business depends on hiring and retaining first-class talent in the highly competitive technology industry. Inability to attract and retain critical skills and capabilities could hinder our ability to deliver on our strategic objectives.</p>	<p>We work hard to develop and sustain our highly collaborative, agile and innovative culture, which incorporates the wellbeing and professional development of team members across each site. We continue to build capabilities and grow our teams in our key markets, in particular focusing on Engineering, Data, Marketing, Industry and Government Relations.</p> <p>Organisational reviews are undertaken on a regular basis to ensure that teams are built to succeed and that we remain competitive to retain and attract talent. We continue to place a high priority on the mental health and wellbeing of our people through our well developed and continuously improving wellbeing initiatives.</p> <p>We have launched an ambitious programme as part of which each Trainliner was awarded Trainline shares. In light of the cost-of-living crisis, we have also provided a one-off payment to all Trainliners, excluding our Executive Leadership team.</p> <p>The implementation of a new, dedicated recruiting, onboarding and talent management system enables us to more proactively manage our engagement with potential candidates and with current Trainliners.</p>
<p><b>Supply and partnerships</b></p> <p>Trainline retails rail and coach tickets across many countries and to customers across the world. We therefore rely on secure, reliable and timely data from our rail and coach carrier partners. A unilateral termination or amendment by a rail or coach carrier of the contractual and licence terms, including a significant reduction in our commissions or the availability of timely carrier data, would have a material impact on our operations and financial results.</p>	<p>We have dedicated senior carrier relationship teams in place in the UK and the EU, who are closely engaged with our train operator partners across all geographies in which we operate.</p> <p>In cooperation with our Regulatory and Industry Relations teams, we work closely with key governmental, trade and rail industry bodies across our key markets.</p>

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

Risk	Mitigation
<p><b>Compliance</b></p> <p>The Group works within various licence terms and with licensing bodies and regulatory structures in order that it may retail rail and coach tickets to customers across the world.</p> <p>Should Trainline not comply with licences, legislation, regulatory requirements or other such frameworks, this could affect the Group's ability to conduct business operations and its reputation with customers.</p>	<p>We take a comprehensive and robust approach to compliance. We have dedicated staff and teams in place, who help to track and monitor legal, contractual and regulatory compliance requirements in each market where we operate.</p> <p>We have dedicated learning resources and courses in place for training on compliance topics. Security, privacy and data, as well as corporate hospitality, bribery, gifting and political and charitable donation related compliance trainings are mandatory. We also ensure that additional training is provided to team members relative to their roles. We run refresher training to reinforce our commitment to compliance.</p> <p>We operate a whistleblowing policy, whereby any Trainline employee can quickly and confidentially raise concerns and feedback through an appropriate, third-party hotline/e-mail. All reported cases are formally investigated and reported on to Trainline's Audit &amp; Risk Committee.</p> <p>Under our licence obligations and other regulatory requirements, we are subject to regular or adhoc third-party compliance reviews. The results of these reviews are formally communicated to the Audit &amp; Risk Committee.</p>

**Strategic Report (continued)****Section 172(1) Statement**

Section 172 of the Companies Act 2006 requires a Director of a Company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing this section 172 requires a Director to have regard, amongst other matters, to the:

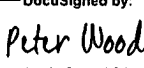
- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

The Directors understand that how we behave matters not only to our people but also to the many stakeholders who have an interest in our business. We believe that productive business relationships with our suppliers, customers and other key stakeholders are key to the success of the Company and that the interests of relevant parties should be considered when making decisions that may impact them. Though engagement is carried out at the Group level by those most relevant to the stakeholder or issue in question, the Directors meet regularly as members of the Group's Executive Leadership Team to receive and discuss updates on the engagement that has been undertaken, the reoccurring questions, concerns raised and the feedback provided by the Company's key stakeholders. For details on the some of the engagement that took place with the Company's stakeholders please see pages 59 to 62 of the Trainline plc FY2023 Annual Report.

When making decisions the Directors consider the updates and discussions that they have taken part in as members of the Group's Executive Leadership Team to take the course of action that they consider best leads to the success of the Company over the long-term, and when doing so also consider the interests of the stakeholders that we interact with. The Directors acknowledge that every decision made will not necessarily result in a positive outcome for all our stakeholders but by considering the Company's purpose and values together with its strategic priorities the Directors aim to make sure its decision is consistent and predictable.

Page 68 of the Trainline plc FY2023 Annual Report sets out some examples of the principal decisions that the Directors have taken part in as members of the Group's Executive Leadership Team.

On behalf of the Board

DocuSigned by:  
  
80699FC98BEFE410...  
**Peter Wood**  
Director

120 Holborn  
LONDON  
EC1N 2TD  
4 May 2023



## **Directors' Report**

The Directors present their Annual Report and the audited Financial Statements of the Company for the year ended 28 February 2023.

### **Directors**

The Directors of the Company who held office during the year and up to the date of the signing of the Financial Statements (unless otherwise noted) were as follows:

Jody Ford  
Lisa Hillier  
Shaun McCabe (resigned 15 September 2022)  
Peter Wade  
Peter Wood (appointed 28 February 2023)  
Champa Magesh (resigned 30 April 2023)

### **Results and Dividends**

The profit for the financial year amounted to £39.2 million (FY2022: £3.4 million). Dividends paid during the year amounted to £nil (FY2022: £nil).

### **Future Developments**

Future developments of the Company are disclosed in the Strategic Report on page 1.

### **Employees**

In considering applications for employment from disabled people, the Company seeks to ensure that full and fair consideration is given to the abilities and aptitudes of the applicant against the requirements of the jobs for which he or she has applied. Employees who become temporarily or permanently disabled are given individual consideration and where possible, equal opportunities for training, career development and promotions.

The Company conducts bi-annual performance appraisals to encourage employee engagement and to link performance to employee remuneration. This year the Company has introduced OKRs (Objectives and Key Results) as the goal setting methodology, to help simplify the process and better align teams to the things that matter most.

The Company regularly bring together all our people across all our offices at our All-Hands sessions so the Management Team can bring everyone up to speed on our latest projects, the progress towards the Company's strategy and recent business performance. Every six months the Company undertake an engagement survey so the Directors can evaluate how the whole team are doing and measure progress against key engagement indicators.

The Directors' receive regular updates on the company's people and culture, in particular:

- the results of engagement surveys and progress made against our People strategy; and
- the actions taken during the year to support our People with the rising cost of living

### **Stakeholder Engagement**

The Directors recognise their duty to promote the success of the Company for the benefit of the members as a whole. The Company aims to foster excellent relationships with suppliers, customers, and other stakeholders. The Company has a dedicated customer service team and closely monitors its compliance with supplier terms. Please refer to page 6 of the Strategic Report for further disclosure on stakeholder engagement.

## Directors' Report (continued)

### Environmental Policy

The Company recognises that its day-to-day operations and other responsibilities can impact upon the environment in many ways. We are committed to promoting good environmental performance, reducing pollution, actively recycling and minimising, so far as is reasonably practicable, adverse environmental impact. We also recognise the overall positive impact on the environment made by rail travel when compared to other travel modes, resulting in less pollution. We will encourage growth in rail travel by improving our retailing and information services so as to make buying and selling rail travel easy.

### Streamlined Energy and Carbon Reporting ("SECR")

To support the above policy, the Company will work with employees, customers and suppliers to identify practicable ways of reducing its environmental impact.

The Group report for the year ended 28 February 2023 of the Company's parent undertaking, Trainline plc, contains SECR disclosures on pages 52 to 58. Copies of the Group Annual Report and Financial Statements of Trainline plc can be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ or at [www.thetrainline.com](http://www.thetrainline.com).

### Financial Risk Management

The Company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The Company has specific policies for the management of these risks. The Company manages these risks as follows:

#### (i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Trade receivables are assessed for risk of default by customers on a periodic basis and terms of trade are adjusted accordingly. Trade receivables are insured on risk and cost grounds.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Trainline Group maintains a daily cash forecast in order to ensure that it has sufficient liquidity to cover all expected cash flows from the Company.

### Political and Charitable Donations

The Company did not make any political donations (FY2022: £nil) or incur any political expenditure during the year (FY2022: £nil). During the year the Company made charitable donations totalling £46,476 (FY2022: £51,588) of which £20,000 was donated to The Trussell Trust. Further charitable donations were made via matched funding under the reporting threshold to support the charitable fund-raising efforts of our people.

### Research and Development

During the year £32.4 million (FY2022: £24.9 million) of development costs were capitalised as intangible fixed assets. These costs arise from work in relation to development of the Company's website and mobile apps and relating technology platform.

## **Directors' Report** *(continued)*

### **Directors' Indemnity Insurance**

The Group has taken out Directors' indemnity insurance on the Directors' behalf which will remain in place to the date of these Financial Statements.

### **Disclosure of Information to the Independent Auditors**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Independent Auditors**

PwC continues as external auditors for FY2023 and for future audits of the Company.

### **Going Concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out within the Strategic Report.

These Financial Statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Cash flow forecasts have been prepared for the Group for a period of at least 12 months from the date of approval of these Financial Statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its ultimate Parent Company, Trainline plc, to meet its liabilities as they fall due for that period.

The Company is dependent on Trainline plc and its subsidiaries not seeking repayment of the amounts currently due to the Group, which at 28 February 2023 amounted to £34.7 million (FY2022: £33.0 million), and providing additional financial support during that period. Trainline plc has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements and therefore have prepared the Financial Statements on a going concern basis.

## Directors' Report (continued)

### Statement of directors' responsibilities in respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are 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 also 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.

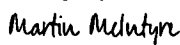
Each of the directors, whose names and functions are listed in Directors Report' confirm that, to the best of their knowledge:

- the company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' Report is approved:

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

On behalf of the Board

DocuSigned by:  
  
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**Martin McIntyre**  
 Company Secretary

120 Holborn  
 London  
 EC1N 2TD  
 4 May 2023

# Independent auditors' report to the members of Trainline.com Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Trainline.com Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements as of and for the year ended 28 February 2023 (the "Annual Report"), which comprise: Balance sheet as at 28 February 2023; Income statement and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 28 February 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### **Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, UK tax legislation and specific rail industry licence regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of the financial statements to overstate revenue through the posting of inappropriate journal entries, or EBITDA through manipulating expense classification or inappropriately capitalising costs to intangibles. Audit procedures performed by the engagement team included:

- Identifying and testing of journal entries based on our risk assessment criteria, in particular any journals with unusual account combinations which inflate revenue or EBITDA;
- Evaluated the design and implementation of controls over journal entries;
- Reviewing board minutes throughout the financial year and post year end to identify any unusual items such as suspicious activity, non-compliance, breaches of laws or potential litigation;
- Review of financial statements disclosures for compliance with Companies Act 2006;
- Assessing compliance with the tax legislation through our audit work over the payroll, VAT and corporation tax;
- Performing enquiries of the Directors, management and legal counsel and inspection of regulatory and legal correspondence; and
- Incorporating unpredictability into our audit plan;
- Performing testing over the intangible asset additions in the period to ensure that there is no evidence of inappropriately capitalised costs; and
- Challenging assumptions made by management in determining significant accounting estimates and judgements. This has included testing significant accounting estimates and judgements to supporting documentation, considering alternative information where available.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

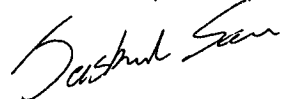
## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jaskamal Sarai (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Reading

4 May 2023

## Income statement

For the year ended 28 February 2023

	Notes	Year ended 28 February 2023 £'000	Year ended 28 February 2022 £'000
Total Net Ticket Sales*		3,589,834	2,170,022
Revenue	2	286,015	172,905
Cost of sales		(63,241)	(39,372)
<b>Gross profit</b>		<b>222,774</b>	<b>133,533</b>
Administrative expenses		(192,517)	(134,579)
Other operating income	3	14,367	2,937
<b>Adjusted EBITDA*</b>	<b>1f (ii)</b>	<b>95,136</b>	<b>43,960</b>
Share-based payments	17	(15,327)	(6,007)
Depreciation and amortisation	9, 10	(35,185)	(36,062)
<b>Operating profit</b>		<b>44,624</b>	<b>1,891</b>
Finance income	6	7,185	1,091
Finance costs	7	(3,993)	(1,617)
<b>Net finance income / (expense)</b>		<b>3,192</b>	<b>(526)</b>
<b>Profit before tax</b>		<b>47,816</b>	<b>1,365</b>
Income tax (expense)/ credit	8	(8,610)	2,070
<b>Profit for financial year</b>		<b>39,206</b>	<b>3,435</b>

The notes on pages 17 to 35 form part of these Financial Statements

There are no further items included in other comprehensive income, therefore a separate statement of other comprehensive income has not been disclosed

\* Non-GAAP measure – for further details please refer to Note 1f



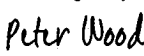
## Balance sheet

At 28 February 2023

	Notes	28 February 2023 £'000	28 February 2022 £'000
<b>Non-current assets</b>			
Intangible assets	9	55,804	53,422
Deferred tax asset	8	17,066	12,609
Property, plant and equipment	10	18,045	22,170
Investments	12	-	669
		<b>90,915</b>	<b>88,870</b>
<b>Current assets</b>			
Trade and other receivables	11	167,536	152,277
Cash and cash equivalents		53,661	59,662
Current tax receivable	8	-	1,618
		<b>221,197</b>	<b>213,557</b>
<b>Current liabilities</b>			
Trade and other payables	13	(204,972)	(235,942)
Loans and borrowings	14	(3,839)	(3,035)
Current tax payable	8	(5,293)	-
		<b>(214,104)</b>	<b>(238,977)</b>
<b>Net current assets / (liabilities)</b>		<b>7,093</b>	<b>(25,420)</b>
<b>Total assets less current liabilities</b>		<b>98,008</b>	<b>63,450</b>
<b>Non-current liabilities</b>			
Provisions	15	(778)	(899)
Loans and borrowings	14	(8,874)	(13,435)
		<b>(9,652)</b>	<b>(14,334)</b>
<b>Net assets</b>		<b>88,356</b>	<b>49,116</b>
<b>Equity</b>			
Share capital	16	1,131	1,131
Retained earnings		87,225	47,985
<b>Total Equity</b>		<b>88,356</b>	<b>49,116</b>

The notes on pages 17 to 35 form part of these Financial Statements

These Financial Statements on pages 14 to 35 were approved by the Board of Directors on 4 May 2023 and were signed on its behalf by:

DocuSigned by:  
  
60699FC9BEFE410...

**Peter Wood**

Director

Company registration number: 03846791

## Statement of changes in equity

For the year end 28 February 2023

	Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
<b>Balance as at 28 February 2021</b>	<b>1,131</b>	<b>44,559</b>	<b>45,690</b>
Deferred tax on IFRS 16	-	(9)	(9)
Share based payment charge <sup>1</sup>	-	6,007	6,007
Share based payment recharge	-	(6,007)	(6,007)
Profit for the year	-	3,435	3,435
<b>Balance as at 28 February 2022</b>	<b>1,131</b>	<b>47,985</b>	<b>49,116</b>
Deferred tax on IFRS 16	-	34	34
Share based payment charge	-	15,327	15,327
Share based payment recharge	-	(15,327)	(15,327)
Profit for the year	-	39,206	39,206
<b>Balance as at 28 February 2023</b>	<b>1,131</b>	<b>87,225</b>	<b>88,356</b>

The notes on pages 17 to 35 form part of these Financial Statements

<sup>1</sup> Prior year presentation of these amounts has been corrected to reflect separate charge and recharge transactions.

**Notes** *(forming part of the Financial Statements)*

**1. General information**

Trainline.com Limited ("the Company") is a Company incorporated in the United Kingdom.

The Financial Statements presented herein is for the period 1 March 2022 to 28 February 2023.

The Company is a private limited company limited by shares incorporated and domiciled in the UK under the Companies Act 2006. The address of its registered office is 120 Holborn, London, EC1N 2TD.

**a) Basis of preparation**

The Financial Statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The following exemptions from the requirements of IFRS have been applied in the preparation of these Financial Statements, in accordance with FRS 101:

- the requirements of IAS 7, 'Statement of cash flows' and related notes;
- paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1, (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment', and paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 'Leases';
- paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- the requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group;
- paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined); and
- the effects of new but not yet effective IFRSs.

Accounting policies have been applied consistently to all periods presented.

**b) Basis of measurement**

The Financial Statements have been prepared on the historical cost basis except for financial instruments at fair value through the income statement which are measured at fair value.

The principal accounting policies applied in the preparation of these Financial Statements are set out below have, unless otherwise stated, been applied consistently to all periods presented within the Financial Statements.

**Notes (continued)**

**General information (continued)**

**c) - Functional and presentation currency**

These Financial Statements are presented in pounds sterling. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

**d) Going concern**

These Financial Statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Cash flow forecasts have been prepared for the Group for a period of at least 12 months from the date of approval of these Financial Statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its ultimate Parent Company, Trainline plc, to meet its liabilities as they fall due for that period.

The Company is dependent on Trainline plc and its subsidiaries not seeking repayment of the amounts currently due to the Group, which at 28 February 2023 amounted to £34.7 million, and providing additional financial support during that period. Trainline plc has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements and therefore have prepared the Financial Statements on a going concern basis.

**e) Cost of sales**

Costs of sales include costs in relation to the provision of rail tickets, industry system costs, ancillary services, settlement and fulfilment costs and are recognised as incurred (at the point of sale).

**Change in presentation of UK rail industry system costs**

The Company has changed its accounting presentation on the allocation of UK rail industry systems costs payable to the Rail Delivery Group which were historically presented within administrative expenses on the basis that these costs reflect the Company's share of total industry system costs. Since these costs are also incurred on the sale of UK rail tickets on a per reservation basis, the Company has changed its accounting presentation to present these amounts in cost of sales to provide more reliable and relevant information about the effects of the costs on the Company's financial performance. This change in accounting presentation was effective as at 1 March 2022 with retrospective application made to prior periods and disclosed in these Financial Statements.

In FY2023, £8.4 million in UK rail industry systems costs payable to the Rail Delivery Group have been presented in cost of sales. UK rail industry systems costs payable to the Rail Delivery Group incurred in prior periods have been reallocated from administrative expenses to cost of sales on the face of the Income Statement (FY2022: £8.9 million).

## Notes (continued)

### General information (continued)

#### f) Non-GAAP measures

When discussing and assessing performance of the Company, management use certain measures which are not defined under IFRS, referred to as 'Non-GAAP measures'. These measures are used as they are considered to be indicators of the underlying performance and success of the Company. Non-GAAP Measures should be considered in addition to, not as a substitute for, or as superior to, measures reported in accordance with IFRS.

The Non-GAAP measures used within these Financial Statements are:

##### (i) Net Ticket Sales<sup>1 2</sup>

Net ticket sales represent the gross value of ticket sales to customers, less the value of refunds issued, during the accounting period via B2C or Trainline solutions channels. The Company acts as an agent or technology provider in these transactions. Net ticket sales do not represent the Company's revenue.

Management believe net ticket sales are a meaningful measure of the Company's operating performance and size of operations as this reflects the value of transactions powered by the Company's platform. The rate of growth in net ticket sales may differ to the rate of growth in revenue due to the mix of commission rates and service fees.

##### (ii) Adjusted EBITDA

Management believe that adjusted EBITDA is a meaningful measure of the Company's operating performance without regard to amortisation and depreciation methods which can differ significantly.

Adjusted EBITDA is calculated as profit after tax before net financing income/(expense), tax, depreciation and amortisation, exceptional items and share-based payment charges as noted on the Income Statement.

Exceptional items are excluded as management believe their nature could distort trends in the Company's underlying earnings. This is because they are often one-off in nature and not related to underlying trade. Share-based payment charges are also excluded as they can fluctuate significantly year-on-year and are non-cash in nature.

A reconciliation of operating profit to adjusted EBITDA is as follows:

	Notes	2023 £'000	2022 £'000
<b>Operating profit</b>		<b>44,624</b>	<b>1,891</b>
<b>Adjusting items:</b>			
Depreciation and amortisation	9,10	35,185	36,062
Share-based payment charges	17	15,327	6,007
<b>Adjusted EBITDA</b>		<b>95,136</b>	<b>43,960</b>

<sup>1</sup> A minor revision to the wording of the Alternative performance measure definition for net ticket sales has been made in the current year. The minor change in wording is to ensure the definition reflects Trainline's business model.

<sup>2</sup> Net ticket sales is not subject to audit as it is a non-statutory measure.

## Notes (continued)

### General information (continued)

#### g) Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### h) Use of judgements and estimates

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates. Revision to estimates is recognised prospectively.

In preparing these Financial Statements, the Directors have made the following accounting judgement:

#### Critical Accounting Judgements

Critical accounting judgements are those that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- Note 9: Capitalisation of internal software development costs

The Company capitalises internal costs directly attributable to the development of intangible assets. We consider this a critical judgement given the application of IAS 38 involves the assessment of several different criteria that can be subjective and/ or complex in determining whether the costs meet the threshold for capitalisation. During the year the Company has capitalised internal development costs amounting to £32.4 million (FY2022: £24.9 million). While the Company makes judgements in determining the basis for recognition of these internally developed assets, these judgements are formed in the context of robust systems and controls.

## 2. Revenue

All revenue of the Company relates to the rail industry, and as such revenue has not been disaggregated into categories. Revenue is accounted for as follows:

## Notes (continued)

### Revenue (continued)

#### Consumer

Commission revenue is earned from carriers on net ticket sales and service charges billed to customers. Each sale or refund transaction represents a separate performance obligation, and the related revenue is recognised at the time of the sale or refund. The Company acts as an agent in respect of commission fee sale transactions, as it does not control the services prior to transferring them to its customers. The Company acts as principal in respect of service fees, settlement fees and fulfilment fees, as the Company has full entitlement to the respective amounts. In respect of ancillary fees, the Company acts as principal or agent based on the nature of the fee.

#### Trainline Solutions

Revenue earned from branded travel portal platforms is recognised in three key elements represented by bespoke feature builds, monthly maintenance, and commission and service fees earned per transaction processed. Each of these elements represent a separate performance obligation. Revenue is recognised over time, as each performance obligation is satisfied, for specific feature builds, and at point in time for bespoke feature builds, maintenance, commission and service fees. For contracts with customers, invoices are raised upon satisfaction of performance obligations, with payment due within 30 days. Internal service fee revenue is generated through internal fees charged on a per transaction basis.

Revenue is derived from contracts with customers and disaggregated by the timing of revenue recognition.

	Year Ended 28 February 2023 £'000	Year Ended 28 February 2022 £'000
Timing of revenue recognition		
At point in time	286,015	171,558
Over time	-	1,347
	<b>286,015</b>	<b>172,905</b>

#### Contract balances

Contract balances consist of trade receivables, contract assets and contract liabilities. Trade receivables are disclosed in Note 11.

The contract assets primarily relate to the Company's rights to consideration for services provided but not invoiced at the reporting date, recorded as accrued income. The contract assets are transferred to receivables when invoiced. The Company's contract assets amounted to £6.2 million (FY2022: £2.8 million) which are included in Note 11.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised when the services are deemed to be provided. The contract liabilities amounted to £0.5 million (FY2022: £0.2 million, of which £0.2million was recognised in revenue during FY2023) which are included within deferred revenue in Note 13.

### 3. Other operating income

Other operating income relates to the recognition of transfer pricing income from within the Trainline Group.

**Notes (continued)**

**4. Auditors' remuneration**

	Year Ended 28 February 2023 £'000	Year Ended 28 February 2022 £'000
Audit of Financial Statements	25	23
	<b>25</b>	<b>23</b>

There were no non-audit fees payable to the auditor in FY2023 (FY2022: none).

**5. Employee benefit expenses**

This note details the number of employees across the Company.

The average number of full-time equivalent employees of the Company during the year analysed by category was as follows:

	Year ended 28 February 2023 No. of employees	Year ended 28 February 2022 No. of employees
Sales and marketing	97	83
Operations	141	130
Technology and product	436	316
Management and administration	115	95
<b>Total Number of Employees<sup>1</sup></b>	<b>789</b>	<b>624</b>

<sup>1</sup> In determining the monthly employee numbers, in respect of leavers and joiners, management have prorated employee numbers based on the % of the month that they were employed within the Company.

The table below presents the staff costs of these persons recognised in the income statement. The emoluments paid to the Directors are borne by Trainline plc and no recharges have been made as an accurate apportionment is not possible.

	Year ended 28 February 2023 £'000	Year ended 28 February 2022 £'000
Wages and salaries	59,888	48,000
Social security costs	7,389	4,960
Pension costs	2,349	1,864
Share-based payments	15,327	6,007
	<b>84,953</b>	<b>60,831</b>



## Notes (continued)

### Employee benefit expenses (continued)

Staff costs presented in this note reflect the total wage, tax, pension and share-based payment expense relating to employees of the Company. These costs are allocated between administrative expenses or capitalised where appropriate as part of Software Development intangible assets. The allocation between these areas is dependent on the area of business the employee works in and the activities they have undertaken.

The majority of the Company's employees are members of a defined contribution pension scheme. The Company pays contributions into separate funds on behalf of the employee and has no further obligations to employees. The risks associated with this type of plan are assumed by the member.

### 6. Finance income

	Year ended 28 February 2023 £'000	Year ended 28 February 2022 £'000
Bank interest	726	37
Receivable from other group companies	6,459	1,054
<b>Finance income</b>	<b>7,185</b>	<b>1,091</b>

### 7. Finance costs

	Year ended 28 February 2023 £'000	Year ended 28 February 2022 £'000
Payable to other group companies	2,181	1,144
Other interest expense	54	45
Foreign exchange loss	1,423	24
Interest on lease liability	335	404
<b>Finance costs</b>	<b>3,993</b>	<b>1,617</b>

### 8. Taxation

This note analyses the tax expense for this financial year, which includes both current and deferred tax. It also details tax accounting policies and presents a reconciliation between profit before tax in the income statement multiplied by the UK rate of corporation tax and the tax expense for the year.

The deferred tax section provides information on expected future tax charges and sets out the assets and liabilities held by the Company.

**Notes (continued)****Taxation (continued)****Accounting Policy**

Income tax expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**(i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

**(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable in the income statement;
- temporary differences related to investments in subsidiaries, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Amounts will be recognised first to the extent that taxable temporary differences exist and it is considered probable that they will reverse and give rise to future taxable profits against which losses or other assets may be utilised before their expiry. Assets will then be recognised to the extent that forecasts or other evidence support the availability of future profits against which assets may be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

**Notes (continued)**

**Taxation (continued)**

*Amounts recognised in the income statement*

	Year ended 28 February 2023 £'000	Year ended 28 February 2022 £'000
<b>Current tax charge</b>		
Current year	12,297	374
Adjustment for prior years	24	3,444
Total current tax charge	<u>12,321</u>	<u>3,818</u>
<b>Deferred tax credit</b>		
Current year	(3,673)	(809)
Adjustment in respect of prior years	1,122	(3,416)
Effect of changes in tax rates	(1,160)	(1,663)
Total deferred tax credit	<u>(3,711)</u>	<u>(5,888)</u>
<b>Tax charge/(credit)</b>	<u>8,610</u>	<u>(2,070)</u>

Corporation tax was calculated at 19% (FY2022: 19%) of the taxable profit for the year. The total tax charge of £8.6 million (FY2022: credit of £2.1 million) is made up of a current corporation tax charge of £12.3 million (FY2022: charge of £3.8 million) arising in the UK, and a deferred tax credit of £3.7 million (FY2022: credit of £5.9 million).

Included in the deferred tax credit is predominantly the credit arising from a remeasurement of the tax losses at the tax rate of 25%, where the Company has opted not to utilise losses during FY2023 at the prevailing tax rate of 19%, and will carry the losses forward to utilise against profits in a future period (subject to tax at 25%).

**Notes (continued)**

**Taxation (continued)**

The effective rate of tax on the company profit/(loss) before tax is 18% (FY2022: (152%)), slightly below the UK tax rate of 19%. The theoretical amount that would arise using the effective tax rate applicable to profits of the Company as follows:

*Reconciliation of effective tax rate*

	Year ended 28 February 2023 £'000	Year ended 28 February 2022 £'000
<b>Profit before tax</b>	47,816	1,365
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	<b>9,085</b>	<b>259</b>
Non-deductible expenses	(711)	1,071
Amounts not recognised	-	9
Effect of changes in tax rates	(1,160)	(2,425)
Adjustments in respect of prior year	1,146	28
Deferred tax credited to equity	-	87
Group relief claimed	-	(1,081)
Other	250	(18)
<b>Total tax credit</b>	<b>8,610</b>	<b>(2,070)</b>
<b>Effective tax rate</b>	<b>18%</b>	<b>(152)%</b>

*Deferred tax asset*

	Total £'000
<b>At 1 March 2022</b>	<b>12,609</b>
Effect of increased tax rate on opening balance	-
Adjustment in respect of prior years	(1,122)
Adjustments posted through equity	746
Credit to income statement	4,833
<b>At 28 February 2023</b>	<b>17,066</b>

*Tax (creditor)/debtor*

*Tax (creditor)/debtor per the balance sheet at each year end was as follows:*

	28 February 2023 £'000	28 February 2022 £'000
Current tax receivable	-	1,618
Current tax payable	(5,293)	-

## Notes (continued)

### 9. Intangible assets

Intangible assets predominantly arise on software development. These intangible assets are amortised and tested for impairment when an indicator of impairment exists.

#### **Accounting Policy**

##### *(i) Software development costs*

Expenditure on research activities is recognised in the income statement as incurred.

External and internal development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the income statement as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Internal development expenditure is managed by the development team and the amount capitalised is monitored through time charged to projects.

##### *(ii) Other intangible assets*

Other intangible assets that are acquired by the Company have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

##### *(iii) Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement as incurred.

##### *(iv) Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in the income statement.

The estimated useful lives are as follows:

Software development	3 – 5 years
Other intangibles	5 – 10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**Notes (continued)**

**Intangible assets (continued)**

	Software development £'000	Other intangibles £'000	Total £'000
<b>Cost:</b>			
At 1 March 2022	142,507	1,569	144,076
Additions	32,400	-	32,400
Disposals	(18,244)	(80)	(18,324)
<b>At 28 February 2023</b>	<b>156,663</b>	<b>1,489</b>	<b>158,152</b>
<b>Accumulated amortisation and impairment:</b>			
At 1 March 2022	(89,697)	(957)	(90,654)
Amortisation	(29,835)	(103)	(29,938)
Disposals	18,244	-	18,244
<b>At 28 February 2023</b>	<b>(101,288)</b>	<b>(1,060)</b>	<b>(102,348)</b>
<b>Carrying amounts:</b>			
<b>At 28 February 2023</b>	<b>55,375</b>	<b>429</b>	<b>55,804</b>
 At 28 February 2022	 <b>52,810</b>	 <b>612</b>	 <b>53,422</b>

**Amortisation**

The amortisation of intellectual property and software development is included in the depreciation and amortisation charge.

Other intangibles are related to domain name acquisitions and associated brand trademark.

**10. Tangible fixed assets**

This note details the physical assets used by the Company in running its business.

**Accounting Policy**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the income statement. The Company tests the carrying value of assets including right-of-use ("ROU") assets for impairment if there is an indicator of impairment.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the income statement. The estimated useful lives of property, plant and equipment are as follows:

Plant and equipment	3-7 years
Leasehold improvements	3-10 years/remaining lease life if shorter
Right-of-use assets	Lease length

**Notes (continued)**

**Tangible fixed assets (continued)**

	Plant and equipment £'000	Leasehold improvements £'000	Right-of use- assets £'000	Total £'000
<b>Cost:</b>				
At 1 March 2022	6,401	6,984	23,704	37,089
Additions	1,297	-	-	1,297
Disposals	(1,703)	(149)	(26)	(1,878)
<b>At 28 February 2023</b>	<b>5,995</b>	<b>6,835</b>	<b>23,678</b>	<b>36,508</b>
<b>Accumulated depreciation and impairment:</b>				
At 1 March 2022	(4,181)	(2,515)	(8,223)	(14,919)
Depreciation	(1,076)	(843)	(3,328)	(5,247)
Disposals	1,703	-	-	1,703
<b>At 28 February 2023</b>	<b>(3,554)</b>	<b>(3,358)</b>	<b>(11,551)</b>	<b>(18,463)</b>
<b>Carrying amounts:</b>				
<b>At 28 February 2023</b>	<b>2,441</b>	<b>3,477</b>	<b>12,127</b>	<b>18,045</b>
At 28 February 2022	2,220	4,469	15,481	22,170

**11. Trade and other receivables**

Trade and other receivables include amounts due from credit card companies for consumer ticket sales, amounts due from business customers and Train Operating Companies on account, and intercompany balances. Amounts owed by Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. The contract assets primarily relate to the Group's rights to consideration for services provided but not invoiced at the reporting date. Prepayments consist of payments made prior to year end in respect of transactions in the normal course of business.

Receivables are held with the objective to collect the contractual cash flows and are therefore recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for the expected loss on trade receivables is established at inception. This is modified when there is a change in the credit risk. The amount of the expected loss is considered immaterial for the Company.

**Notes (continued)**

**Trade and other receivables (continued)**

	28 February 2023 £'000	28 February 2022 £'000
Trade receivables	36,881	37,205
Other receivables	3,689	1,392
Prepayments	5,762	4,037
Contract assets	6,173	2,793
Amounts owed by Group undertakings	115,031	106,850
	<b>167,536</b>	<b>152,277</b>

**12. Investments**

	£'000	£'000
Opening investments at 1 March 2022 and 2021	669	669
Impairment	(669)	-
Closing investments at 28 February 2023 and 2022	-	669

On 15 August 2019, the Company purchased 100% of the shares in Railguard Limited. The address of the registered office of Railguard Limited is 120 Holborn, London, England, EC1N 2TD. The nature of this Company is a trading entity.

During the year, this investment was impaired to £nil as the directors were of the view that there was no longer value in Railguard Limited as all operations and intellectual property have been transferred to Trainline.com Limited.

**13. Trade and other payables**

Trade and other payables principally include liabilities for ticket sale monies to be passed on to carriers, as well as accounts payable and accruals for general business expenditure and deferred revenue. Amounts owed to Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

	28 February 2023 £'000	28 February 2022 £'000
Amounts owed to Group undertakings	34,650	33,019
Trade and other payables	138,942	171,938
Accruals	30,845	30,760
Deferred revenue	535	225
	<b>204,972</b>	<b>235,942</b>



**Notes (continued)**

**14. Loans and borrowings**

The Company has loans and borrowings in relation to the right-of-use liability recognised under IFRS 16.

**Accounting policy**

Borrowings are recognised initially at fair value less attributable transaction costs incurred. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. At the date borrowings are repaid any attributable transaction costs are released as an exceptional finance cost.

	28 February 2023 £'000	28 February 2022 £'000
<b>Current liabilities</b>		
Lease liabilities	<u>3,839</u>	<u>3,035</u>
<b>Non-current liabilities</b>		
Lease liabilities	<u>8,874</u>	<u>13,435</u>

**15. Provisions**

The Company holds provisions in relation to dilapidations.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

The Company provides for the cost of dilapidations over the minimum term of the leases. It is expected that the cash flows in relation to provisions will occur at the end of the lease terms between 2026 - 2030.

**Provisions at 28 February 2023**

	2023 £'000	2022 £'000
As at 1 March	873	850
Unwinding of discount	54	49
Utilised	(149)	(26)
<b>As at 28 February</b>	<u>778</u>	<u>873</u>

**Notes (continued)**

**16. Capital and reserves**

**Share Capital**

	28 February 2023		28 February 2022	
	Number	£'000	Number	£'000
<b>Allotted, called up and fully paid:</b>				
Ordinary shares of £1 each	1,130,864	1,131	1,130,864	1,131
	<b>1,130,864</b>	<b>1,131</b>	<b>1,130,864</b>	<b>1,131</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**Dividends**

During the year, the Company made dividend payments of £nil (FY2022: £nil).

**17. Share-based payments**

**Accounting policy**

The Trainline Group operates a number of equity-settled share-based payment schemes. The awards are granted by the Company's parent undertaking, Trainline plc, and the Company has no obligation to settle the awards. Equity-settled share-based payments to employees are initially measured at fair value at the grant date and recognised as a charge in the income statement over the vesting period based on the Group's estimate of the share that will eventually vest and adjusted for the effect of non-market vesting conditions. A corresponding increase in reserves is recognised in the equity of Trainline plc.

**Share-based payment charges to 28 February 2023**

	Year ended 28 February 2023 £'000	Year ended 28 February 2022 £'000
<b>Income statement</b>		
Share-based payment schemes	15,327	6,007
<b>Total income statement impact</b>	<b>15,327</b>	<b>6,007</b>

The Group operates the following equity-settled share-based payment schemes with a £nil exercise price:

**Share Incentive Plan**

The share incentive plan ("SIP") was offered to all UK Company staff employed at both 26 June 2019 and 31 July 2019, being the IPO date and grant date respectively. The awards vested on 31 July 2022, with all employees that had not opted out or left the business between 26 June 2019 and 31 July 2022 being entitled to shares in Trainline plc worth £3,600 at grant date. Further SIP awards were offered to all UK Company staff employed at 16 March 2022 (being the grant date). The awards will vest on 16 March 2025 and all employees that have not opted out or left the business between 16 March 2022 and 16 March 2025 will be entitled to shares in Trainline plc worth £3,600 at grant date.

## Notes (continued)

### Share-based payments (continued)

#### Restricted Share Plan ("RSP")

The Restricted Share Plan ("RSP") awards Restricted Share Units ("RSUs") to certain members of the executive team and senior management. The majority of awards vest evenly in three tranches over a three-year period. All participants that have not left the business on the vesting date will be entitled to RSUs which each represent the right to receive one ordinary share in Trainline plc.

#### Performance Share Plan ("PSP")

The Performance Share Plan ("PSP") award is offered to certain members of the Board and executive team. Awards vest three years after the grant date and are subject to the Group meeting specified performance conditions. Only participants that have not left the business at the vesting date will be entitled to PSPs which each represent the right to receive one ordinary share in Trainline plc.

#### Matching Shares

From 20 April 2020, all Company employees were entitled to one free matching share for every one partnership share they purchase under the Share Incentive Plan ("SIP"), subject to remaining employees for the three-year vesting period.

#### Deferred Share Bonus Plan ("DSBP")

The DSBP was offered to the CEO for the purpose of deferring executive director annual bonus in accordance with Company's Directors' Remuneration policy. The awards were granted on 30 June 2022 and will vest 50% on 19 May 2023 and 50% on 20 May 2024 provided participants remain an employee on vesting dates.

Key assumptions used in valuing the share-based payments were as follows:

	Share Incentive Plan	Restricted Share Plan <sup>1</sup>	Performance Share Plan	Matching Shares	Deferred Share Bonus Plan <sup>2</sup>
Exit date	16-Mar-25	3 years after grant date	3 years after grant date	3 years after grant date	19-May-23
Attrition rate over life of award	28%	12% - 31%	10% - 29%	19%	0%

<sup>1</sup> Exit date for first tranche and then annually for following two years' awards.

<sup>2</sup> Exit date for first tranche and the anniversary following for the second tranche.

**Notes (continued)**

**Share-based payments (continued)**

The movements in share awards are summarised as follows:

<b>Outstanding</b>	<b>Share Incentive Plan number</b>	<b>Restricted Share Plan number</b>	<b>Performance Share Plan number</b>	<b>Matching Shares</b>	<b>Deferred Share Bonus Plan</b>
<b>At 1 March 2021</b>	323,089	758,453	2,597,197	46,975	-
Granted	-	1,933,629	3,533,470	74,093	-
Lapsed	(67,703)	(208,002)	(1,813,806)	(11,317)	-
Exercised	-	(865,548)	-	(2,891)	-
<b>At 28 February 2022 and 1 March 2022</b>	255,386	1,618,532	4,316,861	106,860	-
Granted	1,149,785	1,882,582	15,209,755	86,308	133,243
Lapsed	(155,943)	(344,587)	(1,287,968)	(23,344)	-
Exercised	(234,818)	(1,200,613)	-	(851)	-
<b>At 28 February 2023</b>	1,014,410	1,955,914	18,238,648	168,973	133,243

The weighted average share price at the date share options were exercised was 238p (FY2022: 299p). The weighted average remaining contractual life of the share options were 1 year and 7 months (FY2022: 1 year and 9 months).

**18. Capital commitments**

This note details any capital commitments in contracts that the Company has entered into which have not been recognised as liabilities on the balance sheet.

The Company's capital commitments at 28 February 2023 are £nil (FY2022: £nil).

**19. Leases**

**Accounting policy**

At inception of a contract, Trainline assesses whether or not a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When a lease is recognised in a contract Trainline recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease prepayments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

## Notes (continued)

### Leases (continued)

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Trainline's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. If there is an extension on the lease term that is not considered a new lease, the lease liability is remeasured using revised payments and a revised discount rate at the date of the modification. A corresponding adjustment is made to the right-of-use asset.

Trainline presents right-of-use assets in property, plant and equipment and lease liabilities in loans and borrowings in the statement of financial position. Trainline has applied the recognition exemption of low value leases. For these leases, the lease payments are charged to the income statement on a straight-line basis over the term of the lease.

Trainline's leases assets including land and buildings that are held within property, plant and equipment. Information about leases for which Trainline is a lessee is presented below.

#### a) Right-of-use assets

Details of right-of-use assets are shown in Note 10.

#### b) Amounts charged in the income statement

	Notes	Year Ended 28 February 2023	Year Ended 28 February 2022
		£'000	£'000
Depreciation expense of right-of-use assets	10	3,328	3,331
Interest expense on lease liabilities	7	335	404
		<u>3,663</u>	<u>3,735</u>

## 20. Immediate and ultimate parent company

The Group's ultimate parent company is Trainline plc and is the smallest and largest group to consolidate these Financial Statements. The address of the registered office of Trainline plc during the year ended 28 February 2023 was 120 Holborn, London, EC1N 2TD. Copies of the Group Financial Statements of Trainline plc can be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3.