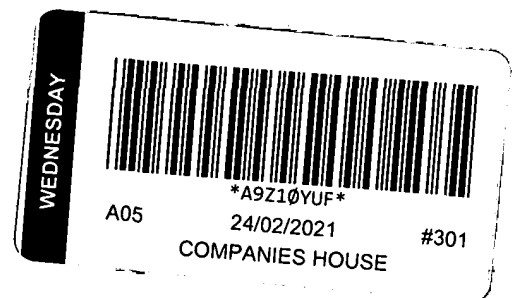


Trainline.com Limited
Annual report and financial statements for the year ended
29 February 2020
Registered number: 03846791



Annual report and financial statements

Contents	Page
Strategic report	1
Director's report	6
Statement of directors' responsibilities	8
Independent auditor report to the members of Trainline.com Limited	9
Profit and Loss Account	11
Other Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the financial statements	15

Strategic Report

The directors present their annual report and the audited financial statements for the year ended 29 February 2020.

Principal activity

The Company's principal activity during the period was that of rail and coach ticket retail, fulfilment, distribution and information service provision on behalf of Train Operating Companies (TOCs) and rail and coach customers with ancillary services being offered in conjunction with the core rail journey.

Review of the business

Key Performance Indicators

Rail ticket sales totalled £3,246m during the year (2019: £2,848m), reflecting an increase of 13.97% year on year. Company turnover of £238.2m in the current year is up £43.0m on the prior year.

Adjusted EBITDA (profit before tax, net finance income, depreciation and amortisation, exceptional items and share based payment charges) was £92.3m (2019: £58.8m), supported by strong volume growth.

Operating profit of £55.3m in the current year, up £15.2m 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 21% in the current year (2019: 14%).

The retained profit for the year of £56.4m (2019: £46.3m) has been taken to reserves.

Development and performance of the business

Sales through the Trainline.com mobile apps and website continue to grow driven by a significant investment in marketing and product enhancement. This channel is showing sales growth of 24.6% (2019: 38.1%).

UK Trainline for Business (T4B) net ticket sales declined 1% year on year to £1,191m. White label ticket sales were impacted by a change in operator and branding for the West Coast mainline franchise in the fourth quarter, albeit partly offset by higher related ticket sales through UK consumer. B2B ticket sales were impacted by the loss of the Egencia B2B contract in March 2019, as well as by a slowdown in discretionary travel spend by large corporations in the second half of the year resulting from Brexit uncertainty.

Future Developments

Uncertainty remains around when COVID-19 related restrictions will be lifted in our markets as well as what the macroeconomic recovery will look like thereafter. Until visibility improves, no specific guidance for FY'21 has been provided. However, given the Trainline plc Group's mitigating actions and its secure liquidity position, we are confident we can operate through even an extended downturn period.

Strategic report (continued)

Principal risks and uncertainties

Risk	Mitigation
<p>Market shock/economic disruption Trainline is exposed to market risks including foreign currency rates, general market sentiment and the risk of global market shocks, such as a pandemic. Significant market events could damage Trainline's competitiveness, credit-worthiness and the spending power of our customers, ultimately impacting our financial results and the success of our product proposition.</p>	<p>Through detailed and careful analysis, modelling of cash balances and debt levels, and by ensuring liquidity and access to finance facilities, Trainline is committed to maintaining a healthy balance sheet. Our forecasts and projections include contingencies to help us cater for any negative impacts on our business, operationally or financially, and in most scenarios. Trainline has a diverse portfolio of investors, allowing us to maintain access to capital markets.</p>
<p>Prolonged COVID-19 Trainline has been exposed to and affected by the impact of COVID-19, notably as a result of lockdown measures taken by most governments, particularly by the UK, Europe and USA. Restrictions on domestic travel, including commuting, and crossborder travel into and around Europe, has impacted Trainline's operations. Trainline has seen a downturn in traffic on all platforms, on ticket purchases and on ancillary revenue in all markets. As well as temporary closure of our offices in London, Paris and Edinburgh, the onset of COVID-19 saw a significant increase in the number of customers contacting Trainline to refund or exchange tickets in all markets. Should COVID-19 continue, Trainline will need to ensure that we are well-positioned to manage the impact on our operations.</p>	<p>Trainline's priorities during the COVID-19 pandemic remain the safety and wellbeing of our people and supporting our customers to make changes to their travel plans and process refunds, during this exceptional time. We swiftly transitioned all of our teams to work from home with minimal disruption to our business and we continue to support them whilst they work remotely. In addition, we have managed unprecedented levels of inbound customer service requests and improved customer self-serve functionality – introducing simple, automated change and refund processes on our app and website – while also working with the rail industry to relax refund terms and conditions.</p> <p>We continue to monitor and work with our carrier partners and government to minimise the impact and also to plan the returning growth after COVID-19. We continue to monitor customer feedback closely and to keep customers updated via our social media and CRM channels. Trainline has also undertaken the following actions:</p> <ul style="list-style-type: none"> • Reduced operating costs and cash outflows • Paused marketing and other discretionary spend • Put a hold on recruitment of new team members • Deferred bonus payments and pay reviews for all staff for FY'20 • Revised payment terms with some of our suppliers • Voluntary salary reductions of the Management Team • Furloughed teams under Government Coronavirus Job Retention Scheme • Trainline plc obtained a covenant waiver <p>Trainline continues to work hard on ensuring the wellbeing of its team. Trainline has continued key touchpoints between all staff and the Management Team and has increased its focus on wellbeing across offices by running sessions and activities including regular and frequent all-company meetings, virtual wellbeing sessions; meditation and yoga, and coming together once a week to celebrate achievements and progress during these times. Trainline continues to monitor developments closely and adapt responses accordingly to ensure that the business is strengthened for the long-term and that Trainline is well positioned to return to growth once all restrictions are lifted.</p>

<p>IT security and cybercrime A major breach in systems as a result of identity fraud, theft, hacking, phishing or an information security incident could adversely impact our business operations and reputation and expose the Group to litigation or other regulatory action.</p>	<p>As an online retailer and processor of customer data, Trainline takes information security very seriously. As fraudsters become more sophisticated, the benchmark on security excellence is constantly being raised – we remain alert to and monitor these developments.</p> <p>We are certified PCI compliant, and our designated Head of Privacy Compliance is responsible for overseeing the Group’s adherence to both privacy legislation and best practice. We have a Data Protection working Group, comprising key individuals across the business including Security, Legal, Technology, Operations and Finance. They have implemented a lengthy and robust evaluation to ensure that we are operating at a high standard of compliance with new Global Data Protection Regulations. We ensure that all members of our team undertake mandatory security training on topics including Privacy & Data.</p>
<p>People Our business depends on hiring and retaining first class talent in the highly competitive tech industry. Inability to attract and retain critical skills and capabilities could hinder our ability to deliver on our strategic objectives.</p>	<p>At Trainline, we invest heavily in attracting, nurturing and retaining our first-class talent. All new joiners are carefully selected by our in-house talent team and once onboard, each team member is encouraged and nurtured to develop their skills and interests within the business. We work hard to foster a highly collaborative, agile and successful culture and have developed professional, social and health and wellbeing initiatives across all of our offices all geared to provide our people with opportunities to develop their interests, career plans and take good care of themselves.</p> <p>Actively monitoring our organisational needs and the changing nature of individual career plans, helps to ensure that our team flourishes and can successfully and sustainably deliver Trainline’s strategic objectives. Our processes include organisation design reviews, talent reviews and succession planning. We also undertake regular benchmarking and remuneration reviews to ensure that we remain competitive. Employee engagement surveys throughout the year help us to monitor whether our team is, and remains, motivated and looked after professionally and personally. Trainline continuously strives to improve employee engagement, year-on-year.</p>
<p>Competitive landscape Failure to ensure our technology and user-experience meets our customers’ needs and remains ahead of competitor products would have an adverse impact on our future results.</p>	<p>The combination of our leadership, exceptional team, agile way of working and strong industry networks help to ensure that we stay up-to-date with the competitive landscape within which we operate. We are constantly innovating with our technology and engaging our customers for feedback so that we provide a world-class, accessible, user-friendly and useful service for rail and coach bookings. Our robust and scalable business model helps to ensure that we remain competitive as we continue to grow globally. We also undertake regular horizon-scanning activities to understand competitive threats and opportunities to develop strategic partnerships.</p>
<p>Compliance Non-compliance by Trainline with legislation, licences and other regulatory requirements could affect Trainline’s reputation and operational and financial success, and result in financial or other legal penalties, an inability to retail rail and coach</p>	<p>Trainline aims to be uncompromising in its approach to compliance, which is overseen by the Trainline plc Group Audit & Risk Committee and ultimately the Board, and which is supported by Legal, Finance, Security, Operations and Technology teams. As well as dedicated compliance resources, we ensure that our people are appropriately trained in compliance, relative to their roles. All employees are trained in</p>

<p>tickets and loss of revenue. Examples of such legislation, regulations and licences include anti-bribery and corruption, tax legislation and licenses with our carrier partners in the UK, across Europe and beyond, and the legal and governance requirements of Trainline plc operating as a public limited company.</p>	<p>Security, Privacy and Data compliance and mandatory processes and policies such as gifts and hospitality, political and charitable donations, expenses and anti-bribery and corruption, are disseminated to all employees through our Staff Handbook. Trainline has a whistleblowing policy and hotline, allowing any team member to feed concerns through an appropriate, procedural channel. Responsibility for and adherence to carrier and retailing licences falls to our Legal, Finance and Compliance functions.</p>
<p>General supply Our business is dependent on performing and operationally safe rail and coach operators and systems. A significant and prolonged disruption to traveller services or systems, due to bad weather, industrial action or a pandemic such as COVID-19, for example, would have an adverse impact on our future results. We also rely on our carriers for our rail and coach products and relevant information.</p>	<p>We continue to expand and diversify our carrier supply portfolio, reducing our dependency on any one operator within the market. We remain actively engaged with the industry across all geographies in which we have supply, in order to ensure we are as up to date as the industry in the event of any service issues. Our focus is on making rail and coach travel easier. Whilst delays and disruption are outside of Trainline's control, our relentless focus on innovating our product aims to provide customers with the best possible experience and real time information, as well as alternative travel options, whether services are running smoothly or not. We also work to support our carrier partners and government in a return to growth after COVID-19.</p>
<p>Regulatory and political environment Changes to government policy or regulations, whether in the UK or across Europe, such as Brexit, could affect the Group's operations or financial prospects. Similarly, activity by state-owned carriers, affected by government activity in their respective jurisdictions, could negatively affect Trainline's operations in the short to medium term.</p>	<p>We remain actively engaged with British and other EU national governments, institutions and our carrier partners to stay abreast of policy and legislative activities and ensure as far as possible that any potential negative impacts on Trainline's business, staff, customers and partners are minimised. Simultaneously, Trainline actively engages in scenario-planning and risk management.</p>

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 a Trainline Group level by those most relevant to the stakeholder or issue in question, the Directors receive 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 36 to 38 of the Trainline plc FY'20 Annual Report.

When making decisions the Directors takes 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.

DocuSigned by:
Shaun McCabe
AECF177EAB1D413...

Shaun McCabe
Director

120 Holborn
LONDON
EC1N 2TD
5 November 2020

Directors' Report

Directors

The directors who held office during the year were as follows:

Clare Gilmartin
Mark Holt
Robin Hancock
Shaun McCabe
Neil Murrin (Company Secretary)

Dividends

The directors did not declare or pay a dividend in the year (2019: £nil).

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.

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.

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

Political and Charitable Donations

The Company made donations of £38,153 to charitable organisations during the year (2019: £18,077) and £nil (2019: £nil) to political organisations.

Research and Development

During the year £24.5m (2019: £34.7m) of developments 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)

Director's Indemnity Insurance

The Group has taken out Directors' indemnity insurance on the directors' behalf.

Disclosure of Information to the Auditor

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 auditor is 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 auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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.

The Financial Statements have been prepared on a going concern basis. In adopting this basis of preparation, the Directors of the Company have considered the ultimate parent's, Trainline plc 'the Group', forecast cashflows, liquidity, borrowing facilities and covenant requirements. These have been considered in light of the expected operational activities and principal risks and uncertainties of the Group, particularly around the impact of COVID-19 on the business.

The Group's Half-Yearly Financial Report for the six months ending 31 August 2020 indicate that material uncertainties exist over its ability to continue as a going concern in the severe but plausible downside scenario that results in a breach of the Group's covenant test (refer to note 1d).

The Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The Directors recognise that the above circumstances, particularly the severe but plausible downside scenario, reflect a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

By order of the Board

DocuSigned by:

AF77B015BA4F4FF...

Neil Murrin
Company Secretary

120 Holborn
LONDON
EC1N 2TD
5 November 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAINLINE.COM LIMITED

Opinion

We have audited the financial statements of Trainline.com Limited ("the company") for the year ended 29 February 2020 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1d to the Annual Report and Financial Statements which indicates that the company's ability to continue as a going concern is dependent on the continued financial support from its ultimate parent company, Trainline plc. The Half-Yearly Financial Report for the six months ending 31 August 2020 of Trainline plc dated 5 November 2020 include material uncertainties related to going concern and therefore the availability of support may be in doubt if required. These events and conditions, along with the other matters explained in note 1d, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and] the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Sarah Styant

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, London, E14 5GL

5 November 2020

Profit and Loss Account

For the year ended 29 February 2020

	Notes	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Total Net Ticket Sales*		3,246,450	2,848,396
Revenue		238,188	195,185
Cost of sales		(52,871)	(48,427)
Gross profit		185,317	146,758
Administrative expenses		(130,029)	(106,621)
Adjusted EBITDA*	<i>1f (ii)</i>	92,316	58,821
Share based payments	<i>17</i>	(9,653)	(4,786)
Exceptional items	<i>3</i>	(242)	418
Depreciation and amortisation	<i>8,9</i>	(27,133)	(14,316)
Operating profit		55,288	40,137
Finance income	<i>5</i>	14,624	14,679
Finance costs	<i>6</i>	(7,262)	(4,833)
Net finance income		7,362	9,846
Profit before tax		62,650	49,983
Income tax expense	<i>7</i>	(6,238)	(3,660)
Profit for financial year		56,412	46,323

The notes on pages 15 to 35 form part of these financial statements.

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

Other Comprehensive Income

For the year ended 29 February 2020

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Profit for the financial year	<u>56,412</u>	<u>46,323</u>
Other comprehensive income		
<i>Other comprehensive income to be subsequently reclassified</i>	-	-
Total comprehensive income	<u><u>56,412</u></u>	<u><u>46,323</u></u>

The notes on pages 15 to 35 form part of these financial statements.

Balance Sheet

At 29 February 2020

	Notes	29 February 2020 £'000	28 February 2019 £'000
Non-current assets			
Intangible assets	8	63,099	61,797
Deferred tax asset	7	950	1,827
Property, plant and equipment	9	16,449	5,090
Investments	12	669	-
		81,167	68,714
Current assets			
Inventories	10	26	25
Trade and other receivables	11	459,493	260,978
Cash and cash equivalents		64,352	87,424
		523,871	348,427
Current liabilities			
Trade and other payables	13	(349,737)	(237,073)
Current tax payable	7	(561)	(603)
Loans and borrowings	15	(2,010)	-
		(352,308)	(237,676)
Net current assets		171,563	110,751
Total assets less current liabilities		252,730	179,465
Non-current liabilities			
Provisions	14	(681)	(655)
Loans and borrowings	15	(9,949)	-
		(10,630)	(655)
Net assets		242,100	178,810
Equity			
Share capital	16	(1,131)	(1,131)
Other reserves	16	-	(3,565)
Retained earnings		(240,969)	(174,114)
		(242,100)	(178,810)

The notes on pages 15 to 35 form part of these financial statements.

These financial statements were approved by the Board of Directors on 5 November 2020 and were signed on its behalf by:

DocuSigned by:
Shaun McCabe
AECF177EAB1D413...

Shaun McCabe
Director
Company registration number: 03846791

Statement of Changes in Equity

As at 29 February 2020

	Share capital	Other reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
Balance as at 1 March 2018	1,131	-	127,791	128,922
Capital contributions	-	3,565	-	3,565
Total comprehensive income for period	-	-	46,323	46,323
Balance as at 28 February 2019	1,131	3,565	174,114	178,810
IFRS 16 adjustment	-	-	1,142	1,142
Adjusted balance as at 1 March 2019	1,131	3,565	175,256	179,952
Capital contributions	-	-	5,736	5,736
Transfer to retained earnings*	-	(3,565)	3,565	-
Total comprehensive income for period	-	-	56,412	56,412
Balance as at 29 February 2020	1,131	-	240,969	242,100

*Refer to Note 16.

The notes on pages 15 to 35 form part of these financial statements.

Notes (forming part of the financial statements)

1. General information

Trainline.com ('the Company') is a company incorporated in the UK.

The financial statements presented herein is for the period 1 March 2019 to 29 February 2020.

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

a) Basis of preparation

These financial statements were prepared and approved by the Directors 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 EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

At 1 March 2019, the immediate parent undertaking was Trainline Holdings Limited, a Company incorporated and registered in the United Kingdom. On 17 February 2020, the Company was sold to Trainline Holdco Limited, a company incorporated in the United Kingdom, which became the immediate parent company at this date. The Company's ultimate parent undertaking, Trainline plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Trainline plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets, intangible assets;
- the effects of new but not yet effective IFRSs;
- maturity analysis of lease liabilities;
- disclosures in respect of the compensation of Key Management Personnel; and
- related party transactions.

Accounting policies have been applied to all periods presented except for the adoption of IFRS 16 Leases on 1 March 2019, the impact of which has been disclosed in note 1i.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell
- Derivative financial instruments are measured at fair value
- Financial instruments at fair value through the income statement are measured at fair value

The accounting policies set out in the sections 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 Pound Sterling. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

d) Going concern

The Financial Statements have been prepared on a going concern basis. In adopting this basis of preparation, the Directors of the Company have considered the ultimate parent's, Trainline plc 'the Group', forecast cashflows, liquidity, borrowing facilities and covenant requirements. These have been considered in light of the expected operational activities and principal risks and uncertainties of the Group.

The Group's Half-Yearly Financial Report for the six months ending 31 August 2020 indicate that material uncertainties exist over its ability to continue as a going concern in the severe but plausible downside scenario that results in a breach of the Group's covenant test. The following basis of preparation wording has been included in the Group's Half-Yearly Financial Report for the six months ending 31 August 2020:

The spread of COVID-19 has had a profound impact on the demand for rail and coach travel across all markets Trainline operates in. Though steps have been taken to reduce cost and protect the business and a partial recovery has been seen since the initial lockdown restrictions across the UK and Europe, trade remains heavily impacted by national lockdowns, localised travel restrictions and a temporarily reduced public demand for travel. This has had a significant impact on profitability which is evident in the results presented for the six months ended 31 August 2020.

Despite the impact on profitability the Group reinforces and maintains the strong cash and liquidity position that it reported at the year ended 29 February 2020. Cash at 31 August 2020 was £89 million (YE20: £92 million) and liquidity, being cash plus available undrawn borrowing facilities, was £162 million (YE20: £ 181 million). No further draw downs on the Revolving Credit Facility have been made since the £85 million in March 2020 as disclosed in the Annual Report.

In considering the going concern basis of preparation, the Directors have considered the current financial forecasts for the business. These forecasts assume a one month national lockdown in November with recovery assumed to begin from December and month on month increases thereafter. By June 2021 revenue is expected to recover to June 2019 levels. Cost reduction exercises have been actioned and included in the forecast to partly offset the impact of COVID-19 on profitability and cashflow. After reviewing the forecast and the expected cash, liquidity and profitability the Directors concluded they have an expectation that the Group has sufficient resources to continue for the foreseeable future and at least 12 months from the signing of these Interim Financial Statements.

Due to the high level of uncertainty created by COVID-19, there remains a risk that further lockdowns or restrictions on travel could be put in place. It is hard to predict the outcome and timing of any future restrictions and also the timing and speed of recovery within the rail and coach sector across Trainline's various markets. Given this uncertainty, downside scenarios have been modelled. These downside scenarios included; a one month extension to the November full national lockdown in December; a prolonged downturn of trade with no meaningful recovery from September trading levels until March 2021 resulting in profitability for March and April 2021 being half of that in the base case; and a further 6 week national lockdown in the first quarter of calendar year 2021.

All downside scenarios show sufficient cash and liquidity reserves to continue operationally for at least 12 months from the date of these Interim Financial Statements. However, all scenarios would have a negative impact on future profitability. The Group's covenants under the Revolving Credit Facility requires the ratio of net debt over adjusted EBITDA to be 3.75X or less at 31 August 2021. In the first two sensitivity scenarios, the Group's covenant test is forecast to be met, though headroom is limited. The third sensitivity, which reflects management's most severe but plausible downside scenario, results in a breach of the Group's covenant test. In the event that the severe but plausible downside scenario occurred the Group would approach its lending syndicate to discuss possible remediation options including; an extension of the existing covenant waiver to cover the period ended 31 August 2021 or a renegotiation of the covenant

Notes (continued)**General information (continued)**

requirements linked to the Revolving Credit Facility. The Group remains confident that its lenders would continue to support the business in such an event.

As at 5 November 2020 the Group has not sought to obtain a further covenant waiver or renegotiated the underlying covenant requirement with the lending syndicate as currently a breach is not considered the most likely outcome. As such this creates a material uncertainty on the Group's ability to continue as a Going Concern due to the possibility of a covenant breach if the most severe by plausible scenario should come to pass.

Based on the above, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. The Directors recognise that the above circumstances, particularly the severe but plausible downside scenario, reflect a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. If these circumstances occurred, it could result in the Group being unable to realise the value of assets or meet the value of liabilities through the normal course of business.

The Financial Statements of the Company do not include any adjustments that would result from the basis of preparation being inappropriate.

e) Revenue and cost of sales**(i) 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:

Consumer

Commission revenue earned from carriers on net ticket sales and service charges billed to customers. Each sales or refund transaction represents a separate performance obligation and the related revenue is recognised at the time of the sale or refund. The Group acts as an agent in these transactions, as it does not control the services prior to transferring them to its customers.

T4B

Revenue earned from branded travel portal platforms is recognised in three key elements represented by bespoke feature builds, monthly maintenance and contribution earned per transaction processed, each of these elements represent a separate performance obligation. Revenue is recognised over time for maintenance and connections to existing features and point in time for bespoke builds and contributions earned per transaction.

(ii) Cost of sales

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

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.

Notes (continued)

General information (continued)

The Non-GAAP measures used within these financial statements are:

(i) Net Ticket Sales

Net ticket sales represent the gross value of ticket sales to customers, less the value of refunds issued, during the accounting period. The Company acts as an agent 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.

(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/(loss) after tax before net financing income/(expense), tax, depreciation and amortisation, exceptional items and share based payment charges. As a result of the transition to IFRS 16 Leases as described in note 1i, the year ending 29 February 2020 no longer includes an operating lease charge, which has been replaced with right-of-use asset depreciation and lease liability interest, both of which are excluded from adjusted EBITDA.

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 and amounts can be material. Share based payment charges are also excluded as they can fluctuate significantly year on year.

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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates is recognised prospectively.

The areas of judgement which have the most significant effect on the amounts recognised in the financial statements are:

Notes (continued)

General information (continued)

- Note 17 – Share based payments

Judgement is required to assess whether share based payment arrangements are cash or equity settled. IFRS 2 Share Based Payments requires that the Group's share based payment arrangements are initially measured and recorded as a liability or equity at the fair value of the equity instrument. For cash settled arrangements the fair value is remeasured at each balance sheet date with any changes recognised in finance costs. Equity settled arrangements are not revalued to fair value at each balance sheet date. When calculating the fair value of these arrangements a number of assumptions are applied in arriving at the fair value, including the expected financial results of the Group, the outcome of certain market-based performance measures and staff attrition rates.

Management do not consider any of the estimates made in these Financial Statements are likely to lead to a material adjustment in the next financial year, as such none are deemed significant estimates, however there are other estimates which involve estimation uncertainty as described below:

- Note 8 – Useful life of intangible assets, including related deferred tax liabilities

Intangible assets that are developed or acquired by the Company have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. The estimated useful lives which are used to calculate amortisation are based on length of time these assets are expected to generate income and be of benefit to the Company. Judgement is required when estimating the length of the useful life of assets, particularly in relation to software assets which can often have varying expected useful lives dependent on the type of asset and speed of technological development.

i) New standards and interpretations adopted

IFRS 16 Leases

IFRS 16 Leases was adopted on 1 March 2019 and has an impact on the income statement and Statement of Financial position for the year ended 29 February 2020.

IFRS 16 Leases replaces the former standard IAS 17 Leases. IFRS 16 Leases requires lessees to recognise leases on the Company's statement of financial position, unless the lease term is 12 months or less or the underlying asset has a low value. Under the new standard, leases held by the Company will be accounted for as 'right-of-use' assets and the distinction between operating and finance leases under IAS 17 no longer exists. In practice this results in a right-of-use asset and liability being recognised on the statement of financial position and a finance cost and depreciation charge are recognised through the consolidated income statement as the lease liability unwinds.

The Company has applied the modified retrospective approach to restatement. Under this approach former periods are not restated, and the revised treatment is applied in the current period. At 1 March 2019 a right-of-use asset and equal liability was recognised for all of the Company's leases. Going forward the asset will be depreciated evenly over the remaining asset life and the liability will be unwound in line with the Company's underlying borrowing rate at 1 March 2019. The Company has used a practical expedient for the use of a single discount rate for the portfolio of leases as they are deemed to be reasonably similar in nature.

Within administrative expenses there will be no property rental expense from 1 March 2019 and instead a depreciation charge will be recognised. A finance charge is recognised in finance costs to reflect the perceived cost of financing the asset. In FY'20 the rental expense is £nil (2019: £1.8 million), depreciation of leased assets is £2.2 million (2019: £nil) and the finance cost for leased assets is £0.6 million (2019: £nil).

At 1 March 2019 a right-of-use asset of £13.8 million was recognised, which represented the future lease payments discounted to present value at 1 March 2019. The relating lease liability was £13.8 million. At 29 February 2020 the right-of-use assets totalled £11.7 million and the lease liability equalled £12.0 million.

Notes (continued)

General information (continued)

Total operating lease commitments were £16.1 million at 28 February 2019. The impact of discounting was £2.3 million, resulting in the £13.8 million lease liability being recognised at 1 March 2019.

Other new standards, including IFRIC 23 Uncertainty Over Income Tax Treatments, are also effective from 1 March 2019, but they do not have a material effect on the Company's Financial Statements.

2. Auditor remuneration

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Audit of financial statements	19	163
	19	163

Amounts receivable by the company's auditor and its associates in respect of the audit of financial statements of associated pension schemes is £nil (2019: £nil).

Fees payable to the Group's auditor and its associates for services other than the statutory audit of the parent company and subsidiaries are not disclosed in Trainline.com Limited's accounts since the consolidated accounts of Trainline.com Limited's ultimate parent, Trainline plc, are required to disclose non-audit fees on a consolidated basis.

Notes (continued)

3. Exceptional items

Exceptional items are costs or credits that, by virtue of their nature and incidence, have been disclosed separately in order to improve a reader's understanding of the financial statements. Exceptional items are one off in nature and are not considered to be part of the Company's ongoing operating activities.

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
IPO transaction costs	242	-
Strategic restructuring costs	-	575
Recoveries	-	(993)
	<u>242</u>	<u>(418)</u>

IPO transaction costs

Fees and costs, including one off bonuses, in relation to the IPO process

Strategic restructuring costs

Restructuring costs incurred were part of a strategic/management reorganisation.

Recoveries

One-off credits received or receivable for an indemnity claim and VAT on historic acquisition costs.

4. Employee benefit expenses

This note details the number of employees across the Company, staff costs relating to these persons and remuneration of Key Management Personnel of the Company.

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

	Year Ended 29 February 2020	Year Ended 28 February 2019
Sales and marketing	103	86
Operations	103	103
Technology and product	251	215
Management and administration	102	97
	<u>559</u>	<u>501</u>

Notes (continued)

Employee benefit expenses (continued)

The table below presents the staff costs of these persons, including those in respect of the Directors, recognised in the income statement.

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Wages and salaries	38,938	32,045
Social security costs	4,687	3,516
Pension costs	1,514	1,145
Share based payments	9,653	4,786
	<u>54,792</u>	<u>41,492</u>

Staff costs presented in this note reflect the total wage, tax, pension and share based payment cost 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.

Key Management Personnel - Directors of the Company

The aggregate emoluments of Directors paid by the Company were £1,402,967 (2019: £4,552,000). The number of Directors accruing benefits under a defined contribution pension scheme was 2 (2019: 2).

The aggregate emoluments and Group pension contributions of the highest paid Director relate to a Director of Trainline plc and have been disclosed in the Trainline plc Group accounts (2019: £1,328,000 and £nil).

Staff costs in relation to Directors were borne by the Company and then subsequently recharged to group members as a part of the overall management fee.

Notes (continued)

5. Other interest and similar income

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Bank Interest	596	290
Receivable from other group companies	14,028	14,389
Finance Income	14,624	14,679

6. Interest payable and similar charges

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Payable to other group companies	6,525	4,818
Other interest expense	69	15
Interest on lease liability	668	-
Finance Costs	7,262	4,833

7. 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.

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.

Notes (continued)

Taxation (continued)

(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.

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.

Amounts recognised in the income statement

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Current tax expense		
Current year	7,398	4,279
Adjustment for prior years	<u>(2,081)</u>	<u>(869)</u>
	5,317	3,410
Deferred tax		
Current year	(1,188)	278
Adjustment in respect of prior years	2,109	1
Effect of change in tax rates	<u>-</u>	<u>(29)</u>
Total deferred tax	<u>921</u>	<u>250</u>
Tax expense	<u>6,238</u>	<u>3,660</u>

The current tax charge primarily consists of corporate tax arising in the UK, and the deferred tax credit primarily results from the unwinding of deferred tax liabilities arising on acquired intangibles.

Notes (continued)**Taxation (continued)***Reconciliation of effective tax rate*

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Profit before tax	62,650	49,983
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	11,904	9,497
Non-deductible expenses	706	1,134
Group relief claimed	(6,126)	(6,074)
Amounts not recognised	-	-
Other	(287)	(29)
Adjustments in respect of prior year	41	(868)
Total tax charge	6,238	3,660

Deferred tax asset

	Total £'000
At 28 February 2019	1,827
Adjustment in respect of prior years	(2,109)
Current period charge/(credit) to profit and loss	1,188
Adjustments posted through equity – IFRS 16	(209)
Adjustments posted through equity – share based payments	253
At 29 February 2020	950

Corporation tax payable / (receivable)

Corporation tax payable/receivable at each year end was as follows:

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Corporation tax payable	561	603

Corporation tax payable at the end of the year reflects the tax charge for the year, less corporation tax payments on account made during the year. In years where the corporation tax balance is a receivable this reflects that payments were made in excess of the tax charge due.

On 17 March 2020 the UK Government substantively enacted the corporation tax rate of 19% from 1 April 2020 which replaces the previously substantively enacted tax rate of 17%. As the enactment is after the financial year end our deferred tax for FY'20 is calculated at 17%. Had the rate been substantively enacted before the year end, the impact of the rate change to 19% is £0.2 million.

Notes (continued)

8. 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.

(v) 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 – 7 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	Other intangibles	Total
	£'000	£'000	£'000
Cost:			
At 28 February 2019	163,796	1,183	164,979
Additions	24,614	96	24,710
Disposals	(88,034)	-	(88,034)
At 29 February 2020	100,376	1,279	101,655
Accumulated amortisation and impairment:			
At 28 February 2019	(102,662)	(520)	(103,182)
Amortisation	(23,175)	(233)	(23,408)
Disposals	88,034	-	88,034
At 29 February 2020	(37,803)	(753)	(38,556)
Carrying amounts:			
At 29 February 2020	62,573	526	63,099
At 28 February 2019	61,134	663	61,797

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.

9. 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.

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 Asset £'000	Total £'000
Cost:				
At 28 February 2019	15,777	4,448	-	20,225
Recognition of right of use asset on initial application of IFRS 16	-	-	13,791	13,791
Adjusted balance at 1 March 2019	15,777	4,448	13,791	34,016
Additions	1,294	-	-	1,294
Disposals	(9,538)	-	-	(9,538)
At 29 February 2020	7,533	4,448	13,791	25,772
Accumulated depreciation and impairment:				
At 28 February 2019	(14,134)	(1,001)	-	(15,135)
Depreciation	(1,129)	(445)	(2,152)	(3,726)
Disposals	9,538	-	-	9,538
At 29 February 2020	(5,725)	(1,446)	(2,152)	(9,323)
Carrying amounts:				
At 29 February 2020	1,808	3,002	11,639	16,449
At 28 February 2019	1,643	3,447	-	5,090

10. Inventories

	29 February 2020 £'000	28 February 2019 £'000
<i>Cost</i>		
Finished goods and goods for resale	<u>26</u>	<u>25</u>

Notes (continued)

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.

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.

	29 February 2020 £'000	28 February 2019 £'000
Trade receivables	38,061	27,224
Other receivables	2,265	4,031
Prepayments and accrued income	5,082	11,074
Amounts due from group undertakings	414,085	218,649
	<u>459,493</u>	<u>260,978</u>

12. Investments

	29 February 2020 £'000
Balance at 1 March	-
Additions	669
At 29 February	<u>669</u>

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

13. Trade and other payables

Trade and other payables 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 in relation to white label website development services.

	29 February 2020 £'000	28 February 2019 £'000
Amounts owed to group undertaking	206,072	91,067
Trade and other payables	115,592	119,376
Accruals and deferred revenue	28,073	26,630
	<u>349,737</u>	<u>237,073</u>

Notes (continued)

14. Provisions

The Company holds provisions in relation to dilapidations.

Accounting policy

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 in relation to the London and Edinburgh offices over the minimum term of the leases.

	Dilapidation £'000	Total £'000
As at 28 February 2019	655	655
Provisions made during the year	26	26
Provision used during the year	-	-
As at 29 February 2020	681	681

15. Loans and Borrowings

The Company has loans and borrowings in relation to the ROU 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.

	29 February 2020 £'000	28 February 2019 £'000
Current liabilities		
Lease liabilities	<u>2,010</u>	<u>-</u>
Non-current liabilities		
Lease liabilities	<u>9,949</u>	<u>-</u>

Notes (continued)

16. Capital and reserves

Share Capital (shares classified in shareholders' funds)

	29 February 2020		28 February 2019	
	Number	£'000	Number	£'000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	1,130,864	1,131	1,130,864	1,131
	<u>1,130,864</u>	<u>1,131</u>	<u>1,130,864</u>	<u>1,131</u>

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.

Other Reserves

Other reserves primarily consisted of capital contributions. During the year the company reconsidered the presentation in regards to capital contributions, as these are realised profits they are permitted to be transferred into retained earnings.

17. Share based payments

Directors and Employees of the Company participate in Share Based Payment arrangements of the Group's ultimate parent Company, Victoria Investments S.C.A., until the Initial Public Offering ('IPO') when Trainline plc became the Group's ultimate parent company. The cost of the pre-IPO share based payments are recorded in administrative expenses. Following the IPO, the Group established five new equity settled schemes that Directors and Employees of the Company participate in.

Accounting policy

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 also recognised in equity.

Share based payment charges to 29 February 2020

	Within administrative costs £'000
Income Statement	
Pre IPO schemes	3,332
Post IPO schemes	6,321
Total income statement impact	<u>9,653</u>

Notes (continued)

Share based payments (continued)

Pre IPO Scheme

Joint Share Ownership Plan ("JSOP")

The JSOP was a share ownership scheme under which the employee and Equity Trust (Jersey) Limited, the EBT Trustee, held a joint interest in class A shares. Interests under the JSOP took the form of restricted interests in class A shares in the former parent Company of the Group. An interest permitted a participant to benefit from the increase if any in the value of a number of class A shares over specified threshold amounts. In prior years the fair value of interests awarded was determined using a Monte-Carlo option pricing model. The final IPO value was based on the market value of the shares within the IPO funds flow.

The movements in these share awards can be summarised as follows:

Outstanding	JSOP interests Number
At 1 March 2019	38,918
Granted	-
Forfeited	-
Exercised	(38,918)
At 29 February 2020	-

Post IPO Schemes

Following the IPO the Group operates five equity settled share-based payment schemes with a £nil exercise price.

1,000 RSU IPO Award

The 1,000 restrictive stock unit (RSU) IPO award was offered to all 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 2020, all employees that did not opt out or leave the business between 26 June 2019 and 31 July 2020 were entitled to 1,000 RSUs which each represent the right to receive one ordinary share in Trainline plc.

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 will vest on 31 July 2022, all employees that have not opted out or left the business between 26 June 2019 and 31 July 2022 will be entitled to shares in Trainline plc worth £3,600 at vesting date.

12-month RSU IPO award

The 12-month RSU IPO award was offered to certain members of the executive team and senior management. The awards vested on 26 June 2020, all participants that had not left the business at this date were entitled to RSUs which each represent the right to receive one ordinary share in Trainline plc.

Notes (continued)

Share based payments (continued)

Annual RSU award

The annual RSU Award is offered to certain members of the executive team and senior management. The annual RSU award – 2019 will vest in three tranches: 20% on 29 February 2020, 40% on 28 February 2021, and 40% on 28 February 2022, all participants that have not left the business on these dates will be entitled to RSUs which each represent the right to receive one ordinary share in Trainline plc. Future RSU awards will vest in three equal tranches over three years.

Annual performance share plan award

The annual performance share plan (PSP) award is offered to certain members of the board and executive team. The annual PSP award – 2019 will vest on 28 February 2022. Subject to the Company meeting specified performance conditions relating to earnings per share and total shareholder returns, all 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.

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

	1,000 RSU IPO award	Share incentive plan	12-month RSU IPO award	Annual RSU award	Annual PSP award
	31 July 2020	31 July 2022	26 June 2020	28 Feb 2022	28 Feb 2022
Exit date	2020	2022	2020	2022	2022
Attrition rate	24%	24%	25%	14%	10%
Weighted average fair value	£4.28	£4.20	£3.50	£4.28	£4.01

Carrying value and fair value of share-based payment liabilities

The carrying value and fair value of the Group's equity-settled share-based payment arrangements were determined using option pricing models. The expense recognised in the year for pre-IPO scheme share-based payments is £3,332,000 (2019: £4,786,000) and for post-IPO scheme share-based payments is £6,321,000 (2019: £nil), including the relevant employer's social security contributions.

	29 February 2020 £'000	28 February 2019 £'000
1,000 RSU IPO award	1,268	-
Share incentive plan	281	-
12-month RSU IPO award	3,493	-
Annual RSU award	711	-
Annual PSP award	568	-
Total income statement impact	6,321	-

Notes (continued)

Share based payments (continued)

The movements in share awards are summarised as follows:

Outstanding	1,000 RSU IPO award number	Share incentive plan number	12-month RSU IPO award number	Annual RSU award number	Annual PSP award number
At 1 March 2019	-	-	-	-	-
Granted	589,000	454,210	1,717,355	387,642	1,321,223
Lapsed	(64,000)	(46,278)	(364,236)	(19,250)	(161,896)
Exercised	-	-	-	-	-
At 29 February 2020	525,000	407,932	1,353,119	368,392	1,159,327
Exercisable at 29 February 2020	-	-	-	73,678	-

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 capital commitments at 29 February 2020 are £nil (2019: £nil).

19. Related parties

In accordance with FRS 101, the Company is exempt from the requirement to disclose related party transactions with Trainline plc and its subsidiary undertakings on the grounds that it is a wholly owned subsidiary of Trainline plc who prepare the consolidated financial statements of the Group.

20. Immediate and ultimate parent company

At 1 March 2019, the immediate parent undertaking was Trainline Holdings Limited, a Company incorporated and registered in England and Wales. On 17 February 2020, the Company was sold to Trainline Holdco Limited, a company incorporated in England and Wales, which became the immediate parent company at this date.

At 1 March 2019, the ultimate parent of the Company was Victoria Investments S.C.A, a partnership limited by shares incorporated in the Grand-Duchy of Luxembourg. On 26 June 2019 the Group listed its shares on the London Stock Exchange in an Initial Public Offering. The steps to restructure the Group had the effect of the newly formed entity Trainline plc acquiring the Group's ultimate parent Company, Victoria Investments S.C.A, as a result the Group's ultimate parent Company became Trainline plc on 26 June 2019. The address of the registered office of Trainline plc during the year ended 29 February 2020 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 3UZ.

Notes (continued)

21. Post balance sheet events

On 30 January 2020, the spread of the novel Coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation. Though the impact of COVID-19 did not materially impact the Company in the year ended 29 February 2020 it has not been considered a non-adjusting post balance sheet event, in line with IAS10 on the basis that it occurred during the financial year.

As a result, the going concern assessment has been updated to reflect the Directors assessment of the impact of COVID-19 at the date of approval of the Financial Statements. The carrying value of assets have also been assessed to determine if any additional indicators of impairment exist, no additional impairments have been recorded as a result.

Subsequent to year end, Trainline plc, the Company's ultimate parent, drew down an additional £85 million of its Revolving Credit Facility and reduced the portion of the Facility utilised through bank guarantees. Following these changes, the remaining headroom on the Revolving Credit Facility was £90.2 million.

On 29 April 2020, Trainline plc announced that its loan syndicate had waived the financial covenant in respect of its £350 million Revolving Credit Facility until August 2021 to support the business through the COVID-19 pandemic and the related impact on trading.