Movell – The Bus Company Limited

formerly DGIW Omnibus Company Limited

Annual Report and Consolidated Financial Statements

for the period 20 May 2014 to 31 December 2014

The principal business of the Company is the operation of contracted local bus services in Germany, where we take millions of passengers to work, education and leisure activities every year.

Highlights

	2014
2014 pro-forma full year revenue	€30.1m
Revenue (7 months to 31 December 2014)	€17.1m
Local bus EBITDA (7 months to 31 December 2014)	€0.9m
EBITDA before exceptionals (7 months to 31 December 2014)	€0.1m
Net asset value at year end	€2.2m
Bus fleet at year end	365
Order book at year end	€166m

Movell – The Bus Company Limited

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Operational Highlights

	2014
Management Buy-Out from Marwyn Management Partners plc	9 June
Order book at year end*	€166m
Order book increased June to December 2014*	€34m
Cost reductions achieved June to December 2014	€2.8m
Bus fleet at year end	365
Contracts at year end	34
Customers at year end	26

* Our order book represents the contracted future revenue from public transport contracts, operating licences and concessions already operated by the local bus business. By providing forward visibility of a larger proportion of future revenue, it helps to demonstrate the underlying strength and stability of the business. It tracks estimated future revenue from the contracted business, rolled forward to reflect contract variations and end dates. It is updated to current prices at year end.

The Company

The Company "Movell – The Bus Company Limited" ("Movell"), having been founded as "DGIW Omnibus Company Limited" ("DGIW"), was created in May 2014 to acquire the total share capital of Metropolitan European Transport Limited ("MET") from Marwyn Management Partners plc ("MMP").

The acquisition of MET on 9 June 2014 was a Management Buy-Out ("MBO") by its founders. Following a period where MET's growth was limited by a shortage of capital, and with MMP focussed on other investments, Movell was able to acquire MET for a nominal amount.

The principal business of the Company is the operation of contracted local bus services within Germany. Since the buy-out, our policy has been to withdraw from the express bus segment, which required significant medium-term growth capital to achieve profitability.

The Company was renamed as Movell – The Bus Company Limited on 26 January 2015.

The Company is wholly owned by the original founders and senior management of MET; David Leeder (Chief Executive Officer), Guy Houston (Chief Financial Officer), Iain Lanaghan (Non-Executive Chairman) and Linearis Beratungs GmbH (a company wholly owned by Wolfgang Meyer (Non-Executive Director)).

2014 was a year of transition: the first half of the year was taken up by the separation from MMP; and the second half characterised by rapid progress in contract bidding, cost reduction and focusing on the contracted local bus segment in Germany.

In just four years, MET has become one of Germany's largest privately owned bus-operating groups, with substantial operations in the Cologne and Frankfurt/Mannheim city regions.

Although this report represents the period 20 May to 31 December 2014, the following table illustrates the performance over the full 12 months by inclusion of the unaudited figures from 1 January 2014 to 9 June 2014 (as outlined in note 11 to the Consolidated Financial Statements).

Pro-forma full-year performance for 2014

	Unaudited at the Group level	Audited and included in these accounts	Pro-forma full year
	1 Jan to 8 Jun 2014 €m	**9 Jun to 31 Dec 2014 €m**	**Full-year to 31 Dec 2014 €m**
Revenue	13.0	17.1	30.1
EBITDA – Local Bus *	0.8	0.9	1.7
EBITDA – Express bus *	(0.4)	(0.1)	(0.5)
Bus EBITDA – Total *	0.4	0.8	1.2
Central costs	(0.9)	(0.7)	(1.6)
EBITDA before exceptionals	(0.5)	0.1	(0.4)
Bus fleet at period end	348	365	365
Order book at period end	€132m	€166m	€166m

* The Directors use EBITDA before exceptionals as one of the principal metrics to assess the performance of the business. This measure is reconciled to its statutory equivalent in note 3 and 11 of the consolidated financial statements.

The above table highlights the substantial progress made since the MBO on 9 June 2014 with EBITDA moving into a positive position following the exit from the unprofitable Express Bus business and the reduction in central costs.

The forward order book has increased from €132 million to €166 million following the successful retention and extension of a number of contracts in both the Cologne and Frankfurt/Mannheim city regions and winning the Frankfurt night bus services with effect from December 2014.

During 2014 the Company successfully retained and extended a contract to supply 25 new Scania vehicles to the BASF site at Ludwigshafen near Mannheim.

Performance since 2011

Highlights	2014 €m	2013 €m	2013 £m	2012 €m	2012 £m	2011 €m	2011 £m
Total reported revenue	30.1	30.4	25.8	22.4	18.1	5.7	4.9
Local bus EBITDA	1.7	2.3	1.9	1.0	0.8	0.3	0.2
Express bus EBITDA	(0.5)	(0.9)	(0.7)	(0.5)	(0.4)	0.0	0.0
Operating EBITDA	1.2	1.4	1.2	0.5	0.4	0.3	0.2
EBITDA (before exceptionals)	(0.4)	(0.6)	(0.5)	(1.7)	(1.4)	(1.5)	(1.3)
Order book at year end	€166m	€132m		€95m		€48m	
Bus fleet at year end	365	379		379		244	
Converting £s to €s:							
Source of figures from Financial Statements:	Note 11: Movell for the period ended 31 December 2014	Note 3: Metropolitan European Transport Ltd for the year ended 31 December 2013		Note 3: Marwyn European Transport plc for the year ended 31 December 2012		Note 3: Marwyn European Transport plc for the period to 31 December 2011	
Average exchange rate – €1:£x*		0.8490		0.8113		0.8696	

* Source: *http://www.oanda.com/currency/historical-rates/*

The above table highlights the growth in the Group's annualised revenue since February 2011, growing from €5.7 million of revenue in 2011 to €30.4 million in 2013. Revenue growth slowed in the latter half of 2013 and first half of 2014 due to the limited capital available from MET's majority shareholder at the time, MMP. Since the MBO, we have secured a minimum of €31 million of contracted revenue for 2015 and achieved a total order book of €166 million as at 31 December 2014.

Also highlighted is the continued improvement in EBITDA before exceptionals throughout the four years, from (€1.5 million) loss in 2011 to (€0.4 million) in 2014, with the post MBO period of 2014 delivering a positive €0.1 million of EBITDA before exceptionals

Founding Directors

Movell's Directors have been involved with MET since it was founded in February 2011. Iain Lanaghan and David Leeder were appointed Directors initially, whilst Guy Houston and Wolfgang Mayer were also founder investors and have been part of the managerial team since its incorporation and were appointed as Directors in July 2011 and July 2014 respectively.

Steve Clayton was appointed as an independent, non-executive Director of MET in July 2011 and also acts as an adviser to the Board of Movell.

Chairman's Statement


Iain M Lanaghan

I am pleased to present the annual report and audited consolidated financial statements for Movell – The Bus Company Limited for the period 20 May 2014 to 31 December 2014.

2014 was a year of transition: During the first half, MMP (MET's parent company until 9 June 2014) remained focussed on its luxury goods business and MET was hampered by a lack of capital from MMP to deploy into its buy and build strategy. It was agreed therefore, that a separation from MMP would be in the best interests of both companies. A nominal consideration, plus an earn-out related to any capital increases undertaken prior to June 2016, were agreed for the purchase of the total share capital of MET and the MBO was completed on 9 June 2014.

With the acquisition of MET completed, the latter half of the year saw our attention switch to scaling down the Company's overhead; exiting from the express bus market segment and recommencing our organic growth strategy.

We are an established player in the German bus market with a growing and diversified portfolio of operating contracts and good revenue visibility aligned around our two strong local bus hubs: one centred in the Cologne region and the other in the Frankfurt/Mannheim region. We have retained our local brands and local management and created a strong central team to allow us to bid for additional contracts and licenses.

Since June 2014, our secured Order Book has increased from €132 million to €166 million as a result of significant net contract extensions and wins during the second half of 2014.

We enter 2015 with a Net Asset Value of €2.2 million and a healthy pipeline of contract bid opportunities.

With a lean and highly focused operation our outlook is optimistic for 2015 and beyond.

Iain M Lanaghan
Chairman

8 May 2015

Board of Directors

Iain Lanaghan
Non-Executive Chairman

Iain is also a non-executive director of AIM-listed Northern Petroleum Plc, the UK National Nuclear Laboratory and Kentech Group Limited, the privately owned international energy and industrial services provider.

Iain spent four years as Group Finance Director of FTSE250 transport operator FirstGroup Plc ("FirstGroup") and was also Finance Director of Faroe Petroleum Plc. He was a co-founder of the German bus and rail group Abellio GmbH. He planned the flotation of 3i-backed Atlantic Power Group and then led its merger with the Norwegian group Petroleum Geo-Services. He was also Finance Director of PowerGen International and has advised a variety of financial investors in the transport and energy sectors. Iain is a chartered accountant, having qualified with KPMG London.

Guy Houston
Chief Financial Officer

A chartered accountant, Guy's career has broadened over the last 20 years to encompass wider management and commercial experience gained as Finance Director of large transport businesses in both the public and private sector. Guy is a specialist in transport operational finance and his previous positions include Finance Director of regional bus companies for Stagecoach and FirstGroup, senior HQ roles at Stagecoach and UK Bus Finance Director for FirstGroup where he lead the integration of 20 subsidiaries, whilst being part of the leadership team that grew revenues to more than £1 billion pa.

In the public sector, Guy was Finance & Corporate Services Director of Transport Scotland, a Scottish Government Agency where he was responsible for an annual budget of £2 billion across bus, rail and highways. He also has experience of managing rail operations in Scandinavia and the UK. He is co-founder of the specialist consultancy company Transport Investment Limited (TIL).

Wolfgang Meyer
Non-Executive Director

Wolfgang has over 20 years high-level experience in the German bus and rail industries. He is President of the trade association Mofair and was previously co-founder and CEO of Abellio and CEO of EVAG Essen. Wolfgang is the founder of the specialist transport consultancy and recruitment company Linearis Beratungs GmbH.

David Leeder
Chief Executive Officer

David has more than 20 years' experience in the transport sector, having previously been a main board director and Development Director at FirstGroup plc. He held the position of CEO of West Midlands Travel for National Express and director of Greyhound Lines USA for FirstGroup – America's iconic and market-leading express bus operator.

He has held a number of senior management and business development roles in the bus and rail industry in the UK, Ireland, Germany, Belgium, the United States and Scandinavia. As CEO of West Midlands Travel he ran Britain's largest unified bus network outside London, operating almost 1800 buses throughout the region. At FirstGroup he was Managing Director of Britain's largest portfolio of regional bus companies, running over 9,000 buses and generating revenues of over £1 billion pa.

As an advisor he has worked with government, global investment banks, infrastructure funds and private equity businesses in the UK, USA, Europe and Asia. From 1999-2010 he was a member, and later Vice Chairman, of the Commission for Integrated Transport on behalf of the UK Department for Transport, and is a Past President of the Confederation of Passenger Transport-UK. He is co-founder of the specialist consultancy company Transport Investment Limited (TIL) and an advisor to Turkey's leading express bus business, Kamil Koc.

Steve Clayton
Strategic Advisor to Movell

Steve is a former main board director of Arriva plc and past President of the Confederation of Passenger Transport UK. He has extensive experience in the transport industry, both in the UK and Continental Europe. After 19 years with London Transport he joined what became Arriva plc in 1994 where he held a variety of senior management positions, including Managing Director of Arriva London then on appointment to the main board, Managing Director UK Bus and, ultimately, Group MD Corporate Affairs.

Steve was an integral part of the management team that transformed Arriva into an international group with £3 billion of revenue, 43,500 employees and transport operations in 12 countries across Europe. Steve is a non-executive director of leading UK-based bus manufacturer Alexander Dennis Limited and the public interest bus company Uno.

The German bus market

The Directors consider that the German local bus market provides many attractive investment opportunities for MET:

- highly predictable, 'utility-like' revenues streams, from German local authorities and large corporates;
- limited passenger volume and pricing risk;
- a historically fragmented market structure, with many small private businesses facing succession issues, and municipal entities seeking improved value for money through out-sourcing;
- a large pipeline of contract bid opportunities;
- an attractive contractual structure, with clear rules for cost indexation and a stable regulatory environment;
- poly-centric geography, and dense population, creating significant travel demand for bus services;
- political consensus regarding the economic and social value of bus transport as a contributor to economic growth, decongestion and social inclusion;
- scope to deploy MET's proven skills in contract bidding and operational efficiency in an attractive market.

Our strategy since the MBO has four basic themes:

Reduce costs	Right-size the Company's overhead base, in line with the current scale of the operational business
Refocus business	Exit the loss-making express bus segment. We believe that express buses are an interesting business, but without significant growth capital, our express business did not enjoy sufficient scale to quickly achieve profitability
Refinance	Refinance our inherited bus fleets on more attractive terms, where possible
Regenerate	Expand the business' contracted "Order Book" by extending, renewing and expanding bus-operating contracts

We have made significant progress in each of these areas since June 2014, and we are now focusing on growing the inherited business through enlarging existing contract relationships, and bidding for new contracts.

Experience

Our team is characterised by their widespread experience and depth of knowledge of the bus and rail sector. The Executive Directors have all held senior management positions in listed and unlisted transport businesses in the UK, Europe and North America, including FirstGroup, Arriva, Abellio, Greyhound Lines, and National Express. Our German team has extensive experience of private and public sector bus operations throughout Germany, including municipal and Mittelstand bus companies.

With this experienced operational management team the business is well positioned to significantly increase the size of its bus fleet without additional management cost.

Financial performance for the period 20 May 2014 to 31 December 2014

During the period since the MBO, the bus companies delivered revenues of €17.1 million and Local Bus earnings before interest, tax and depreciation and amortisation ("Local Bus EBITDA") of €0.9 million.

Central costs and exceptional items

Central costs of €0.7 million comprise the salaries of the Directors, a small team located in the Shared Service Centre in the Dusseldorf area and the central bidding team. Also included in central costs are the on-going management costs of the Group (e.g. audit, accountancy, legal and professional fees).

Exceptional costs of €0.3 million include €0.2 million provision for fundraising fees plus one-off costs related to the MBO and restructuring of the Group following the MBO.

Earnings before interest, tax and depreciation and amortisation ("EBITDA")

EBITDA of the Group for the period was €0.1 million before exceptional costs and (€0.2) million after exceptional costs.

Depreciation and amortisation

Depreciation of assets within the Group (buses and property) for the period was €1.3 million.

Loss from operations

The operating loss for the period was (€1.5) million after accounting for EBITDA after exceptionals of (€0.2) million and depreciation of (€1.3) million.

Interest and tax

Net finance costs in the period totalled €0.6 million and include interest charges on asset-backed finance lease arrangements in BRH Viabus GmbH and borrowing costs arising from asset-backed bank loans in Axel Tücks GmbH (Cologne business) and BRH Viabus GmbH (Frankfurt and Mannheim business).

Finance costs have also been included for the shareholder loans of €1.0 million and external loan notes to third parties of €0.4 million. Interest on the shareholder loans is between 8% and 11%. Interest charged on the external loan notes is also 8%. Included in the third party loan notes is a loan of €0.4 million provided by Marwyn Management Partners plc ("MMP"), the previous owner of MET, agreed as part of the MBO. This loan is repayable by 9 June 2016.

As the business made an operating loss in the period, there is a minimal tax charge in the year relating to the underlying bus companies in Germany.

Gain on bargain purchase

On 9 June 2014, the Company acquired 100% of the share capital of Metropolitan European Transport Ltd (MET) and its subsidiary companies (the "MBO"), which included MET Deutschland GmbH, BRH Viabus GmbH and Axel Tücks GmbH, for a consideration of €1. The fair value of the assets and liabilities of the Group at the date of the acquisition was €4.9 million, resulting in a bargain purchase gain on acquisition of €4.9 million.

Profit after taxation

As a result of the €4.9 million gain on bargain purchase, offset by the operating loss of (€1.5 million) and finance costs of (€0.6) million, the Group made a profit after taxation in the period of €2.8 million.

Statement of financial position

Net assets at 31 December 2014 were €2.2 million. The Group's net assets include non-current assets of €14.2 million and cash of €0.8 million, offset by bank loans and borrowings of €10.5 million.

Our strategy since the MBO has included expanding the business' contract Order Book by extending, renewing and expanding bus operating contracts such as these school bus contracts in our Axel Tuecks business.

Cash flow

Cash inflow from operations was €0.9 million and the net cash outflow from investing activities was (€0.4) million. Cash inflow from loan proceeds, offset by repayment of borrowings and associated interest totalled €0.3 million, leading to an overall increase in cash and cash equivalents in the period of €0.8 million.

Each operating subsidiary retains ownership of their respective cash management processes. The approved budgets of each operating company provide for sufficient liquidity for the foreseeable future.

Borrowing facilities

At 31 December 2014, total external borrowings were €10.5 million and comprised:

€9.1 million of securitised facilities:

- Vehicle financing at BRH Viabus GmbH — €7.6m
- Bank debt at Axel Tücks GmbH — €1.1m
- Bank debt at BRH Viabus GmbH — €0.4m

€1.4 million of unsecured facilities:

- Shareholder loans in Movell — €1.0m
- Third party loans in MET — €0.4m

In addition BRH Viabus has €0.3 million in bank guarantees and an overdraft facility of €0.5 million securitised against company property. Axel Tücks GmbH also has a bank overdraft facility of €0.1 million. Undrawn facilities at 31 December 2014 were €0.6 million.

Principal risks and uncertainties

Risk is an inherent and accepted element of doing business. We aim to monitor business risks on a continuous basis. We have identified the principal risks impacting the Group and we maintain and develop a risk management system that is appropriate and commensurate to our business. The Board is ultimately responsible for risk management and has developed policies and procedures that reflect the nature and scale of the Group's businesses. These are designed to identify, mitigate and manage risk, but they cannot entirely eliminate it. We set out below our key risks, together with the mitigating factors or action we have taken.

The Group has a diversified portfolio of 34 contracts with 26 customers such as RMV (Rhein-Main-Verkehrsverbund), the Transport Association for the Frankfurt Metropolitan area, the second largest Transport Association in Germany

Financial risk

The Group's assets, earnings and cash flows are exposed to a variety of financial risks. These risks include:

- Fluctuations in the prices of key cost inputs such as labour, materials and fuel prices (further detail below);
- Loss of contracts and revenues (further detail below);
- Ability to secure financing facilities for contract expansion and replacement vehicles;
- Availability of funds to meet the Group's operating and financing requirements;
- Fluctuations in interest and foreign exchange risks (further detail below).

Input cost risk

The business is subject to fluctuations in the price of key input costs such as labour, materials and fuel. It seeks to mitigate these risks through continuous and detailed monitoring of prices and volumes, and by adopting appropriate cost mitigation strategies. We consider fuel price to be the most volatile input cost. Our current strategy is to negotiate cost-indexation arrangements in most of our bus operating contracts and to hedge fuel prices with the objective of smoothing out fluctuations in fuel prices through a series of rolling hedges.

The Company has a Fuel Hedging Committee, reporting to the Board, and has hedged approximately 66% of the forecast 2015 fuel volume as at 22 April 2015.

Labour costs are the largest component of total costs and we regularly measure the elements of labour costs at depot and route level, and implement operational strategies to manage these costs efficiently.

Further information on the management of financial risks is provided in note 19 to the consolidated financial statements.

Contract and revenue risk

The Group derives the bulk of its revenues from contracts to operate local bus services. Therefore, the Group rarely takes any risk on the volume of passengers and fares paid. These contracts are of fixed duration or operate on a rolling basis. The Company has a diversified portfolio of contracts and customers such that no single contract or customer accounts for an excessive part of total revenues or profits. The level of revenue and profit deriving from each contract and each customer, and the bidding pipeline, are regularly monitored against these criteria.

Most assets and costs are directly linked to a specific contract and the Company seeks to align the asset lives, financing arrangements, fuel hedges and rental arrangements of assets to the relevant contract term.

Operational risk

The diversity of the Group's revenue streams and reliance on different systems, vehicle types, equipment and people in its operating companies reduces its exposure to operational risks in the event of failure of any one element. Operational interruptions resulting from accidents, bad weather, system interruptions or breakdown of vehicles or machinery and equipment may also affect the Group's operations and financial performance. To mitigate these risks the Group has in place preventative maintenance programmes, and regular monitoring of operational performance as well as comprehensive insurance. Health, safety and environmental compliance are considered as key priorities in the Group's operations, more details on which are provided in the Directors' report under the heading "Health, safety and the Environment".

Performance risk

The Company's portfolio is exposed to external factors that may impact directly on its performance. Adverse weather conditions or one off events may impact revenues and the transport business revenues are largely derived from long-term contracts that may not be renewed. Controlling staff absenteeism and minimising staff shortages are critical to ensuring that contracts remain profitable throughout the duration of the contract. The operational performance of the operating companies is constantly monitored to ensure that risks to the underlying performance of the businesses are addressed in an efficient and timely manner.

Dependence on key personnel

The founders play a pivotal role in the business and they are committed to the long term development of the business through their equity stake and long-term shareholder loans.

The Group's strategy of working with operational management teams means that the loss of the services of key personnel may have an adverse effect on the business. The Group operates employee incentivisation schemes, including rewarding management teams for long-term sustainable increase in shareholder value, in order to retain and maximise the value of the teams employed by the Group.

Changes to legislation and regulation

Each operating company is subject to local regulation and regulation change that may impact its future performance. Local management is responsible for ensuring compliance with regulations and where appropriate operational procedures are established to provide a compliance framework for each business. Management continually monitors regulatory and legal developments and at a local and national level participates in industry forums through membership of various trading bodies. Regulatory change in the transport sector generally occurs relatively slowly.

Foreign exchange risk

The majority of the Group's trading is carried out in Euros. The Company seeks to minimise exchange rate risk by minimising Euro: Sterling cross-border movements and by conducting most debt financing and commodity purchases in Euros.

Interest rate risk

Our policy is to enter into fixed interest rate financing deals for its bus assets, and the majority of Movell's capital is therefore not subject to interest rate risk.

David Leeder
Chief Executive Officer
8 May 2015

Directors' Report

The Directors present their report, together with the consolidated audited financial statements, for the period from 20 May 2014 to 31 December 2014.

In June 2014, we immediately set out our strategy (outlined in the Strategic Report) which was designed to streamline costs and grow the business organically through the development of a portfolio of contracted local bus contracts in Germany.

Financial highlights

For the period ended 31 December 2014, the Group's profit after taxation was €2.8 million.

At 31 December 2014, the Group's consolidated net assets were €2.2 million.

Dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so. No dividends have been recommended for the period ended 31 December 2014.

Reducing costs

€2.8 million of annualised cost reductions have been achieved since June 2014, including:

- €0.8 million of annual losses eliminated by exiting the Public Express business in September 2014;
- €0.7 million of annual savings by removal of administrative posts;
- €0.3 million per annum savings from elimination of Marwyn corporate finance fees and office rents;
- €0.4 million per annum reduction in operating lease costs as a result of refinancing.

Operational highlights

Order book

We have renewed and extended a number of significant contracts, including:

LOF Ost franchise, Frankfurt	▪ Extended two-year contract ▪ 17 buses refinanced
US military, Eifel region, Cologne	▪ Extended contract up to four years to provide education and related transport ▪ MET has enjoyed a long-term relationship with US military to provide similar services ▪ Bus fleet updated
Suburban night bus, Frankfurt	▪ New contract from December 2014 ▪ Uses existing bus fleet ▪ Successful mobilisation completed
BASF employee transport, Ludwigshafen, Frankfurt	▪ Expanded contract won November 2014 ▪ New fleet of 25 buses for internal transport within the BASF complex arrived in early 2015 ▪ Contract successfully mobilised in April 2015

These and other contracts have seen MET's Order Book increase from €132 million at the date of acquisition to €166 million by 31 December 2014. We continue to see a wide range of bidding opportunities in 2015 and beyond.

Exit from express bus sub-sector

MET's initial strategy had been to grow within the newly liberalised express bus sub-sector in Germany. Despite rapid passenger growth on the pilot express routes, MMP was unable to provide sufficient funding to quickly achieve the necessary scale in this market; consequently, after the MBO, Movell decided to exit this segment. The Company's express bus business, "Public Express" was placed into a managed receivership process in September 2014 and the services transferred to another provider.

Movell is purely focused on the contracted local bus market, where customers are German local government entities or large corporations. We also run services under contract for other bus and tram operators, including German local authorities and Deutsche Bahn (DB).

Contract extensions have allowed the associated buses to be replaced and refinanced on improved terms, including the new bus fleet for BASF which has been financed by the vehicle builder, Scania, as part of a "supply + maintain + finance" deal.

Fleet refinancing

Contract extensions have allowed the associated buses to be refinanced on improved terms. The new fleet of 25 buses for BASF have been financed by the manufacturer, Scania, who will also provide contracted maintenance for the full nine-year term.

The existing fleet of 17 buses used on the LOF Ost contract has also been refinanced on improved terms for continued operation for the two-year period of the contract extension.

Used buses have been acquired for contracts renewed during late 2014, and these have been part-financed by local banks.

As a result, the Company enters 2015 with cost-effective financing in place.

Directors

The following Directors served during the period and up to the date of the signing of the financial statements:

Iain M Lanaghan	Chairman	Appointed 20 May 2014
David Leeder	Chief Executive Officer	Appointed 20 May 2014
Guy Houston	Chief Financial Officer	Appointed 20 May 2014
Wolfgang Meyer	Non-Executive Director	Appointed 20 May 2014

Please note: Steve Clayton is a director of MET, but not of Movell.

Directors' interests

The Directors had the following interests in the issued share capital of the Company at 31 December 2014:

Director	Ordinary shares	% ownership
Iain M Lanaghan	11,000	11%
David Leeder	55,000	55%
Guy Houston	25,000	25%
Wolfgang Meyer (through his wholly owned company "Linearis Beratungs GmbH")	9,000	9%

The Directors have also loaned money to the company and the amount due to the Directors as at 31 December 2014 was €1.0 million.

In addition, the Directors have funded €0.2 million of bus capital expenditure and are leasing these vehicles back to the company through Agentur Ruhr GmbH, a company wholly owned by Wolfgang Meyer.

Employees

The Group recognises the importance of employee involvement in the operation and development of its businesses, which are given considerable autonomy within the Group structure to enable local management to be fully accountable for their own actions, and gain maximum benefit from their local knowledge. The Group is committed to providing equal opportunities for individuals in all aspects of employment.

Health, safety and the environment

The safety of our customers and staff is our highest priority. Safety is at the heart of our operations. We focus on eradicating unsafe acts and practices and continually develop ways to actively engage employees in ensuring best practice in all areas of health and safety across all of our businesses. We have a Group Health and Safety strategy and have standardised systems and processes across our operating companies in order to maintain the highest standards of safety. Health and safety standards and benchmarks have been established and performance is closely monitored through Safety Key Performance Indicators and audits of local operations. These audits are linked to company-specific Health & Safety Action Plans.

A strong Corporate Social Responsibility ("CSR") culture is also important to any business. It drives businesses to improve performance, resulting in better employee engagement, improved customer service and higher business efficiency. CSR is also about ensuring we help tackle some of the wider challenges we face as a society, including traffic congestion, resource use and climate change. We are committed to playing our part in meeting these challenges by ensuring that public transport provides an attractive, low emission alternative to other forms of travel.

Since 2012 the underlying operations have invested €11 million in 56 new low emission vehicles (15% of the entire fleet) and we work with Local Authorities, governments and our industry partners to support the development of policy changes at both national and local level that support these objectives.

Employment policies

The Group's employment policies are regularly reviewed by local management to ensure that they remain effective. These policies promote a working environment which underpins the recruitment and retention of professional and conscientious employees and which improves productivity in an atmosphere free of discrimination. The Group is committed to giving full and fair consideration to all applicants for employment who are disabled and where practicable for continuing the employment of those who become disabled while employed.

Training is also a priority and is a focus of considerable effort. Employees are consulted and involved in the development of the Group in a number of ways that include regular briefings, team updates and announcements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively;
- prepare the financial statements on the "going concern" basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors and disclosure of information to auditors

In accordance with Companies Act 2006, all Directors in office as at the date of this report have confirmed:

- As far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

Corporate governance

The Directors recognise the value of strong corporate governance and are committed to maintaining high standards. The core purpose of the Board is to create and deliver long-term returns for shareholders. The Board is responsible for monitoring the Company's performance in delivering against the business strategy, and ensuring that risk management and internal controls are appropriate and effective. As the Company places great importance on good governance, some of the measures that have been put in place are outlined below.

Governance and the Board of Directors

The current Board consists of the Non-Executive Chairman, a Non-Executive Director and two Executive Directors.

Biographical details of the Directors are set out on page 5.

The Board considers that the Non-Executive Director brings a senior level of experience and judgement on issues of strategy, performance and standards of conduct.

The Board continually monitors the independence of Non-Executive Directors, each Director being required to regularly declare their interests. The interest in the Company of each Director is disclosed in the Directors' report.

The Executive Directors, supported by senior management, are responsible for the day-to-day operation and development of the business whilst the Non-Executive Director provides an external and independent view, both to support and when appropriate, challenge their management colleagues.

There are further governance functions in place which are covered by four Board Committees, which are:

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Risk and Fuel Hedging Committee

Meetings

A minimum of ten formal Board meetings is held each year to consider those matters which have been specifically reserved for the Board to review. The Board meet on a monthly basis and additionally on an ad-hoc basis to formally discuss, review and approve investment proposals. In addition, investment and acquisition proposals can be reviewed by the Board outside of formal meetings.

The Movell Board met formally six times during the period from 20 May 2014 to 31 December 2014.

Outlook

Our priority for 2015 is to consolidate the improvements to revenues and cash flows achieved since June 2014. We begin 2015 with a positive net asset position of €2.2 million.

We continue to see a healthy pipeline of new contract bids, as well as interesting bolt-on acquisition opportunities. We therefore anticipate further growth in the years ahead.

David Leeder
Chief Executive Officer

8 May 2015

Independent Auditors' Report to the Members of Movell – The Bus Company Limited

Report on the Group financial statements

Our opinion

In our opinion, Movell – The Bus Company Limited (formerly DGIW Omnibus Company Limited)'s Group financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 31 December 2014 and of its profit and cash flows for the 7 month period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Movell – the Bus Company Limited (formerly DGIW Omnibus Company Limited)'s financial statements comprise:

- the Consolidated Statement of Financial Position as at 31 December 2014;
- the Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006:

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception:

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit:

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 12, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Company financial statements of Movell – the Bus Company Limited (formerly DGIW Omnibus Company Limited) for the 7 month period ended 31 December 2014.

Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

8 May 2015

Financial Statements

Consolidated Statement of Comprehensive Income

For the period from 20 May 2014 to 31 December 2014

	Note	For the period 20 May 2014 to 31 December 2014 €'000
Continuing operations		
Revenue		17,143
Cost of sales	5	(13,379)
Gross profit		**3,764**
Administration expenses	5	(5,290)
Loss from operations	3	**(1,526)**
Analysed as		
Loss from operations before exceptional items		(1,151)
Exceptional items included in administration expenses	4	(375)
Loss from operations		**(1,526)**
Gain on bargain purchase	11	4,928
Finance costs	10	(598)
Profit before taxation		**2,804**
Taxation	9	(13)
Profit after taxation		**2,791**
Other comprehensive income		
Exchange differences on translation of foreign operations	21	(3)
Hedge reserve	21	(493)
Total other comprehensive loss		**(496)**
Total comprehensive income after taxation for the period		**2,295**

The notes on pages 20 to 37 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2014

	Note	As at 31 December 2014 €'000
ASSETS		
Non-current assets		
Other intangible assets	12	91
Property, plant and equipment	13	14,074
Total non-current assets		**14,165**
Current assets		
Inventories	14	509
Trade and other receivables	15	2,423
Cash and cash equivalents	19	840
Total current assets		**3,772**
Total assets		**17,937**
EQUITY AND LIABILITIES		
Equity		
Share capital	20	1
Other reserves	21	(582)
Retained earnings		2,791
Total equity		**2,210**
Non-current liabilities		
Loans and borrowings	18	7,704
Provisions for other liabilities and charges	23	133
Retirement benefit obligations	17	213
Total non-current liabilities		**8,050**
Current liabilities		
Trade and other payables	16	4,104
Loans and borrowings	18	2,845
Deferred consideration	24	25
Provisions for other liabilities and charges	23	106
Retirement benefit obligations	17	18
Derivative financial instruments	19	579
Total current liabilities		**7,677**
Total liabilities		**15,727**
Total equity and liabilities		**17,937**

The notes on pages 20 to 37 form an integral part of these consolidated financial statements.

The financial statements on pages 16 to 37 were approved by the Board of Directors on 8 May 2015 and were signed on its behalf by:

Guy Houston
Director

Company number: 9048671

Consolidated Statement of Changes in Equity

For the period from 20 May 2014 to 31 December 2014

Period ended 31 December 2014	Note	Share capital €'000	Other reserves €'000	Retained earnings €'000	Total equity €'000
Hedge reserve on acquisition	21	–	(86)	–	**(86)**
Profit for the period		–	–	2,791	**2,791**
Other comprehensive income:					
Currency translation differences	21	–	(3)	–	**(3)**
Hedge reserve	21	–	(493)	–	**(493)**
Total comprehensive income		**–**	**(496)**	**2,791**	**2,209**
Ordinary shares issued		1	–	–	**1**
Total equity at 31 December 2014		**1**	**(582)**	**2,791**	**2,210**

The notes on pages 20 to 37 form an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the period from 20 May 2014 to 31 December 2014

	Group 2014 €'000
Cash flows from operating activities	
Profit before tax	2,804
Bargain purchase gain	(4,928)
Finance costs	598
Loss from operations	**(1,526)**
Depreciation and amortisation	1,309
Increase in inventories	(12)
Increase in trade and other receivables	1,647
Increase in trade and other payables	(445)
Tax paid	(12)
Cash inflow from operations	**961**
Cash flow from investing activities	
Interest received	–
Acquisition of subsidiaries, net of cash acquired	333
Purchase of property, plant and equipment	(1,141)
Sale of property, plant and equipment	374
Net cash outflow from investing activities	**(434)**
Cash flow from financing activities	
Interest paid	(298)
Repayment of borrowings	(1,475)
Proceeds from loans	2,086
Proceeds from issue of ordinary share capital	1
Net cash inflow from financing activities	**314**
Effect of exchange rate on cash and cash equivalents	(1)
Net increase in cash and cash equivalents	**840**
Cash and cash equivalents on incorporation	–
Cash and cash equivalents at the end of the period	840

The amount of undrawn borrowing facilities at the end of the period was €0.6 million.

The notes on pages 20 to 37 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Reporting entity

Movell – The Bus Company Limited ("Movell", "Company", or on a consolidated basis "the Group") is a company incorporated and domiciled in the UK. The address of the registered office is One New Change, London, EC4M 9AF. Movell, formerly called DGIW Omnibus Company Limited, was established on 20 May 2014 to acquire the total share capital of Metropolitan European Transport Limited ("MET") from Marwyn Management Partners plc ("MMP"). The acquisition of MET on 9 June 2014 was a Management Buy-Out ("MBO") by the founders / Directors of MET (who are also the founders of Movell). The principal business of MET is the operation of contracted local bus services within Germany.

2. Accounting policies

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006, as applied to companies reporting under IFRS and in accordance with IFRS Interpretations Committee (IFRS IC) interpretations. The consolidated financial statements for the period ended 31 December 2014 are a set of IFRS financial statements for the Group and have been prepared using the measurement basis specified by IFRS for each type of asset, liability, income and expense. The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of derivative instruments, which are held at fair value through profit or loss.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2 (c) below in use of estimates and judgements.

(b) Functional and presentation currency

The consolidated financial statements are presented to the nearest thousand in euros, which is the Company's functional and the Group's presentation currency.

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

(c) Use of estimates and judgements

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill and other non-current assets

The Group determines whether goodwill and indefinite life intangibles are impaired on an annual basis or more frequently if there are indicators of impairment. Other non-current assets are tested for impairment if there are indicators of impairment. Impairment testing requires an estimate of future cash flows and a suitable discount rate. These calculations require the use of estimates which are inherently judgemental and susceptible to change because they require the Group to make assumptions about future supply and demand, economic and market conditions. The carrying value of the Group's intangible assets and sensitivity analysis of the key parameters for the assumptions used are disclosed in note 12.

(d) Basis of consolidation

(i) Subsidiaries

The financial information comprises the financial information of the Group and its subsidiaries as at 31 December 2014. Subsidiaries are entities controlled by the Group. The financial information of subsidiaries is included in the Group's financial statements from the date that control commences until the date that control ceases. The trading results of companies acquired during the period are accounted for under the acquisition method of accounting. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised as an intangible asset. At the reporting date, where management's assessment and accounting of the business combination is in the process of being finalised, the carrying amount of the assets, liabilities and goodwill are stated as provisional. The provisional amounts will be finalised within 12 months from the date of acquisition, with appropriate adjustments made to the assets, liabilities and goodwill as prior year adjustments where necessary.

(e) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below:

Transport revenues

Revenue represents sales to external customers excluding value added tax. Passenger revenue collected on board is recognised when payment is received in cash. Revenues delivered under contract are recognised on an accruals basis based on agreed contract performance obligations and rates (indexation adjustments are recognised on an accrual basis per management calculations and adjusted when settlement is agreed with the customer during the following financial year).

Interest income

Interest income is accrued on an effective interest rate basis, by reference to the principal outstanding and at the interest rate applicable.

(f) Exceptional expenses

The Directors regard as exceptional those items which are either material and non-recurring in nature, or are sufficiently material (in themselves or in aggregate) and of a non-operating nature that separate disclosure is necessary for users to properly understand the performance of the Group.

Exceptional items therefore include:

- Costs related to successful business combinations or bid costs for contracts won;
- Costs related to aborted and on-going potential business combinations or bid costs for on-going contracts or contracts not won;
- Set up costs relating to mobilisation or start-up of new contracts;
- Redundancy costs;
- Impairment of goodwill;
- Impairment of intangible assets;
- Gain or loss on the disposal of fixed assets.

These categories form a framework for presentation going forward, and the Directors will continually assess whether other significant items that may arise in the future are exceptional or not. A breakdown of the Group's exceptional expenses is provided in Note 4.

In addition, the Directors use certain non GAAP measures to assess business performance. These measures exclude certain items that, whilst not exceptional in nature, do not reflect the underlying performance of the Group's operating businesses and are not recurring in nature. These items include deal sourcing costs and share based payments. An analysis of those items is provided in Note 3.

(g) Other intangible assets

Intangible assets purchased separately are capitalised at cost and those with finite lives are amortised on a straight line basis over their useful economic lives. Intangible assets acquired through a business combination are capitalised separately from goodwill at their fair values on initial recognition. After initial recognition, intangible assets acquired as part of a business combination are carried at cost less accumulated amortisation, where relevant, and any impairment losses. Methods of amortisation, residual value and useful lives are reviewed and if necessary adjusted at each reporting date. Intangible assets with indefinite useful lives are tested annually for impairment either individually or at the CGU level.

Any charge arising is presented in the consolidated statement of comprehensive income within amortisation of intangible assets and any impairment will be included within exceptional expenses. Amortisation is provided on intangibles with finite lives, on a straight line basis over their expected useful life, being 10 years.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, on a straight line basis over its expected useful life as follows:

Property

Freehold land:	Not depreciated
Freehold buildings:	Between thirty three and fifty years
Short leasehold property:	Over the period of the lease

Plant and equipment

Plant and machinery:	Three to eight years
Fixtures and fittings:	Three to five years
Public Service Vehicles ("PSVs"):	Five to sixteen years

2. Accounting policies continued

(h) Property, plant and equipment continued

Vehicles that are not purchased from new are depreciated over their expected residual lifetime (estimated by management). The expected residual lifetime is based upon condition at time of purchase, mileage to date, age and type of vehicle and is agreed in conjunction with management. The residual lifetime will be consistent with the overall framework i.e. the purchase of a 12 year old minibus will result in a much shorter useful life than the purchase of a 12 year old single deck vehicle.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of the asset is included in the consolidated statement of comprehensive income in the period of de-recognition.

(i) Inventories

Inventories are initially recognised at cost on a first in, first out basis, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Inventories comprise vehicle parts, fuel in tanks and an estimate of fuel in vehicles.

(j) Interest payable

Interest payable is charged as it accrues using the effective interest rate basis.

(k) Leases

The Group has entered into lease agreements as the lessee. Leases where the third party lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the consolidated statement of comprehensive income on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are charged in the consolidated income statement on a straight line basis over the lease term.

Leases where the Group retains a significant portion of the risks and benefits of ownership of the asset are classified as finance leases. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee.

A corresponding amount is recognised as a finance leasing liability. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Consolidated Income Statement over the period of the lease.

(l) Current and deferred taxation

The tax expense for the year comprises current and any deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

The financial assets which the Group currently holds include cash and cash equivalents and receivables, which are initially recognised at fair value. The Group determines the classification of its financial assets at initial recognition.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Receivables
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method ("EIR"), less impairment.

De-recognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Aged debts over 90 days are reviewed with a view to specific doubtful debt provisions being made. These will vary by customer, but as a general policy we will provide a high percentage of provision against long outstanding private hire and charter customers (over 120 days old), where these customers are individuals or small businesses.

With regard to services provided for local authorities and Passenger Transport Authorities (PTAs), given the complex contractual nature of these services, it is not unusual to have aged debts with public authorities and large private organisations. Specific provisions for these revenues are dealt with on a case by case basis.

(ii) Financial liabilities
Initial recognition and measurement
The Group's financial liabilities currently include bank loans, loan notes issued by MMP and derivatives. The Group determines the classification of its financial liabilities at initial recognition.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method ("EIR") amortisation process.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

(iii) Derivative financial instruments and hedging activity
The Group has designated its fuel hedges and interest rate swap hedging variable rate borrowings as cash flow hedges. Further details on the basis of measurement is provided in note 19.

(iv) Share capital
Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(n) Pensions
A subsidiary of the Company contains an agreement to pay a previous owner and employee of that subsidiary a fixed amount until death. The full liability of such an obligation is calculated annually by a specialist local actuary incorporating the appropriate assumptions including a discount factor. Any change in this liability will be recognised in full to the statement of comprehensive income. The financial impact of this arrangement is shown in note 17.

(o) Cash and cash equivalents
Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand.

(p) Assets held for sale
Assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2. Accounting policies continued

(q) Standards and interpretations issued but not yet applied

The consolidated financial statements for the year ended 31 December 2014 are the first set of IFRS financial statements for the Group. The following new Standards and Interpretations, which are yet to become mandatory, have not been applied in the Group's financial statements:

IFRS 9 "Financial Instruments – classification and measurement" has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. The main change for the measurement of financial liabilities is where if the fair value option is taken, the part of the fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. These changes come into effect for accounting periods beginning on or after 1 January 2015.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

(r) Segmental reporting

Since Movell does not have debt or equity that is traded in a public market, "IFRS 8 Operating Segments" is not mandatory in this set of financial statements. Movell has chosen not to voluntarily adopt IFRS 8, and therefore, in accordance with the scope paragraphs of IFRS 8, no information on the segments of the business is provided within these financial statements. The information included in the divisional performance section of the Director's Report on the markets in which the business operates, is designed to provide further information on the types of services which the Group provides, and should not be considered as separate Operating Segments as defined by IFRS 8.

3. EBITDA

Pre-exceptional earnings before interest, tax, depreciation and amortisation ("EBITDA") comprises:

	For the period 20 May to 31 December 2014 €'000
Operating EBITDA – Local bus	955
Operating EBITDA – Express bus	(91)
Operating EBITDA – Total	**864**
Central costs	(726)
EBITDA before exceptionals	**138**
Exceptional items	(375)
EBITDA	**(237)**
Depreciation and amortisation	(1,289)
Loss from operations	**(1,526)**

The Directors believe that the separate recording of the exceptional items provides helpful information about the Group's underlying business performance. Further breakdown of the exceptional items are set out in note 4 to the consolidated financial statements.

4. Exceptional costs

	For the period 20 May to 31 December 2014 €'000
Fundraising costs	242
Redundancy and restructuring costs	62
Loss on disposal of assets	71
	375

5. Expenses by nature

The loss from Operations is stated after the following expenses:

	For the period 20 May to 31 December 2014 €'000
Staff costs (note 6)	8,375
Fuel and maintenance costs	4,279
Contractors – direct	1,788
Depreciation and amortisation	1,309
Rent, rates and utilities	414
Administration and Insurance costs	698
Vehicle insurance and operating lease payments	638
Legal, professional and consultancy fees	237
Fundraising costs	242
Redundancy and restructuring costs	62
Loss on disposal of assets	71
Auditor remuneration (note 8)	118
Other costs	438
	18,669

6. Staff costs

	For the period 20 May to 31 December 2014 €'000
Staff costs (including Directors) comprise:	
Wages and salaries	6,968
Directors fees	–
Social security costs	1,398
Other pension costs	9
	8,375

The monthly average number of employees, including Directors, during the period was as follows:

	Period ended 31 December 2014 Number
Management and Administrative	7
Direct	532

7. Director and key management personnel remuneration

	For the period 20 May to 31 December 2014 €'000
Directors:	
Salaries and other employee benefits	–
	–

The emoluments of the highest paid Director were €nil.

The Board considers the Directors of the Company to be the key management personnel of the Group.

8. Auditors' remuneration

	For the period 20 May to 31 December 2014 €'000
Fees payable to the Company's auditors and their associates for the audit of the parent company and consolidated financial statements	30
Fees payable to the Company's auditors and their associates for the audit of the Company's subsidiaries pursuant to legislation	88
	118

9. Taxation

	For the period 20 May to 31 December 2014 €'000
Tax charged to Income Statement:	
– Overseas tax charge for the period	13
Total current tax:	
Deferred tax	–
Total deferred tax	**–**
Tax charge	**13**
The tax credit is lower than the theoretical tax credit using the UK standard rate of tax as follows:	
Profit before tax	2,804
LESS: Gain on bargain purchase	(4,928)
Loss before tax	**(2,124)**
Tax calculated at domestic tax rates applicable to standard rate of corporation tax in the UK 21%	(446)
Tax effects of:	
– Disallowable expenses, net of non-taxable income	51
– Impact of overseas tax rates	(219)
– Unutilised current period expenses carried forward	627
Tax charge	**13**

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2014. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 21%. The Company has decided not to accrue for a deferred tax asset at this time, although it is carrying forward unutilised expenses for future use against taxable future profits. Future profits will be taxed at the appropriate rate.

10. Net finance costs

	For the period 20 May to 31 December 2014 €'000
Interest receivable on bank deposits	(1)
Bank borrowings and overdraft interest	599
	598

11. Gain on bargain purchase

The Company was created in May 2014 to facilitate the Management Buy-Out ("MBO") of Metropolitan European Transport Limited ("MET"). On 9 June 2014, the Company completed the MBO and acquired 100% of the share capital of MET and its subsidiary companies, which included MET Deutschland GmbH, BRH Viabus GmbH and Axel Tücks GmbH, for a consideration of €1.

The principal business of MET is the operation of contracted local bus services within Germany. Under the previous owner MET was hampered by a lack of capital to deploy into its buy and build strategy. It was therefore agreed that a separation from the previous owner would be in the best interests of both parties. A nominal consideration, plus an earn-out related to any capital increases undertaken prior to June 2016 was agreed and the MBO was completed on 9 June 2014. The founders identified, at the time of acquisition, a series of management actions to improve cash flows over a number of years by reducing unit costs, reducing overheads, releasing trapped cash and developing additional lines of business.

As MET was historically loss making, the final valuation agreed with the sellers of the MET Group represented a discount to the Net Asset Value on the date of acquisition. The Company has already made substantial progress to reduce overheads and unit costs, release trapped cash for reinvestment elsewhere within the Company, exited unprofitable lines of business, re-financed assets and increased the forward order book of contracts. The Company will continue to carry out further actions to reduce costs and develop new revenue streams during 2015.

Acquisition-related costs associated with the business combination totalled €78,000 and were recognised as part of the fair value adjustments on acquisition.

As at 31 December 2014	Book values €'000	Fair value adjustments €'000	**Provisional fair values on acquisition €'000**
Other tangible assets	124	(13)	**111**
Property, plant and equipment	14,746	(81)	**14,665**
Inventories	497	–	**497**
Trade and other cash receivables	4,070	–	**4,070**
Cash and cash equivalents	338	(5)	**333**
Provisions	(162)	(243)	**(405)**
Trade and other payables	(4,059)	(580)	**(4,639)**
Derivative financial instruments	(86)	–	**(86)**
Loans and borrowings	(9,668)	50	**(9,618)**
Total fair value of net assets acquired			**4,928**
Consideration paid			**–**
Bargain purchase gain on acquisition			**4,928**

If the acquisition of the business had been completed on the 1st day of the financial year, namely 1 January 2014, then the full year results of the Group would have been as follows:

	For the period 1 January to 19 May 2014 €'000	For the period 20 May to 31 December 2014 €'000	**For the year to 31 December 2014 €'000**
Revenue	**12,974**	**17,143**	**30,117**
Operating EBITDA – Local Bus	792	955	1,747
Operating EBITDA – Express bus	(435)	(91)	(526)
Operating EBITDA – Total	**357**	**864**	**1,221**
Central costs	(868)	(726)	(1,594)
EBITDA before exceptionals	**(511)**	**138**	**(373)**
Exceptional items	(737)	(375)	(1,112)
EBITDA	**(1,248)**	**(237)**	**(1,485)**
Depreciation and amortisation	(917)	(1,289)	(2,206)
Loss from operations	**(2,165)**	**(1,526)**	**(3,691)**

12. Other intangible assets

	Software at 31 December 2014 €'000	**Total at 31 December 2014 €'000**
Cost		
At 20 May 2014	–	**–**
Recognised on acquisition through business combination	111	**111**
Acquisitions during the period	–	**–**
At 31 December 2014	111	**111**
Accumulated amortisation		
At 20 May 2014	–	**–**
Amortisation during the period	(20)	**(20)**
At 31 December 2014	(20)	**(20)**
Net book value		
At 20 May 2014	–	**–**
At 31 December 2014	91	**91**

Financial Statements

13. Property, plant and equipment

	Land and buildings €'000	Plant and equipment €'000	**Total €'000**
Cost			
At 20 May 2014	–	–	**–**
Recognised on acquisition through business combination	2,865	11,800	**14,665**
Additions	2	1,141	**1,143**
Disposals	–	(445)	**(445)**
At 31 December 2014	2,867	12,496	**15,363**
Accumulated depreciation			
At 20 May 2014	–	–	**–**
Depreciation charge for the period	(28)	(1,261)	**(1,289)**
Disposals	–	–	**–**
At 31 December 2014	(28)	(1,261)	**(1,289)**
Net book value			
At 20 May 2014	–	–	**–**
At 31 December 2014	2,839	11,235	**14,074**

Finance leases of €7.6 million, bank loans of €1.6 million and overdraft facilities of €0.6 million are secured on the freehold property and vehicles, with a net book value of €14.1 million.

14. Inventories

	2014 €'000
Fuel	186
Finished goods	323
	509

Finished goods relate to stocks of consumables and vehicle parts held in the operating companies.

15. Trade and other receivables

	2014 €'000
Trade receivables	1,715
Prepayments and accrued income	168
VAT recoverable	30
Other debtors	510
	2,423

Trade receivables	Not past due €'000	Between 0-6 months past due €'000	Between 7-12 months past due €'000	Over 12 months past due €'000	**Total €'000**
As at 31 December 2014	764	935	5	11	**1,715**

16. Trade and other payables

	2014 €'000
Trade creditors	1,340
Accruals	1,823
Other payables	941
	4,104

17. Retirement benefit obligations

In subsidiary company BRH Viabus GmbH, there is a historic agreement between the company and a previous owner of the business, which was inherited on acquisition on 9 June 2014. The terms of the agreement include that the company will pay the previous owner a fixed local currency monthly amount until the day of death. The company has engaged an actuary to calculate this on-going liability on an annual basis. As at 31 December 2014, the liability is €231,000 of which the amount payable in less than one year is €18,000.

Reconciliation of actuarial liability	2014 €'000
Liability at the start of the period	–
Liability on acquisition	(236)
Payments during the period	11
Actuarial losses	(6)
Liability at the end of the period	**(231)**

The actuarial assumptions used to calculate the liability are:

Residual time for agreement	10 years
Discount rate	3.00%
Annual pension increase	2%

The basis of the calculation is the "Richttafeln 2005 G", by Professor Klaus Heubeck, which is the usual basis for actuaries in Germany. These include statistical values for mortality, disability, and other factors in relation to various factors like date of birth and gender.

Financial Statements

18. Loans and borrowings

	2014 €'000
Bank loans	1,562
Finance leases	7,585
Loan notes	1,402
	10,549

	2014 €'000
Current	2,845
Non-current	7,704
	10,549

Bank loan

The bank debt is secured on owned property and vehicle assets. There are amortising capital repayments during the life of the loan, with the repayment of any unamortised amounts due on the maturity dates of the loans (ranging from 2015 to 2017). The interest charge is linked to LIBOR and is paid every month.

Loan note

This relates to shareholder loans of €965,000 and external loan notes to third parties of €437,000. Interest on the shareholder loans is 8% with one loan receiving 11%. Interest charged on the external loan notes is 8%. Included in the third party loan notes is the original loan of €400,000 provided by Marwyn Management Partners plc, the previous owner of MET. This loan was agreed as part of the purchase of the share capital in MET by Movell.

Finance lease obligations

Details of the finance lease obligations are as follows:

Amounts due:	2014 €'000
No later than 1 year	2,021
Later than 1 year and no later than 5 years	4,589
Later than 5 years	2,329
	8,939
Future finance charges	(1,354)
Present value of finance lease liabilities	**7,585**
Shown as:	
Current liabilities – no later than 1 year	1,655
Non-current liabilities – greater than 1 year	5,930
	7,585

There is no material difference between the total of the future minimum lease payments at the balance sheet date and their present values.

MET leases a proportion of its bus vehicles and such leases are classified as finance leases as the rental period amounts to the estimated useful life of the assets concerned and the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount .

19. Financial instruments and risk management

The Group's principal financial instruments comprise cash, bank loans and other payables that directly arise from its operations.

The Group has the following categories of financial instruments at year end:

Financial assets	2014 €'000
Cash and cash equivalents	840
Trade receivables	1,715
	2,555

Financial liabilities	2014 €'000
Loans at amortised cost	1,562
Finance leases	7,585
Loan notes	1,402
Trade and other payables	4,104
Provisions	106
Deferred consideration	25
Fuel derivatives	579
	15,363

Risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Capital risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities. The Group, through its management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

The maximum credit risk exposure of the Group's financial assets at the balance sheet date is as follows:

	2014 €'000
Trade receivables	1,715
Cash and cash equivalents	840
	2,555

19. Financial instruments and risk management continued

Risk management continued

Cash

Before placing cash with any bank, the Group gives due consideration to both investment return and credit risk. The Company may place funds on deposit with up to 5 banks and where funds are held in a minimum of two instruments available from sterling denominated money markets with a minimum AA rating though the Board must approve proposed credit limits for placing of deposits with individual financial institutions. At period end the Company had no funds on deposit.

The Board also monitors the counterparty risk of cash held with banks within the Group. At period end the Group had cash held with 9 different counterparties. The largest exposure to a single counterparty is €0.3 million with Volksbank. The credit quality and credit concentration of cash equivalents is detailed in the table below:

Cash equivalents	AA- €'000	A+ €'000	A €'000	2014 €'000
As at 31 December 2014	65	736	39	**840**

Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. Counterparties are assessed individually for creditworthiness before the Group enters into any business relationship.

Trade and other receivables past due but not impaired are set out in note 15.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group determines its liquidity requirements by the use of cash flow forecasts. On at least an annual basis, the Board reviews and approves the funding requirements of the Group and on an on-going basis reviews and monitors these requirements.

The contractual maturity of the financial liabilities, representing the gross amount payable under the terms of the contract, at 31 December 2014 is presented below:

	On demand €'000	Within 1 year €'000	Between 1 and 5 years €'000	**Total €'000**
Non-derivative financial liabilities				
Trade and other payables	–	4,104	–	**4,104**
Loans and other borrowings	–	2,845	7,704	**10,549**
Provisions	–	106	–	**106**
Deferred consideration	–	25	–	**25**
Retirement benefit obligations	–	18	213	**231**
Total non-derivative financial liabilities	–	7,098	7,917	**15,015**

Market risk

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk, primarily with respect to Sterling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Those Group's companies operating in foreign denominated currencies maintain local currency bank accounts thereby limiting transaction foreign currency exposure. The Group has no foreign exchange hedges in place, but would hedge foreign exchange exposure through the use of spot and forward exchange contracts.

Sensitivities

With all other factors remaining constant and based on the composition of assets and liabilities at the balance sheet date, the Group's exposure to foreign exchange volatility in the statement of comprehensive income from a 10% movement in Sterling against the Euro would result in a credit/charge of less than €0.1 million.

(b) Interest rate risk

The Group has interest bearing financial assets and liabilities which may expose the Group to either cash flow or fair value volatility. The majority of all the Group's assets and liabilities are receiving or paying fixed rates of interest and thus there is minimal exposure to the movement in future interest rates. The Group's interest rate exposure is reviewed on a periodic basis.

(c) Price risk

The Group is exposed to commodity price risk. The Group's operations as at 31 December 2014 consume approximately 4.4 million litres of diesel fuel per annum. As a result, the Group's profit is exposed to movements in the underlying price of fuel. The Group's objective in managing commodity price risk is to reduce the risk that movements in fuel prices result in adverse movements in its profit and cash flow. The Group has a policy of managing the volatility in its fuel costs by maintaining an on-going fuel-hedging programme whereby derivatives are used to fix the variable unit cost of a percentage of anticipated fuel consumption. The Group's exposure to commodity price risk is measured by quantifying the element of projected future fuel costs, after taking account of derivatives in place, which varies due to movements in fuel prices. The Board is responsible for the process of measuring and managing commodity price risk. The Group's overall fuel costs include the impact of delivery margins, fuel taxes and fuel tax rebates. These elements of fuel costs are not managed as part of the Board's commodity price risk management and are managed directly by business unit management. The fuel derivatives hedge the underlying commodity price risk (denominated in US$) and they also hedge the currency risk due to the commodity being priced in US$ and the functional currency of the Group being €EUR.

Hedging

Cash flow hedges – fuel

As noted previously, the Group uses fuel derivatives to hedge the fuel used in each of its transport operations. The movements in the fair value of fuel derivatives in the year were as follows:

Fuel derivatives	2014 €'000
Fair value at the start of the period	–
Fair value acquired on acquisition	(86)
Changes in fair value during the period taken to cash flow hedge reserve	(493)
Fair value at the end of the period	**(579)**
Cash received on settled derivatives during the period	–
Cash paid on settled derivatives during the period	136

The fair value of the fuel derivatives split by maturity was as follows:

As at 31 December 2014	Assets €'000	Liabilities €'000
within one year	–	(579)
1 to 2 years	–	–
2 to 3 years	–	–

Capital management

The Group's primary objectives when managing capital are:

- to safeguard the business as a going concern.
- to maintain an efficient capital structure in order to provide a high degree of financial flexibility.
- to maximise returns for shareholders.

In pursuing its strategy, the Group seeks to maintain a capital structure that is aligned with the needs of its operating subsidiaries. This will involve the use of debt to fund acquisitions and capital investment where appropriate. The Board continually monitor the availability to secure financing facilities for new strategic acquisitions. The Group considers a mix of debt and equity funding to be the most appropriate form of capital for the Group but keeps this mixture under review.

19. Financial instruments and risk management continued

Capital management continued

The Group capital structure consists of net debt and shareholders' equity. Net debt consists of loans and other borrowings less cash and cash equivalents. Loans and other borrowings are measured at the net proceeds raised and currency-denominated balances are translated to euro at the period end rate. In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. As at the date of the balance sheet, the Group was in a net debt position of €9,709,000, and therefore capital at the end of reporting period under review is defined as follows:

	2014 €'000
Net debt	9,709
Total parents shareholders' equity	(2,210)
	7,499

20. Share capital

The authorised share capital of the Company is 100,000 ordinary shares of £0.01 each; the number of issued and allotted shares is as follows:

	2014	
Ordinary shares	Number	Nominal value £'000
As at 20 May 2014 on incorporation	100,000	1
Issued during the period	–	–
Closing – 31 December 2014	**100,000**	**1**

Rights of ordinary shares

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

21. Other reserves

	Other comprehensive income		
	Hedge reserve €'000	Translation reserve €'000	**Total other reserves €'000**
As at 20 May 2014 on incorporation	–	–	–
Recognised on acquisition through business combinations	(86)	–	**(86)**
Foreign exchange difference arising on consolidation	–	(3)	**(3)**
Hedge – fuel	(493)	–	**(493)**
At 31 December 2014	(579)	(3)	**(582)**

22. Obligations under operating leases

Some of the subsidiaries of the Group have entered into commercial leases on certain plant and equipment. These leases have durations between one and five years. Future minimal rentals payable under non-cancellable operating leases at 31 December 2014 are as follows:

Expiry date:	2014 €'000
Within one year	385
After one year but not more than five years	1,297
More than five years	–
	1,682

23. Provisions for other liabilities and charges

Provisions:	2014 €'000
At 20 May 2014	–
Recognised on acquisition through business combinations	405
Recognised during the period	(166)
At 31 December 2014	**239**

Provisions:	2014 €'000
Current	133
Non-current	106
	239

The amount provided comprises a provision for onerous contracts which is released over the remaining life of the contracts. The provision covers four contracts and the last of these ends in December 2017.

24. Deferred consideration

A subsidiary of the Group, Axel Tücks GmbH, had acquired the contracted bus business of Norbert Welter GmbH where there were additional consideration payments on the achievement of specific financial performance targets which the business fully expects to achieve. Deferred consideration at the period end includes an amount of €25,000 which was settled in January 2015.

25. Related parties

The Company had outstanding unsecured loan note balances to the following Directors as at 31 December 2014:

David Leeder	€645,000
Guy Houston	€32,000
Iain Lanaghan	€128,000
Wolfgang Meyer	€160,000 (through his wholly owned company Linearis Beratungs GmbH)

BRH Viabus GmbH, a subsidiary of the Company had outstanding lease balances to Agentur Ruhr GmbH, a company wholly owned by Wolfgang Meyer and totalling €200,000.

26. Events after the balance sheet date

The Company changed its name from DGIW Omnibus Company Limited to Movell – The Bus Company Limited on 26 January 2015.

Independent Auditors' Report to the Members of Movell – The Bus Company Limited

Report on the company financial statements

Our opinion

In our opinion, Movell – The Bus Company Limited (formerly DGIW Omnibus Company Limited)'s company financial statements (the "financial statements"):

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

What we have audited

Movell – the Bus Company Limited (formerly DGIW Omnibus Company Limited)'s financial statements comprise:

- the Company Balance Sheet as at 31 December 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received 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
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 12, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Group financial statements of Movell – the Bus Company Limited (formerly DGIW Omnibus Company Limited) for the 7 month period ended 31 December 2014.

Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

8 May 2015

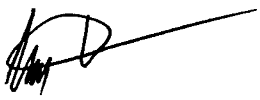
Financial Statements

Company Balance Sheet

As at 31 December 2014

	Note	Company 2014 €'000
Fixed assets		
Investments	2	–
		–
Current assets		
Debtors	3	847
Cash in bank and in hand		21
Total current assets		**868**
Creditors: amounts falling due within one year	4	**(1,245)**
Net current liabilities		**(377)**
Total assets less current liabilities		**(377)**
Capital and reserves		
Called up share capital	5	1
Profit and loss account	6	(378)
Total shareholders' funds		**(377)**

The notes on pages 41 to 43 form an integral part of the financial statements. The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company profit and loss account. The loss for the parent company for the year was €378,000. The financial statements were approved by the Board of Directors on 8 May 2015 and were signed on its behalf by:



Guy Houston
Director

Company number: 09048671

Notes to the Company Financial Statements

1. Accounting policies

(a) Accounting basis

As used in these financial statements and associated notes, the term "Company" refers to Movell – The Bus Company Limited ("Movell"). The Company changed its name from DGIW Omnibus Company Limited on 26 January 2015. These separate financial statements of the Company are presented as required by the Companies Act 2006. The separate financial statements have been prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP). The financial statements are prepared on a going concern basis and under the historical cost convention. As permitted by section 408(3) of the Companies Act 2006, the Company's profit and loss account has not been presented. The Company has taken the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) "Cash flow statements". The Movell Group consolidated financial statements for the period ended 31 December 2014 contain a consolidated statement of cash flows.

(b) Investments in subsidiary undertakings

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

(c) Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing difference. Deferred tax balances are not discounted.

(d) Dividends

Dividend distributions are recognised as a liability in the year in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when they are paid and final dividends when they are authorised in general meetings by shareholders.

(e) Cash

Cash includes cash in hand and bank deposits repayable on demand.

Other information

(a) Dividends

No dividend has been recommended by the Board for the period to 31 December 2014.

(b) Employees

The Company Executive Directors and Chairman were the only employees of the Company during 2014.

(c) Audit fees

The audit fees in respect of the parent company for the period to 31 December 2014 was €19,200.

2. Investments

	Subsidiary undertakings €'000
Cost	
At 20 May 2014	–
Additions*	–
Impairment during the period	–
At 31 December 2014	–

*An investment of €1 was made during the period.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

Notes to the Company Financial Statements continued

2. Investments continued

The principal undertakings, in which the Company's interest at the period end is 20% or more, are as follows:

Company	Country of incorporation	Proportion of ownership interest	Nature of business
Metropolitan European Transport Limited	United Kingdom	100%	Bus division holding company
MET Deutschland GmbH	Germany	100%	German bus HQ
Axel Tücks GmbH	Germany	100%	German bus operator
BRH Viabus GmbH	Germany	100%	German bus operator
Süd Hessen Bus GmbH	Germany	50%	German bidding company

Movell – The Bus Company Limited is the only parent to consolidate the financial statements.

3. Debtors

	2014 €'000
Amounts owed by Group undertakings	838
VAT recoverable	9
	847

4. Creditors: amounts falling due within one year

	2014 €'000
Trade creditors	16
Amounts owed to related parties	965
Accruals and deferred income	264
	1,245

5. Called up share capital

The authorised share capital of the Company is 100,000 ordinary shares of £0.01 each; the number of issued and allotted shares is as follows:

Ordinary shares	Number '000	Nominal value **€'000**
On incorporation	100	1
Issued during the period	–	–
Closing – 31 December 2014	**100**	**1**

Rights of ordinary shares

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

6. Reconciliation of movements in shareholders' funds

	Called up share capital €'000	Profit and loss account €'000	Total €'000
Opening – 20 May 2014	1	–	**1**
Loss for the financial year	–	(378)	**(378)**
Closing – 31 December 2014	**1**	**(378)**	**(377)**

7. Ultimate controlling party

The ultimate controlling party of the Company is David Leeder.

Financial Statements

Company Information

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David Leeder
Guy Houston
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