

Heathrow Express Operating Company Limited
Annual report and financial statements
for the year ended 31 December 2024

Heathrow Express Operating Company Limited

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Heathrow Express Operating Company Limited

Company information

Directors

Ross Baker	
Phillip Bearpark	
Sophie Chapman	
Aoife Considine	Appointed 1 November 2024
Michael Hodson	
Daniel Edwards	Resigned 14 October 2024
Jess Kirbell	

Company registration number

03145133

Registered office

The Compass Centre
Nelson Road
Hounslow
Middlesex
TW6 2GW

Independent auditors

PricewaterhouseCoopers LLP
40 Clarendon Road
Watford
Hertfordshire
WD17 1JJ

Heathrow Express Operating Company Limited

Strategic report

The Directors of Heathrow Express Operating Company Limited (the 'Company') present their strategic report for the year ended 31 December 2024.

Principal activities

The principal activity of the Company is to operate the rail service between Heathrow Airport and Paddington station, London. It forms part of the Heathrow Airport Holdings Limited Group (the 'HAHL Group') and is a wholly owned subsidiary of Heathrow Airport Limited, the company that owns Heathrow Airport.

There were no significant changes to the activities of the Company in the year and none are expected in the foreseeable future

Business review

During the year ended 31 December 2024 the Heathrow Express service carried a total of 4.4 million passengers, 10% below 2023 (2023: 4.9 million passengers). Fare revenues subsequently decreased by 11% to £86.8 million in 2024 (2023: £97.0 million) due to increased competition from the Elizabeth Line and reduced operational service as a result of HS2 engineering works. Other income increased to £7.8 million (2023: £4.3 million) due mainly to an increase in HS2 engineering works compensation. Revenue from the provision of rail services to Heathrow Airport remained consistent at £2.1 million (2023: £2.0 million).

The financial statements for the year ended 31 December 2024 show a profit of £9.9 million (2023: £18.2 million). The Company's net assets as at 31 December 2024 were £130.6 million (2023: £120.7 million).

No dividends were paid by the Company to its parent company (2023: £nil), Heathrow Airport Limited.

On 12 December 2024, there was an update to the ultimate shareholders of the HAHL Group. Full details are disclosed in note 13.

Key performance indicators

In addition to those mentioned above, other Key performance indicators are as follows:

- Operational punctuality: Heathrow Express operational performance increased with punctuality at 83.2% (2023: 78.8%). This increase is driven by Network Rail completing engineering works that focussed on improving asset reliability and performance.
- Profit before tax: In 2024, profit before tax was £14.0 million, a 41% decrease on 2023 (2023: £23.8 million) due to a decrease in revenue and increased operating and finance costs.
- Operating costs: In 2024, operating costs were £89.6 million, a 4% increase on 2023 (2023: £85.8 million) due mainly to inflationary cost pressures.

Principal risks and uncertainties

As a company within the HAHL Group, the principal risks and uncertainties of the Company are integrated with the principal risks of the HAHL Group and are not managed separately. The principal risks and uncertainties of the HAHL Group, along with their key controls and mitigations and details of the risk management approach of the Group, are discussed on pages 42 to 51 of the Heathrow Airport Holdings Limited Annual Report and Accounts 2024.

Operational risks

The primary operational risks faced by the company are:

- Track Access Agreement: The Company's current Track Access Agreement with Network Rail runs until 2028 and discussions are currently being held with regards to the renewal of the agreement.
- Third parties: The current fleet used by the Company have been provided, and are managed, by Great Western Railway (GWR) under a leasing agreement that runs to 2028. As such, the Company is susceptible to the operational and business risk of GWR. The route to Paddington involves passing through tracks that are managed in part by Heathrow Rail, and in part by Network Rail. As such, the punctuality and reliability of service could be directly impacted by the operational and business risk of both infrastructure managers.
- Industrial action: The Company is susceptible to trade union action of both its frontline staff and GWR train drivers, which can disrupt the level of service provided.
- Infrastructure: Train cancellations due to engineering works, track faults, weather, and other factors, can significantly impact service levels.
- Competition: The Company faces continued competition from the Elizabeth Line which runs along the same track.

Heathrow Express Operating Company Limited

Strategic report *continued*

Financial risks

Details of the financial risk management objectives and policies, hedging policies and exposure to financial risks for the HAHL Group can be found in the accounting policies and note 16 of the Heathrow Airport Holdings Limited Annual Report and Accounts 2024.

The primary financial risks faced by the Company are:

a. Interest rates

The Company has interest-bearing amounts owed from group undertakings. The HAHL Group maintains a mix of fixed and floating rate debt. Interest rate swaps are entered by the Group to mitigate to interest rate risk for the Group.

b. Liquidity and counterparty credit

The Company's financial assets and liabilities predominantly comprise of amounts owed from and to group undertakings. The HAHL Group expects to have sufficient liquidity to meet all its obligations in full, including capital investment, debt service costs, debt maturities and distributions, for at least 12 months from the approved date of these financial statements. As at 31 December 2024, the HAHL Group had cash and cash equivalents and term deposits of £2,024 million.

Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing so, they must have regard to the range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006.

In discharging our section 172 duty we, the Directors of the Company, have regard to such factors and take them into consideration when decisions are made. We also have regard to other factors which we consider relevant to the decision being made. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's vision, purpose and values together with its strategic priorities and having a process in place for decision-making we aim to ensure that our decisions are consistent and predictable.

As is normal for large companies, we delegate authority for day-to-day management of the Company to the Executive Committee and then engage management in setting, approving and overseeing execution of the business strategy and related policies. The corporate governance structure and group policies are set by the HAHL Board. Group policies set by the HAHL Board are communicated to all group companies and we ensure that, when we are applying these group policies, we have due regard to our fiduciary duties and responsibilities as Directors. The HAHL Board also reviews health and safety, financial and operational performance, legal and regulatory compliance, business strategy, key risks, stakeholder-related matters, diversity and inclusivity, environmental matters and corporate responsibility. The Directors of the Company include a member of the Executive Committee, which enables the dissemination of core information about the business of the HAHL Group.

The Company's key stakeholders are its passengers, colleagues, suppliers and commercial partners. The Group's key stakeholders are its passengers, communities and the environment, Team Heathrow colleagues, airlines, investors, suppliers and commercial partners and regulators. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups on certain issues, the size and spread of both our stakeholders and the HAHL Group means that generally our stakeholder engagement takes place best at an operational or HAHL Group level. We find that, as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details of some of the engagement that takes place at an operational or HAHL Group level with stakeholders, so as to encourage the Directors to understand the issues to which they must have regard, please see the Heathrow Airport Holdings Limited Annual Report and Accounts 2024.

During the year we received information to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on our financial and operational performance, non-financial KPIs, risk, environmental, social and corporate governance ('ESG') matters and the outcomes of specific pieces of engagement (for example, the results of customer and supplier surveys and focus groups). As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and to comply with our section 172 duty to promote success of the company.

No dividends were recommended by the Directors of the Company. In making the decision we considered a range of factors. These include the long-term viability of the Company, its expected cash flow and financing requirements, the strength of the Company's balance sheet and the ongoing need for the business to support the safe and efficient operations over the long term.

Heathrow Express Operating Company Limited

Directors' report

The Directors present their annual report and the audited financial statements for the Company for the year ended 31 December 2024.

Results and dividends

The results and dividends for the year are included in the business review in the strategic report on page 2.

Future developments

The Company will continue to operate the Heathrow Express rail service for the foreseeable future.

Directors

The Directors who served during the year and since the year end, except where noted, were as follows:

Ross Baker	
Phillip Bearpark	
Sophie Chapman	
Aoife Considine	Appointed 1 November 2024
Michael Hodson	
Daniel Edwards	Resigned 14 October 2024
Jess Kirbell	

Company secretary

Pursuant to section 270 of the Companies Act 2006, a private company registered within England and Wales is not required to have a company secretary.

Going concern

The financial statements have been prepared on a going concern basis as detailed in the going concern statement on page 13.

Employment policies and employee engagement statement

As a company within the HAHL Group, employment policies and employee engagement are integrated with the that of the HAHL Group and not managed separately. Details of the employment policies and how the HAHL Board has engaged with employees can be found in the Heathrow Airport Holdings Limited Annual Report and Accounts 2024, on pages 127 and 83 respectively.

Stakeholder engagement statement

As an operating company within the HAHL Group, stakeholder engagement is integrated with the that of the HAHL Group and not managed separately. Details of how the HAHL Board have engaged with suppliers, customers and other stakeholders and the principal decisions made can be found in the Heathrow Airport Holdings Limited Annual Report and Accounts 2024 within the section 172 (1) statement.

Financial risks

Financial risks are included in the strategic report on page 3.

Subsequent events

Subsequent events are disclosed in note 14.

Directors' indemnity

The Company's Articles of Association provide that, subject to the provisions of the Companies Act 2006, but without prejudice to any protection from liability which might otherwise apply, every Director of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by them in defending any proceedings in which judgement is given in their favour, or in which they are acquitted or in connection with any application in which relief is granted to them by the court for any negligence, default, breach of duty or breach of trust by them in relation to the Company or otherwise in connection with their duties or powers or office. This indemnity also applies to the Directors who are Directors of other companies within the Group. The third-party indemnity provisions (which are qualifying third-party indemnity under the Companies Act 2006) are in place during the 2024 financial year and at the date of approving the financial statements and reports.

Heathrow Express Operating Company Limited

Directors' report *continued*

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed within the period set out in section 485 of the Companies Act 2006.

Statement of disclosure of information to the Auditors

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

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

The strategic report and Directors' report were approved and authorised by the Board and were issued on behalf of the Board by:

Sophie Chapman

Director

3 June 2025

Company registration number: 03145133

Heathrow Express Operating Company Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- State whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Make judgements and accounting estimates that are reasonable and prudent.
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

DIRECTORS' CONFIRMATIONS

In the case of each Director in office at the date the Directors' report is approved:

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

Sophie Chapman

Director

3 June 2025

Independent auditors' report to the members of Heathrow Express Operating Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, Heathrow Express Operating Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2024; the statement of comprehensive income and the statement of changes in equity for the year then ended; the accounting policies; the significant accounting judgements and estimates; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Heathrow Express Operating Company Limited

Independent auditors' report to the members of Heathrow Express Operating Company Limited for the year ended 31 December 2024 *continued*

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Heathrow Express Operating Company Limited

Independent auditors' report to the members of Heathrow Express Operating Company Limited for the year ended 31 December 2024 *continued*

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental and health and safety regulations, rail regulations, and adherence to data protection requirements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, UK railways regulations, Heathrow Airport's continued access to its CAA operating license, and UK corporation, VAT and employment tax. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries in the underlying books and records, and management bias in accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Enquiring of management and those charged with governance around actual or potential litigations, claims, instances of non-compliance with laws and regulations;
- Reading the Board minutes to identify any issues which could indicate non-compliance with laws and regulations;
- Identifying and testing journal entries, in particular certain journal entries posted with unusual account combinations and unusual words; and
- Testing all material adjustment journals to ensure these were appropriate in nature and magnitude.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Sotiris Kroustis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
3 June 2025

Heathrow Express Operating Company Limited

Statement of comprehensive income for the year ended 31 December 2024

		Year ended 31 December 2024	Year ended 31 December 2023
	Note	£'000	£'000
Revenue	1	96,698	103,311
Operating costs	2	(89,579)	(85,820)
Operating profit		7,119	17,491
Finance income	3	6,909	6,353
Profit before tax		14,028	23,844
Taxation charge	4	(4,153)	(5,654)
Profit for the year		9,875	18,190
Total comprehensive income for the year		9,875	18,190

The notes on pages 13 to 25 form part of these financial statements.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Heathrow Express Operating Company Limited

Statement of financial position as at 31 December 2024

		31 December 2024	31 December 2023
	Note	£'000	£'000
Assets			
Non-current assets			
Property, plant and equipment	5	4,615	-
Intangible assets	6	9,652	10,498
Deferred income tax asset	7	14,211	15,408
		28,478	25,906
Current assets			
Trade and other receivables	8	110,550	107,252
Cash and cash equivalents	9	1,048	815
		111,598	108,067
Total assets		140,076	133,973
Liabilities			
Non-current liabilities			
Trade and other payables	10	(1)	-
Current liabilities			
Trade and other payables	10	(8,538)	(13,297)
Current income tax liabilities		(986)	-
		(9,524)	
Total liabilities		(9,525)	(13,297)
Net assets		130,551	120,676
Equity			
Capital and reserves			
Share capital	11	-	-
Share premium		38,000	38,000
Retained earnings		92,551	82,676
Total equity		130,551	120,676

The notes on pages 13 to 25 form part of these financial statements.

These financial statements of Heathrow Express Operating Company Limited (Company registration number: 03145133) on pages 10 to 25 were approved by the Board of Directors and authorised for issue on 3 June 2025. They were signed on its behalf by:

Sophie Chapman
Director

Ross Baker
Director

Heathrow Express Operating Company Limited

Statement of changes in equity for the year ended 31 December 2024

	Attributable to owners of the Company			
	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2023	-	38,000	64,486	102,486
Comprehensive income				
Profit for the year	-	-	18,190	18,190
Balance as at 31 December 2023	-	38,000	82,676	120,676
Comprehensive income				
Profit for the year	-	-	9,875	9,875
Balance as at 31 December 2024	-	38,000	92,551	130,551

The notes on pages 13 to 25 form part of these financial statements.

Heathrow Express Operating Company Limited

Accounting policies for the year ended 31 December 2024

The principal accounting policies applied in the preparation of these financial statements of Heathrow Express Operating Company Limited (the 'Company') are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Company

The Company is a private company that operates Heathrow Express ('HEX'), the express rail service between Heathrow and central London, and is a limited, by shares, liability company incorporated, registered and domiciled in the United Kingdom. The registered office is The Compass Centre, Nelson Road, Hounslow, Middlesex, TW6 2GW.

Basis of preparation

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006. They are prepared under the historical cost convention.

The financial statements are presented in Sterling, which is the Company's functional currency, and are rounded to the nearest thousand pounds ('£'000'), except when otherwise noted.

The Financial Reporting Council ('FRC') issued an updated version of FRS 102 in March 2024. The new FRS 102 is effective for accounting periods beginning on or after 1 January 2026. The Directors have not completed a full review but anticipate that the application of the new FRS 102 requirements could change the Group's future financial statements from 2026 onwards. In particular the new FRS 102 contains new requirements on:

- Revenue—the updated FRS 102 imports the principles of revenue recognition in international standard IFRS 15, thereby introducing the 5-step model to revenue recognition.
- Leases—the updated FRS 102 follows the lease requirements of the international standard IFRS 16 meaning most leases will be brought on balance sheet.

Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity disclosure exemptions, subject to conditions, therefore, the company has taken advantage of the following exemptions in its individual financial statements:

- The requirement to present a statement of cash flows and related notes.
- Financial instrument disclosures, including:
 - Categories of financial instruments.
 - Items of income, expenses, gains or losses relating to financial instruments.
 - Exposure to and management of financial risks.
- The requirement from disclosing related party transactions with entities that are wholly owned subsidiaries of the FGP Topco Limited Group.
- From providing certain other disclosures regarding key management personnel.

Going concern

The Directors have prepared the financial information presented within these financial statements on a going concern basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Company is part of the wider Heathrow Group of companies, with the ultimate parent undertaking being FGP Topco Limited. In considering the going concern assessment, the Directors have considered both the individual circumstances of the Company but also the wider Group given the corporate structure. The Company's ability to continue as a going concern is underpinned by the activities of the Group, with cash generation from the main operating company, Heathrow Airport Limited, and liquidity and debt covenant requirements at Heathrow (SP) Limited and Heathrow Finance plc group levels.

Full detail of the considerations for the Heathrow Group, including a description of the challenges facing the Group and the scenarios modelled, are included within the going concern policy on pages 150 to 152 of the Heathrow Airport Holdings Limited ('HAHL') Annual Report and Accounts 2024. Having had regard to both liquidity and debt covenants and considering a severe but plausible downside and reverse stress testing, the HAHL Directors have concluded that there is sufficient liquidity available to meet the Group's funding requirements until at least December 2026. The Directors of the Company have reviewed this assessment and updated liquidity forecasting of the Group since the approval of the HAHL Annual Report and Accounts 2024 and are satisfied that sufficient liquidity remains at the date of these financial statements.

Heathrow Express Operating Company Limited

Accounting policies for the year ended 31 December 2024 *continued*

Going concern *continued*

The Company is within the Heathrow (SP) Limited independent securitised group and an Obligor under the security agreement. Each Obligor guarantees the obligations of each other Obligor and the Directors have assessed the Obligors' financial ability to provide these guarantees.

Accordingly, the Directors have concluded that there is sufficient liquidity available to meet the Company's funding requirements for at least 12 months from the date of these financial statements and that it is appropriate to adopt a going concern basis for their preparation.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. When the outcome of a transaction involving the rendering of services can be estimated reliably, the Company recognises revenue associated with the transaction by reference to the stage of completion of the transaction at the end of the reporting period (sometimes referred to as the percentage of completion method). Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes and consists primarily of:

- Fare revenue.
- Other income.
- Provision of rail services to Heathrow Airport

Fare revenue

Heathrow Express derives income from the sale of tickets to customers.

Revenue attributable to return tickets is allocated to each journey and recognised on the day each journey takes place, therefore at a point in time. Heathrow has used sample data of historical journeys to estimate when each journey takes place. Based on this historical data, the Group estimates:

- 90% of single tickets are used in the month of sale, with the remainder used in the following month.
- 80% of return tickets (50% outward and 30% return) are used in the month of sale, with the remainder used in the following month.
- All multiple journey tickets are used evenly across 6 months including the month of sale.

Other income

This includes income from Crossrail engineering works compensation, advertising revenues and compensation from the Department for Transport ('DfT') under the overarching agreement in place. Income is recognised in the period it is earned.

Provision of rail services to Heathrow Airport

This includes income for provision of stations management and rail services and is recognised in the period the service is provided.

Finance income

Finance income is recognised in the statement of comprehensive income in the period in which it is incurred.

Tangible fixed assets

Major assets used by the Heathrow Express service, such as stations, tunnels and track from Heathrow Airport as far as Airport Junction on the Great Western Mainline, are owned and depreciated by Heathrow Airport Limited. The rail assets owned by the Company are soft furnishings, Wi-Fi and other improvements to leased rolling stock.

Assets owned by the Company are stated at cost less accumulated depreciation and accumulated impairment losses. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

Depreciation is provided on assets to write off the cost of the assets less estimated residual value by equal instalments over their expected useful lives as set out below:

Plant and equipment

Office equipment
Computer equipment
Rail

Fixed asset lives

5 – 15 years
3 – 5 years
5 – 20 years

Heathrow Express Operating Company Limited

Accounting policies for the year ended 31 December 2024 *continued*

Tangible fixed assets *continued*

Asset residual values and useful lives are reviewed and adjusted at each reporting date. If expenditure maintains the life of the asset or maintains its earning capacity, then it is treated as revenue expenditure and expensed as incurred. Alternatively, if the expenditure provides incremental future benefits so that it improves the earning capacity or extends the life of the asset beyond its originally intended useful economic life, then it is treated as capital expenditure.

Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Rights to operate assets are initially measured at fair value, based on an arm's length transaction, and amortised on a straight-line basis over the life of the contract on which the right to operate is based. The outstanding life is three and a half years to June 2028.

Computer software assets are amortised on a straight-line basis over their useful lives, estimated at between 3 and 15 years.

Impairment of assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Where the asset does not generate cash flows independent of other assets, the recoverable amount of the income-generating unit to which the asset belongs is estimated. Recoverable amount is the higher of an asset's net realisable value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Company as a lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Cash and cash equivalents

For the purposes of the statement of financial position, cash and cash equivalents comprise of cash at bank, cash in hand and short-term deposits with an original maturity of three months or less. Short-term deposits with an original maturity of over three months are shown within current trade and other receivables.

Deferred income

Amounts received prior to the delivery of services are recorded as deferred income and released to the income statement as the services are delivered.

Heathrow Express Operating Company Limited

Accounting policies for the year ended 31 December 2024 *continued*

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are discounted, where material, to present value using a current, pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Amounts owed by group undertakings

Intercompany advances to other Group entities are all held to maturity; neither party have an option to call or prepay the loan before the contracted maturity date.

Employment costs

Employees are directly employed by the Company and therefore the Company recognises all employment costs, including wages and salaries, pension costs, medical costs and redundancy payments, as well as any other associated expenses properly incurred by the employees.

The exception is the board members of HAML, the costs of which are recharged to the Company with a mark-up of 7.5%. Management concluded that LHR Airports Limited, who directly employs the board members, is exposed to the majority of the significant benefits and risks associated with the exchange transaction.

Heathrow Express Operating Company Limited

Accounting policies for the year ended 31 December 2024 *continued*

Employment costs *continued*

Retirement benefit obligations

The Company operates a defined contribution pension scheme for its employees. Obligations for contributions to the defined contribution pension scheme are recognised as an expense in the statement of comprehensive income as incurred.

Current and deferred taxation

The tax (charge)/credit for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is recognised in other comprehensive income.

Current tax assets and current tax liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Group relief claimed/surrendered between UK companies is paid for at the applicable tax rate of 25% (2023: 23.5%) for the year, unless there is a specific reason preventing the company from doing so.

Deferred income taxation is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements, at rates expected to apply when they reverse (currently 25%), based on current tax rates and law. Deferred income taxation is not provided on the initial recognition of an asset or liability in a transaction, other than a business combination, if at the time of the transaction there is no effect on either accounting or taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that there are future taxable temporary differences from the unwind of the deferred income tax liabilities, against which these deductible temporary differences can be utilised and other future taxable profits. There are no unrecognised deferred income tax assets. The recognition of these deferred income tax assets is supported by a combination of the reversal of taxable temporary differences and forecast future taxable income. Deferred tax assets and liabilities are not discounted. For deferred tax purposes, investment properties are assessed on a 'held for sale' basis.

Deferred income taxation is determined using the tax rates and laws that have been enacted, or substantively enacted during the year and are expected to apply in the periods in which the related deferred tax asset or liability is reversed.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Share capital

Ordinary shares are classified as equity and are recorded at the par value of proceeds received, net of direct issue costs allowing for any reductions in the par value. Where shares are issued above par value, the proceeds in excess of par value are recorded in the share premium reserve.

Dividend distribution

A dividend distribution to the Company's shareholder is recognised as a liability in the Company's financial statements in the period in which the shareholder's right to receive payment of the dividend is established.

Heathrow Express Operating Company Limited

Significant accounting judgements and estimates for the year ended 31 December 2024

In applying the Company's accounting policies management have made judgements and estimates in a number of key areas. Actual results may, however, differ from the estimates calculated and management believes that the following areas present the greatest level of uncertainty.

Critical judgements in applying the Company's accounting policies

Lease classification

A lease contract is classified as an operating or a finance lease based on the substance of the contract and whether the Company or the lessor have the substantial risks and benefits incidental to the ownership of the leased asset.

The Company has lease agreements with Network Rail and Heathrow Airport Limited relating to the use of the track from Airport Junction to London Paddington and Airport Junction to the airport stations respectively. The Company has determined these arrangements to be operating leases rather than finance leases under section 20 of FRS 102.

Deferred tax assets

Deferred income tax assets are recognised in respect of all deductible temporary differences to the extent that it is considered probable that there will be sufficient future taxable temporary differences from the unwind of the deferred income tax liabilities, and other future taxable profits against which these deductible temporary differences can be utilised. Management judgement is required in the assessment of whether future taxable profits and reversible taxable temporary differences support the recoverability of the deferred tax assets.

Management has assessed that there will be sufficient taxable profits and on that basis concluded deferred tax assets are recoverable.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty.

Heathrow Express Operating Company Limited

Notes to the financial statements for the year ended 31 December 2024

1 Revenue

Revenue represents all revenue earned directly by the Company and arises in the United Kingdom.

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Fare revenue	86,846	97,017
Other income ¹	7,767	4,284
Provision of rail services to Heathrow Airport	2,085	2,010
	96,698	103,311

2 Operating costs

Operating costs comprise:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Employment		
Wages and salaries	6,691	6,185
Social security costs	706	714
Pension costs	272	249
Other staff related costs	435	1,263
	8,104	8,411
Operational	14,233	14,385
Maintenance	4,835	4,555
Business rates	2,272	1,946
Utilities	4,266	3,333
Intra-group charges ¹	15,360	16,186
Other ²	37,956	34,889
Operating costs before depreciation and amortisation	87,026	83,705
Depreciation and amortisation		
Property, plant and equipment	68	-
Intangible assets	2,485	2,115
	2,553	2,115
Total operating costs	89,579	85,820

¹ Intra-group charges were for rail separation charges including track access and depot leases, as well as corporate management, IT and car parking fees.

² Other operating costs include GWR agreement costs of £33,742,000 (2023: GWR/DfT agreement costs of £30,356,000).

Rentals under operating leases

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
<i>Operating costs include:</i>		
Land and buildings	284	284
Other operating leases ¹	31,858	34,345
Total rentals under operating leases	32,142	34,629

¹ Other operating leases includes £14,670,000 for track access charges payable to Heathrow Airport Limited (2023: £15,547,000) for the right to use the 9 km rail infrastructure at Heathrow Airport from the tunnel entrance at Hayes & Harlington to, and including, the stations at terminal 2/3 and terminal 5. It also includes £11,809,000 (2023: £12,067,000) for track access charges payable to Network Rail for the full year for the right to use the 18km route from Paddington station to the Heathrow tunnel entrance at Hayes & Harlington and £5,379,000 of rolling stock lease charges from GWR (2023: £6,731,000).

Heathrow Express Operating Company Limited

Notes to the financial statements for the year ended 31 December 2024 *continued*

2 Operating costs *continued*

Auditors' remuneration

Audit fees for the year of £64,000 (2023: £55,000) were borne by Heathrow Airport Limited and recharged to the Company.

Employee information

The monthly average number of employees of the Company during the year was 147 (2023: 146).

	Year ended 31 December 2024 Number of employees	Year ended 31 December 2023 Number of employees
By activity		
Operations	116	120
Support services	31	26
Total	147	146

Directors' remuneration

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Aggregate emoluments ¹	411	312
Value of Company pension contributions	18	18
	429	330

¹ Aggregate emoluments includes salaries, allowances, Director fees, accrued bonuses and amounts payable under long term incentive plans ('LTIP').

Ross Baker was a Director of a number of companies within the HAHL Group during the year. His remuneration was disclosed in the financial statements of Heathrow Airport Limited and the Directors do not believe it is possible to accurately apportion his remuneration to individual companies based on services provided. Sophie Chapman, Daniel Edwards, Michael Hodson and Phillip Bearpark were paid by and are Directors of the Company. Jess Kirbell and Aoife Considine are Directors of the Company and were paid by, but are not Directors of, Heathrow Airport Limited.

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Highest paid Director's remuneration		
Aggregate emoluments ¹	204	151
Value of Company pension contributions	8	14
	212	165

¹ Aggregate emoluments includes salaries, allowances, Director fees, accrued bonuses, amounts payable under long term incentive plans ('LTIP').

During the year, none of the directors (2023: none) had retirement benefits accruing to them under a defined benefit scheme and three of the directors (2023: three) had retirement benefits accruing to them under a defined contribution scheme.

None of the directors (2023: none) exercised share options during the year in respect of their services to the HAHL Group and no shares (2023: none) were received or became receivable under long term incentive plans.

3 Finance income

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Finance income		
Interest receivable from group undertaking	6,909	6,353
	6,909	6,353

Heathrow Express Operating Company Limited

Notes to the financial statements for the year ended 31 December 2024 *continued*

4 Taxation charge

		Year ended 31 December 2024	Year ended 31 December 2023
	Note	£'000	£'000
UK corporation tax			
Current tax			
Current tax charge at 25% (2023: 23.5%)		(2,941)	(6,124)
Prior year tax (charge)/credit		(15)	479
Deferred tax			
Current year tax charge	7	(1,197)	(21)
Prior year tax credit	7	-	12
Taxation charge for the year		(4,153)	(5,654)

The taxation charge on the Company's profit before tax differs from the theoretical amount that would arise by applying the UK statutory tax rate to the accounting profit of the company for the reasons set out in the following reconciliation:

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Profit before tax	14,028	23,844
Reconciliation of the tax charge		
Tax calculated at the UK statutory rate of 25% (2023: 23.5%)	(3,507)	(5,603)
Expenses not deductible for tax purposes	(631)	(542)
Adjustments in respect of deferred income tax of prior years	-	12
Adjustments in respect of current income tax of prior years	(15)	479
Taxation charge for the year	(4,153)	(5,654)

The tax charge recognised for the year ended 31 December 2024 was £4,153,000 (2023: £5,654,000). Based on a profit before tax for the year of £14,028,000 (2023: £23,844,000), this results in an effective tax rate of 29.6% (2023: 23.7 %). The tax charge is higher than the statutory rate of 25% (2023: slightly higher than the statutory rate of 23.5%) primarily due to non-deductible expenses (2023: non-deductible expenses in excess of prior year adjustments).

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Company is within the scope of the Pillar Two legislation. Management has performed an assessment of the UK Pillar 2 rules based on the 2024 data and based on the assessment, the Group qualifies for one of the transitional safe harbours provided in the UK Pillar 2 rules. The Company applies the exception under FRS 102 'income tax' amendment for recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

There are no items which would materially affect the future tax charge.

Heathrow Express Operating Company Limited

Notes to the financial statements for the year ended 31 December 2024 *continued*

5 Property, plant and equipment

	Office equipment £'000	Computer equipment £'000	Rail £'000	Total £'000
Cost				
1 January 2023	155	421	-	576
Additions	-	-	-	-
31 December 2023	155	421	-	576
Additions	-	342	4,341	4,683
31 December 2024	155	763	4,341	5,259
Accumulated depreciation				
1 January 2023	155	421	-	576
Charge for the year	-	-	-	-
31 December 2023	155	421	-	576
Charge for the year	-	6	62	68
31 December 2024	155	427	62	644
Net book value				
31 December 2024	-	336	4,279	4,615
31 December 2023	-	-	-	-

6 Intangible assets

	Rights to Operate £'000	Software £'000	Total £'000
Cost			
1 January 2023	38,000	180	38,180
Additions	-	999	999
31 December 2023	38,000	1,179	39,179
Additions	-	1,639	1,639
31 December 2024	38,000	2,818	40,818
Accumulated amortisation			
1 January 2023	26,391	175	26,566
Charge for the year	2,110	5	2,115
31 December 2023	28,501	180	28,681
Charge for the year	2,111	374	2,485
31 December 2024	30,612	554	31,166
Net book value			
31 December 2024	7,388	2,264	9,652
31 December 2023	9,499	999	10,498

Rights to Operate

For regulatory reasons, the Company has operated as a Train Operating Company ('TOC') with effect from 1 September 2015, operating the HEX and Connect services as a TOC.

A Business Transfer Agreement ('BTA') was signed between the Company and Heathrow Airport Limited ('HAL'), with effect from 1 September 2015, which transferred the beneficial ownership of the HEX and Connect businesses from HAL to the Company, for an arm's length consideration which was based on market valuation for the transaction of £38 million, representing the value to the Company, at the date of transfer, for the ability to operate the services.

Heathrow Express Operating Company Limited

Notes to the financial statements for the year ended 31 December 2024 *continued*

6 Intangible assets *continued*

The original track access agreement with Network Rail dated 16 August 1993 allowed the Company to operate its services until June 2023. In May 2024, an extension to the existing agreement was signed which allows the Company to operate until June 2028, aligning with the date at which the Rights to Operate will be fully amortised. Given the Company has the required track access and with no other overriding factors, management conclude that there are no indicators for impairment on the carrying value of the Rights to Operate asset.

7 Deferred income tax asset

The net movement on the deferred tax account is as follows:

	2024 £'000	2023 £'000
1 January	15,408	15,417
Charge to income statement	(1,197)	(21)
Credit to income statement – prior year credit	-	12
31 December	14,211	15,408

Analysis of the deferred tax asset balances is as follows:

	31 December 2024 £'000	31 December 2023 £'000
Losses carried forward	14,327	15,313
(Deficit)/excess of depreciation over capital allowances	(116)	95
	14,211	15,408

The net deferred tax asset expected to reverse in 2025 is £9 million.

Deferred tax assets have been recognised in respect of all deductible timing differences where it is considered probable that there will be sufficient future taxable income against which these assets will be recovered. There are no unrecognised deferred tax assets.

8 Trade and other receivables

	31 December 2024 £'000	31 December 2023 £'000
Current		
Trade debtors	3,350	3,991
Amounts owed by group undertakings – interest bearing ¹	96,659	93,902
Amounts owed by group undertakings – interest free ²	3,740	3,740
Other debtors ³	1,391	1,813
Prepayments	1,406	1,576
Accrued income	4,004	2,230
	110,550	107,252

¹ Amounts owed by group undertakings – interest bearing are due from Heathrow Airport Limited, repayable on demand and accrue interest at 1.5% plus Bank of England base rate.

² Amounts owed by group undertakings – interest free are due from LHR Airports Limited repayable on demand.

³ Other debtors predominantly consists of VAT receivable.

9 Cash and cash equivalents

	31 December 2024 £'000	31 December 2023 £'000
Cash at bank	1,048	815

Cash at bank earns interest at floating rates based on daily bank deposits rates and is subject to interest rate risk.

Heathrow Express Operating Company Limited

Notes to the financial statements for the year ended 31 December 2024 *continued*

10 Trade and other payables

	31 December 2024 £'000	31 December 2023 £'000
Non-current		
Amounts owed to group undertakings – interest bearing	1	-
	1	-
Current		
Trade creditors	442	1,155
Other taxation and social security	187	144
Other creditors	66	44
Accruals	5,177	5,328
Deferred income	711	502
Group relief payable	1,955	6,124
	8,538	13,297

11 Share capital

	£
Authorised	
At 1 January and 31 December 2024	
100 ordinary shares of £1 each	100
Called up, allotted and fully paid	
At 1 January and 31 December 2024	
4 ordinary shares at £1 each	4

12 Commitments and contingent liabilities

Non-cancellable operating lease commitments

Total future minimum rentals payable at the end of the year are as follows:

	31 December 2024		31 December 2023	
	Land and buildings £'000	Other leases £'000	Land and buildings £'000	Other leases £'000
Within one year	284	32,622	284	34,429
Within two to five years	709	84,954	993	125,338
After five years	-	-	-	-
	993	117,576	1,277	159,767

The land and buildings lease commitments include the lease of offices and a train care depot from Heathrow Airport Limited.

Other leases commitments include track access agreements with Heathrow Airport Limited and Network Rail and rolling stock agreements with GWR.

Heathrow Express Operating Company Limited

Notes to the financial statements for the year ended 31 December 2024 *continued*

12 Commitments and contingent liabilities *continued*

Securities and guarantees

The Company, Heathrow Airport Limited, Heathrow (SP) Limited and Heathrow (AH) Limited (together, the 'Obligors') have granted security to Deutsche Trustee Company Limited (in its capacity as the 'Borrower Security Trustee', for itself and as trustee for the Borrower Secured Creditors) over their property, assets and undertakings to secure their obligations under various financing agreements. Each Obligor has also guaranteed the obligations of each other Obligor under such financing agreements. The total value secured is £15,479 million, equal to the gross value of Heathrow (SP) gross debt.

BAA Pension Trust Company Limited, as a trustee from time to time of the BAA Pension Scheme, is a Borrower Secured Creditor and ranks equally in an amount up to £284 million with senior (Class A) debt.

The Company and Heathrow Airport Limited have provided a guarantee and indemnity in favour of Lloyds Bank plc (in its capacity as the Borrower Account Bank) in respect of each other's obligations under the Borrower Account Bank Agreement and associated financing agreements.

13 Ultimate parent undertaking

The immediate parent undertaking is Heathrow Airport Limited, a company registered in England and Wales.

The ultimate parent entity is FGP Topco Limited, which is the parent undertaking of the largest group to consolidate these financial statements.

Prior to 12 December 2024, the shareholders of FGP Topco Limited all held ordinary shares in the following proportion; Hubco Netherlands B.V. (25.00%) (an indirect subsidiary of Ferrovial, S.A., Spain), Qatar Holding Aviation (20.00%) (a wholly owned subsidiary of Qatar Holding LLC), Caisse de dépôt et placement du Québec (12.62%), Baker Street Investment Pte Ltd (11.20%) (an investment vehicle managed by GIC Special Investments Pte. Ltd), QS Airports UK, LP (11.18%) (an investment vehicle of Australian Retirement Trust), Stable Investment Corporation (10.00%) (an investment vehicle of the China Investment Corporation) and USS Buzzard Limited (10.00%) (wholly owned by the Universities Superannuation Scheme).

On 12 December 2024, Ferrovial, S.A., Caisse de dépôt et placement du Québec and the Universities Superannuation Scheme completed a sale of 37.62% of issued share capital of FGP Topco Limited to entities owned by Ardian and the Public Investment Fund. Following this transaction, the shareholders of FGP Topco Limited all hold ordinary shares in the following proportion; InfraEuropa SCA (22.61%) (an investment vehicle of Ardian), Qatar Holding Aviation (20.00%) (a wholly owned subsidiary of Qatar Holding LLC), Alrahala First Investment Company (15.01%) (a wholly owned subsidiary of Saudi Arabia Public Investment Fund), Baker Street Investment Pte Ltd (11.20%) (an investment vehicle managed by GIC Special Investments Pte. Ltd), QS Airports UK, LP (11.18%) (an investment vehicle of Australian Retirement Trust), Stable Investment Corporation (10.00%) (an investment vehicle of the China Investment Corporation), Hubco Netherlands B.V. (5.25%) (an indirect subsidiary of Ferrovial, S.A., Spain), Caisse de dépôt et placement du Québec (2.65%) and USS Buzzard Limited (2.10%) (wholly owned by the Universities Superannuation Scheme).

The Company's results are included in the audited consolidated financial statements of Heathrow (SP) Limited for the year ended 31 December 2024, which is the parent undertaking of the smallest group to consolidate these financial statements. They are also included in the audited consolidated financial statements of Heathrow Finance plc, Heathrow Airport Holdings Limited and FGP Topco Limited for the year ended 31 December 2024.

Copies of the financial statements of FGP Topco Limited, Heathrow Airport Holdings Limited, Heathrow Finance plc and Heathrow (SP) Limited can be obtained by writing to the Company Secretarial Department at The Compass Centre, Nelson Road, Hounslow, Middlesex, TW6 2GW.

14 Subsequent events

There are no subsequent events to disclose.