

Eversholt Finance Holdings Limited

Annual Financial Statements
for the year ended 31 December 2011

Registered No: 7327371

Annual financial statements
for the year ended 31 December 2011

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Directors' report

for the year ended 31 December 2011

Principal activities

The Company was incorporated and domiciled in England and Wales on 27 July 2010. The Company forms part of the Eversholt Rail Group ("ERG" or "Group") more fully described in note 11.

The principal activity of the Company is to operate as an investment holding company.

Business review

The Company continues to hold its investment in Eversholt Funding plc.

The Company has no employees.

Risk management

The Company is subject to the risk management objectives and policies for the Group.

The principal business risk for the Company is diminution in the value of the investment in Eversholt Funding plc.

Performance

The Company's results for the year are as detailed in the income statement on page 6.

Future developments

The Company will continue to act as an investment holding company.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2011 (31 December 2010: nil).

Going concern basis

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions.

Directors

The Directors who served during the period were as follows:

Name

M B Kenny

S F Purves

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors. The Directors have no interests in the share capital of the Company, their interests in the holding company are more fully described in note 11.

Capital management

The Company is not subject to externally imposed capital requirements and is dependent on the Eversholt Rail Group to provide the necessary capital resources which are managed on a group basis.

It is the Group's objective to maintain a strong capital base to support the development of its business.

Directors' report (continued)
for the year ended 31 December 2011

Disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that, so far as they are 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/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to Section 418 of the UK Companies Act 2006 and should be interpreted in accordance therewith.

Auditors

KPMG Audit Plc are deemed to be re-appointed in accordance with an elective resolution made under Section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Directors responsibility and approval of the annual financial statements
for the year ended 31 December 2011

The following statement, which should be read in conjunction with the Auditor's statement of their responsibilities set out in their report on page 5, is made with a view to distinguishing for the shareholder the respective responsibilities of the Directors and of the Auditor in relation to the financial statements.

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

The financial statements are required by law to present fairly the financial position and the performance of the Company; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether they have been prepared in accordance with IFRSs as adopted by the EU.

The Directors are required to prepare the financial statements on the going concern basis unless it is not appropriate. Since the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future, the financial statements continue to be prepared on the going concern basis.

The Directors are responsible for ensuring that sufficient accounting records are kept that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Company's annual financial statements were approved by the Board of Directors on 10 February 2012 and signed on their behalf by:



M B Kenny
Director

Registered Office:
210 Pentonville Road
London
N1 9JY

Independent Auditor's Report to the Members of Eversholt Finance Holdings Limited

for the year ended 31 December 2011

We have audited the financial statements of Eversholt Finance Holdings Limited for the year ended 31 December 2011 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

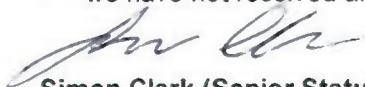
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Simon Clark (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

10 February 2012

One Snowhill
Snow Hill Queensway
Birmingham B4 6GH

Income statement

for the year ended 31 December 2011

	<i>Notes</i>	2011 £	2010 £
Administrative expenses	4	<u>(2,464)</u>	-
Loss before tax		(2,464)	-
Income tax credit	5	<u>653</u>	-
Loss after tax		<u>(1,811)</u>	-

Statement of comprehensive income

for the year ended 31 December 2011

There has been no comprehensive income and expense other than the loss for the year as seen above (31 December 2010:nil)

Statement of financial position
as at 31 December 2011

	<i>Notes</i>	2011 £	2010 £
Assets			
Non-current assets			
Investment in subsidiary	7	50,000	50,000
Current assets			
Corporation tax		653	-
Total assets		<u>50,653</u>	<u>50,000</u>
Liabilities and equity			
Current liabilities			
Trade and other payables		2,464	-
Equity			
Share capital	8	50,000	50,000
Accumulated deficit		<u>(1,811)</u>	-
Total equity		<u>48,189</u>	<u>50,000</u>
Total equity and liabilities		<u>50,653</u>	<u>50,000</u>

The financial statements were approved by the Board of directors and authorised for issue on 10 February 2012. They were signed on its behalf by:



S F Purves
Director

Company registration number 7327371

Statement of cash flows

for the year ended 31 December 2011

		2011 £	2010 £
Net cash flow utilised in operating activities	9	-	-
Investing activities			
Acquisition of investments in subsidiaries		-	(50,000)
Net cash utilised in investing activities		-	(50,000)
Financing activities			
Proceeds on issue of shares		-	50,000
Net cash generated by financing activities		-	50,000
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year/period		-	-
Cash and cash equivalents at the end of the year/period		-	-

Statement of changes in equity
for the year ended 31 December 2011

	Share capital £	Accumulated deficit £	Total shareholders' equity £
Balance at 27 July 2010	-	-	-
Share capital issued	50,000	-	50,000
Balance at 31 December 2010	50,000	-	50,000
Net loss for the year	-	(1,811)	(1,811)
Balance at 31 December 2011	50,000	(1,811)	48,189

Notes to the Annual Financial Statements

for the year ended 31 December 2011

1 General Information

Eversholt Finance Holdings Limited is a company incorporated and domiciled in England and Wales. The registered office of the Company is 210 Pentonville Road, London, N1 9JY. The principal activities of the company are set out on page 2.

2 Basis of Preparation

These financial statements are presented in pound sterling because that is the currency of the primary economic environment in which the Company operates.

2.1 Compliance with International Financial Reporting Standards

The financial statements of Eversholt Finance Holdings Limited have been prepared on the historical cost basis. These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB') and as endorsed by the European Union ('EU'). EU-endorsed IFRSs may differ from IFRSs as issued by the IASB if, at this point in time, new or amended IFRSs have not been endorsed by the EU. At 31 December 2011, there were no unendorsed standards effective for the year ended 31 December 2011 affecting these financial statements, and there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to the financial statements of the Company. Accordingly, Eversholt Finance Holdings Limited's financial statements for the year ended 31 December 2011 are prepared in accordance with IFRSs as issued by the IASB and endorsed by the EU.

IFRSs comprise accounting standards issued by the IASB and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') and its predecessor body.

The Company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. The financial statements present information about the Company as an individual undertaking.

2.2 Standards and Interpretations issued by the IASB

2.2.1 IFRS 9 Financial instruments

In November 2009, the IASB issued IFRS 9 'Financial Instruments' ('IFRS 9'). This introduced new requirements for the classification and measurement of financial assets. In October 2010, the IASB issued additions to IFRS 9 dealing with financial liabilities. These represent the first instalments in the IASB's planned phased replacement of IAS 39 'Financial Instruments: Recognition and Measurement' ('IAS 39') with a less complex and improved standard for financial instruments. In August 2011 the IASB issued an exposure draft proposing to change the effective date of the statement to periods beginning on or after 1 January 2015 rather than 1 January 2013 as is currently indicated in the Standard. IFRS 9 is subject to EU endorsement, the timing of which is uncertain. Accordingly, ERG is unable to provide a date by which it plans to apply IFRS 9. The next steps in the IASB's project will address the impairment of financial assets measured at amortised cost and hedge accounting. In addition, the IASB is working with the US Financial Accounting Standards Board to reduce inconsistencies between US GAAP and IFRS in accounting for financial instruments. The impact of IFRS 9 may change as a consequence of further developments resulting from the IASB's financial instruments project. As a result, it is impracticable to quantify the impact of IFRS 9 as at the date of publication of these financial statements.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2011

2 Basis of Preparation (continued)

2.2 Standards and Interpretations issued by the IASB and endorsed by the EU

2.2.2 IAS 1 Presentation of Financial Statements

The amendment to IAS 1 requires items that may be reclassified to the profit and loss section of the income statement to be grouped together in the Statement of other comprehensive income to facilitate the assessment of their impact on the overall performance of the Company. This amendment is effective for the annual periods beginning on or after 1 July 2012 and is not expected to have an impact on the current presentation of financial statements.

No other standards or interpretations available for early adoption are expected to have a significant effect on the results or net assets of Eversholt Finance Holdings Limited when adopted.

2.3 Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

3 Summary of significant accounting policies

The principal accounting policies adopted are set out below and have been applied consistently to all periods presented in these financial statements.

3.1 Income taxes

Income tax comprises current and deferred tax and is recognised in the income statement. Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the end of the reporting period and any adjustment to tax payable in respect of previous years.

3.2 Subsidiaries

The Company classifies investments in entities which it controls as subsidiaries. The Company's investments in subsidiaries are stated at cost less any impairment losses. Any impairment loss recognised in prior periods shall be reversed through the income statement if, and only if, there has been a change in the estimates used to determine the investment in the subsidiary's recoverable amount since the last impairment loss was recognised.

3.3 Share capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

Dividends payable in relation to equity shares are recognised as a liability in the period in which they are declared.

3.4 Use of assumptions and estimates

In the application of the Company's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. There are no accounting policies that are deemed critical to the Company's IFRS results and financial position, in terms of materiality of the items to which the policy is applied, which involve a high degree of judgement and estimation.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2011

4 Administrative expenses

	2011 £	2010 £
Auditors remuneration – 2011 audit fee	<u>2,464</u>	-

In the prior period, Auditors remuneration was paid by another Group entity.

5 Income tax expense

	2011 £	2010 £
Current tax	<u>653</u>	-

The UK Corporation tax rate to the Company was 26.5%.

6 Directors' emoluments

The directors have been paid by another group undertaking. No specific charge has been made to the Company in this regard.

7 Investment in subsidiary

	2011 £	2010 £
Cost		
Balance at beginning of year/period	50,000	-
Additions	-	50,000
Balance at end of year/period	<u>50,000</u>	<u>50,000</u>

Name of Undertaking	Class of Capital	Country of Incorporation	Type of business	Ownership Percentage	Ownership Percentage
				2011	2010
Eversholt Funding plc	Ordinary Shares	England and Wales	Provision of	100	100

8 Share capital

	2011 £	2010 £
Authorised, allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

9 Note to the cash flow statement

	2011 £	2010 £
Loss before tax	<u>(2,464)</u>	-
Operating cash flows before changes in working capital	<u>(2,464)</u>	-
Increase in trade and other payables	<u>2,464</u>	-
Cash flow from operating activities	<u>-</u>	<u>-</u>

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2011

10 Risk management**Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged for 2011.

The capital structure of the company consists of equity attributable to equity holders of the parent, comprising issued share capital.

The Company is not subject to any externally imposed capital requirement.

11 Related party transactions**11.1 Identity of related parties**

The Company has a related party relationship with its directors (refer page 2) and with other entities in the Eversholt Rail Group, namely:

- Eversholt Investment Limited
- European Rail Finance Holdings Limited
- European Rail Finance Limited
- European Rail Finance (GB) Limited
- Eversholt Rail Holdings (UK) Limited
- Eversholt Funding plc
- Eversholt Rail (UK) Limited
- Eversholt Depot Finance (UK) Limited
- Eversholt Rail (380) Limited
- Eversholt Rail (365) Limited

The ultimate parent undertaking (which is the ultimate controlling party) is Eversholt Investment Group (Luxembourg) Sarl. The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Eversholt Investment Limited. The immediate holding company is European Rail Finance Holdings Limited. The results of the Company are included in the group financial statements of Eversholt Investment Limited.

Copies of the group financial statements may be obtained from the following address:

Regus House
Harcourt Centre
Harcourt Road
Dublin 2
Ireland

11.2 Transactions with related parties

There have been no transactions with related parties during the year ended 31 December 2011.

The Directors hold the following interest in Eversholt Investment Group (Luxembourg) Sarl:

	Preferred Equity Certificates		Held at 31 December 2011	Ordinary Shares
	Subscribed	Redeemed		Subscribed and held at 31 December 2011
M B Kenny	199,675	12,548	187,127	901
S F Purves	147,982	9,299	138,683	667

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2011

12 Contingent liabilities

There were no contingent liabilities for the Company at 31 December 2011.

13 Subsequent events

No material fact or circumstance has occurred after the balance sheet date, being 31 December 2011 up to the date of this report.

