

Eversholt Finance Holdings Limited

Annual Financial Statements for the year ended 31 December 2012

Registered No: 7327371

Annual financial statements

for the year ended 31 December 2012

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Directors' report

for the year ended 31 December 2012

Principal activities

Eversholt Finance Holdings Limited (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 2012 (year ended 31 December 2011: nil).

Going concern basis

The financial statements are prepared on the going concern basis, because the Directors are satisfied that the Company, through the support of the Group and expected future dividend receipts from subsidiaries, 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 year 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 2012

Disclosure of information to the auditor

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.

Auditor

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.

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

for the year ended 31 December 2012

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 IFRSs as adopted by the EU 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

The Company's annual financial statements were approved by the Board of Directors on 26 February 2013 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 2012

We have audited the financial statements of Eversholt Finance Holdings Limited for the year ended 31 December 2012 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 2012 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

One Snowhill
Snow Hill Queensway
Birmingham B4 6GH
28 February 2013

Income statement

for the year ended 31 December 2012

	<i>Notes</i>	2012 £	2011 £
Finance expense		(25)	-
Administrative expenses	4	(2,464)	(2,464)
Loss before tax		(2,489)	(2,464)
Income tax	5	610	653
Loss after tax		(1,879)	(1,811)

The notes on pages 10 to 14 form an integral part of these financial statements

Statement of comprehensive income

for the year ended 31 December 2012

There has been no comprehensive income and expense other than the loss for the year as seen above (year ended 31 December 2011:nil)

Statement of financial position

as at 31 December 2012

	<i>Notes</i>	2012 £	2011 £
Assets			
Non-current assets			
Investment in subsidiary	7	50,000	50,000
Current assets			
Corporation tax		280	653
Total assets		<u>50,280</u>	<u>50,653</u>
Liabilities and equity			
Current liabilities			
Trade and other payables	8	3,970	2,464
Equity			
Share capital	9	50,000	50,000
Accumulated deficit		(3,690)	(1,811)
Total equity		<u>46,310</u>	<u>48,189</u>
Total equity and liabilities		<u>50,280</u>	<u>50,653</u>

The notes on pages 10 to 14 form an integral part of these financial statements

The financial statements were approved by the Board of directors and authorised for issue on 26 February 2013. 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 2012

	2012 £	2011 £
Loss before tax	(2,489)	(2,464)
Operating cash flows before changes in working capital	(2,489)	(2,464)
Increase in trade and other payables	1,506	2,464
Cash utilised in operating activities	(983)	-
Group relief received	983	-
Net cash utilised in operating activities	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-

Statement of changes in equity

for the year ended 31 December 2012

	Share capital £	Accumulated deficit £	Total shareholders' equity £
Balance at 1 January 2011	50,000	-	50,000
Net loss for the year	-	(1,811)	(1,811)
Balance at 31 December 2011	50,000	(1,811)	48,189
Net loss for the year	-	(1,879)	(1,879)
Balance at 31 December 2012	50,000	(3,690)	46,310

Notes to the Annual Financial Statements

for the year ended 31 December 2012

1 General Information

Eversholt Finance Holdings Limited (the "Company"), is incorporated and domiciled in England and Wales. The registered office of the Company is 210 Pentonville Road, London, N1 9JY. The principal activity of the Company is to operate as an investment holding company.

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 2012, there were no unendorsed standards effective for the year ended 31 December 2012 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 2012 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 (2010), IFRS 9 Financial Instruments (2009)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

IFRS 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of IFRS 9 (2009 and 2010) is not expected to have an impact on the Company's financial assets or liabilities.

2.2.2 IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities. The standard is effective for periods beginning on or after 1 January 2013 and is not expected to have a significant impact on the information disclosed in these financial statements. IFRS 12 requires the disclosure of information about the nature, risks and financial effects of these investments.

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.

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2012

2 Basis of Preparation (continued)

2.3 Going concern

The accumulated losses being greater than the called up share capital gives rise to there being an excess of liabilities over assets. The financial statements have been prepared on the going concern basis because the Directors are satisfied that the Company, through the support of the Group and expected future dividend receipts from subsidiaries, has the resources to continue in business for the foreseeable future.

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.

4 Administrative expenses

	2012 £	2011 £
Fees payable to the company's auditor for the audit of the company's annual accounts	2,464	2,464

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2012

5 Income tax

	2012 £	2011 £
Current tax	<u>610</u>	<u>653</u>

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

	2012 £	2011 £
At cost	<u>50,000</u>	<u>50,000</u>

Name of Undertaking	Class of Capital	Country of Incorporation	Type of business	Ownership Percentage 2012	Ownership Percentage 2011
Eversholt Funding plc	Ordinary Shares	England and Wales	Provision of finance	100%	100%

8 Trade and other payables

	2012 £	2011 £
Eversholt Rail (UK) Limited loan account	3,300	-
Accruals	<u>670</u>	<u>2,464</u>
	<u>3,970</u>	<u>2,464</u>

The loan from Eversholt Rail (UK) Limited is unsecured, has no fixed date for repayment and is therefore technically repayable on demand. Interest is charged at Libor plus 1.75% (year ended 31 December 2011: Libor plus 1.75%)

9 Share capital

	2012 £	2011 £
Authorised, allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2012

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 2012.

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.

Interest rate sensitivity analysis

The impact of a 50 basis points increase in LIBOR would have resulted in an increase in intercompany working capital interest expense of £8.

11 Related party transactions

11.1 Identity of related parties

The Company has a related party relationship with its directors (refer to 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
- European Rail Finance (2) 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:

Block B
Harcourt Centre
Harcourt Road
Dublin 2
Ireland

Notes to the Annual Financial Statements (continued)

for the year ended 31 December 2012

11 Related party transactions (continued)

11.2 Transactions with related parties

The Company has a loan account with a fellow group undertaking more fully described in note 8. Interest on this account for the year amounted to an expense of £25.

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

Preferred Equity Certificates	MB Kenny	SF Purves
Certificates subscribed	199,675	147,982
Certificates redeemed	(12,548)	(9,299)
Certificates held at 31 December 2011	187,127	138,683
Certificates redeemed	(27,044)	(20,033)
Certificates acquired	205,543	152,147
Certificates held at 31 December 2012	365,626	270,797
 Ordinary shares held		
Shares subscribed and held at 31 December 2012	901	667
Shares subscribed and held at 31 December 2011	901	667

12 Contingent liabilities

There were no contingent liabilities for the Company at 31 December 2012 (31 December 2011: nil).

13 Subsequent events

There are no subsequent events requiring disclosure in the financial statements.