

Eversholt Investment Limited

Annual report and financial statements for the year ended 31 December 2015

Registered No: IR490363

Eversholt Investment Limited

Annual report and financial statements for the year ended 31 December 2015

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Eversholt Investment Limited

Directors' report

for the year ended 31 December 2015

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2015.

Business review

The Company continues to hold all of the ordinary share capital of European Rail Finance Holdings Limited. The Company forms part of the Eversholt Rail Group ("ERG" or "Group") more fully described in note 20.

The Company is funded by borrowings from Group undertakings.

Risk management

The Company is subject to the risk management objectives and policies of the Group. These objectives, together with an analysis of the exposure to such risks, are set out in note 19 of the financial statements.

The principal business risks for the Company are in respect of the risk of diminution in the value of the investment in its subsidiary.

Financial performance

The Company's results for the year ended 31 December 2015 are as detailed in the Income statement on page 6.

Monthly management accounts are prepared and reviewed at minimum on a quarterly basis by the Directors. The key performance indicator used by management in assessing the performance of the Company is the monitoring of actual cash flows at Group level in comparison with planned cash flows.

Future developments

No significant developments are currently anticipated but the Directors keep opportunities under regular review.

Dividends

On 25 June 2015 the Directors declared dividends of £20,751,074 (2014: £50,000,000).

Going concern basis

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources, with the support of the Group, 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

B Hayden
C Cullen
M Walsh

Eversholt Investment Limited

Directors' report (continued)

for the year ended 31 December 2015

Directors (continued)

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. 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.

Capital management

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

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

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 the Director is aware, there is no relevant audit information of which the Company's auditor is unaware and the Director has taken all the steps that he/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.

Accounting records

The Directors believe that they have complied with the requirements of section 282 of the Companies Act 2014 with regard to books of account by employing a service provider, which has appropriate expertise and provides adequate resources to the financial function. The accounting records of the Company are maintained primarily by Eversholt Rail (UK) Limited, 210 Pentonville Road, London N1 9JY.

Auditor

KPMG Chartered Accountants have resigned as auditor of the Company. In accordance with section 380 of the Companies Act 2014, Deloitte LLP have been appointed as auditor.

Signed on behalf of the Board by:



C. Cullen
Director



M Walsh
Director

Registered Office:
Newmount House
22-24 Mount Street Lower
Dublin 2
Ireland

25 February 2016

Eversholt Investment Limited

Statement of Directors' responsibilities

for the year ended 31 December 2015

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with applicable Company Law and International Financial Reporting Standards ('IFRSs') as adopted by the EU. The Company's financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss for the year.

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;
- prepare the financial statements in accordance with IFRS 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 proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Acts 2014. They are also responsible 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 also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

These financial statements have been approved by the Board of Directors on 25 February 2016 and were signed on its behalf by:



C Cullen
Director



M Walsh
Director

Registered office:
Newmount House
22-24 Mount Street Lower
Dublin 2
Ireland

Eversholt Investment Limited

Independent Auditor's Report to the Members of Eversholt Investment Limited

We have audited the financial statements of Eversholt Investment Limited for the year ended 31 December 2015 which comprise Income statement, Statement of comprehensive income, Statement of financial position, Statement of cash flows, Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards ('IFRS') adopted by the European Union ('EU') as issued by the International Accounting Standards Board.

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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 auditor

As explained more fully in the Statement of Directors' responsibilities, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

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 2014 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.



Makhah Chahal (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square, London EC4A 3BZ
United Kingdom

25/1 February 2016

Eversholt Investment Limited

Income statement

for the year ended 31 December 2015

		2015 £'000	2014 £'000
Revenue	Note		
Service charge income		821	1,142
Total revenue		821	1,142
Dividends receivable		93,500	105,500
Finance income	4	623	596
Finance expense	5	(51,046)	(52,578)
Administrative expense	6	(2,263)	(1,085)
Profit before tax		41,635	53,575
Income tax charge	9	(50)	(58)
Profit for the year		41,585	53,517

There were no discontinued or discontinuing operations during the year.

The notes on pages 10 to 22 form an integral part of these financial statements.

Statement of comprehensive income

for the year ended 31 December 2015

There has been no comprehensive income or expense other than the profit for the year as shown above (2014: nil).

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2016. They were signed on its behalf by:



C Cullen
Director
Company registration number IR490363



M Walsh
Director

Eversholt Investment Limited

Statement of financial position

as at 31 December 2015

		2015 £'000	2014 £'000
Assets	Note		
Non-current assets			
Property, plant and equipment	10	102	133
Investment in subsidiaries	12	393,238	393,238
		<u>393,340</u>	<u>393,371</u>
Current assets			
Trade and other receivables	11	71	97
Cash and cash equivalents	13	26,816	26,605
		<u>26,887</u>	<u>26,702</u>
Total assets		<u>420,227</u>	<u>420,073</u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	14	200	167
Current tax – amounts due to group relief		2	4
Provisions	15	-	10
		<u>202</u>	<u>181</u>
Non – current liabilities			
Borrowings	16	372,838	393,539
		<u>373,040</u>	<u>393,720</u>
Total liabilities		<u>373,040</u>	<u>393,720</u>
Equity			
Share capital	17	12	12
Share premium		13,660	13,660
Retained earnings		33,515	12,681
Total equity		<u>47,187</u>	<u>26,353</u>
Total equity and liabilities		<u>420,227</u>	<u>420,073</u>

The notes on pages 10 to 22 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2015. They were signed on its behalf by:



C Cullen
Director
Company registration number IR490363



M Walsh
Director

Eversholt Investment Limited

Statement of cash flows

as at 31 December 2015

	2015 £'000	2014 £'000
Cash flow from operating activities		
Profit before tax	41,635	53,575
Adjustments for:		
- Depreciation	34	22
- Finance income	(623)	(596)
- Interest on borrowings	51,046	52,578
- Dividends receivable	(93,500)	(105,500)
Operating cash flow before movements in working capital	<u>(1,408)</u>	<u>79</u>
Decrease in trade and other receivables	26	15
(Decrease)/increase in provisions	(10)	10
Increase/(decrease) in trade and other payables	33	(3)
Cash (utilised in)/generated by operating activities	<u>(1,359)</u>	<u>101</u>
Taxation paid	(52)	(71)
Net cash (utilised in)/generated by operating activities	<u>(1,411)</u>	<u>30</u>
Cash flow from investing activities		
Acquisition of property, plant and equipment	(3)	(130)
Amounts repaid by group entities	-	25,255
Dividend received	93,500	105,500
Cash (utilised in)/generated by investing activities	<u>93,497</u>	<u>130,625</u>
Cash flow from financing activities		
Movement in working capital loan with Eversholt Rail (UK) Limited	(44,843)	52,977
Interest paid to Eversholt Investment Group (Luxembourg) sarl	(23,749)	(49,773)
Intercompany interest paid on working capital loan	(3,155)	(2,805)
Interest income received	623	596
Shareholder loans repaid	-	(82,227)
Shareholder dividends paid	(20,751)	(50,000)
Cash utilised in financing activities	<u>(91,875)</u>	<u>(131,232)</u>
Increase/(decrease) in cash and cash equivalents	<u>211</u>	<u>(577)</u>
Cash and cash equivalents at the beginning of the year	<u>26,605</u>	<u>27,182</u>
Cash and cash equivalents at end of year	<u>26,816</u>	<u>26,605</u>

Eversholt Investment Limited

Statement of changes in equity

for the year ended 31 December 2015

	Share capital	Share premium	Retained earnings	Total shareholders' equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2014	12	13,660	9,164	22,836
Profit for the year	-	-	53,517	53,517
Dividends paid	-	-	(50,000)	(50,000)
Balance at 31 December 2014	12	13,660	12,681	26,353
Profit for the year	-	-	41,585	41,585
Dividends paid	-	-	(20,751)	(20,751)
Balance at 31 December 2015	12	13,660	33,515	47,187

During the year the Company paid a dividend of £1,729 per share (2014: £4,167 per share).

Eversholt Investment Limited

Notes to the financial statements

for the year ended 31 December 2015

1 General Information

Eversholt Investment Limited is a company incorporated in the Republic of Ireland under the Companies Act. The registered office of the Company is Newmount House, 22-24 Mount Street Lower, Dublin 2. The Company forms part of the Eversholt Rail Group more fully described in note 20.

2 Basis of Preparation

These financial statements are presented in sterling being the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.1 Compliance with International Financial Reporting Standards

The financial statements of Eversholt Investment Limited have been prepared on the historical cost basis except for the revaluation of derivative financial instruments. 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 2015, there were no unendorsed standards effective for the year ended 31 December 2015 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 Company. Accordingly, the financial statements of Eversholt Investment Limited for the year ended 31 December 2015 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 IFRS Interpretations Committee and its predecessor body.

2.2 Standards and Interpretations issued by the IASB

During the year, the Company adopted a number of interpretations and amendments to standards which had an insignificant effect on the financial statements. At 31 December 2015, a number of standards and amendments to standards have been issued by the IASB, which are not effective for the Company's financial statements as at 31 December 2015. The following Adopted IFRSs have been issued but have not been applied by the Company in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated.

- IFRS 14 Regulatory Deferral Accounts (mandatory for periods beginning on or after 1 January 2016).
- Amendments to IFRS 11 Joint Arrangements (mandatory for periods beginning on or after 1 January 2016).
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets (mandatory for periods beginning on or after 1 January 2016).
- Amendments to IAS 27 Consolidated and Separate Financial Statements (2008) (mandatory for periods beginning on or after 1 January 2016).
- IFRS 15 Revenue from Contracts with Customers (mandatory for periods beginning on or after 1 January 2018).
- IFRS 9 Financial Instruments (mandatory for periods beginning on or after 1 January 2018).
- IFRS 16 Leases (mandatory for periods beginning on or after 1 January 2019).
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (mandatory for periods beginning on or after 1 January 2017).

Notes to the financial statements (continued)

for the year ended 31 December 2015

2 Basis of Preparation (continued)

2.2 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 years presented in these financial statements.

3.1 Finance income and expense

Finance income and expense for all interest bearing financial instruments is recognised in 'Finance income' and 'Finance expense' in the Income statement using the effective interest rate method. The effective interest rate method is a way of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant year.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability on initial recognition.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but excluding future credit losses.

The calculation includes all amounts paid or received by the Company that are an integral part of the effective interest rate of a financial instrument, including transaction costs and all other premiums or discounts.

3.2 Fees and commission income

Income earned on the execution of a significant act is recognised as revenue when the act is completed. Income earned from the provision of services is recognised as revenue as the services are provided and income which forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate and recorded in 'Interest income'.

3.3 Income tax

Income tax comprises current 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 year and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the relevant entity intends to settle on a net basis and the legal right to offset exists.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the years in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the end of the reporting year. Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and relate to income taxes levied by the same taxation authority, and when the Company has a legal right to offset.

Notes to the financial statements (continued)

for the year ended 31 December 2015

3 Summary of significant accounting policies (continued)

3.4 Foreign currencies

Transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the end of the reporting year. Any resulting exchange differences are included in the Income statement.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated into the functional currency using the rate of exchange at the date of the initial transaction. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined.

3.5 Property, plant and equipment

Equipment, fixtures and fittings are stated at cost being the fair value at acquisition date less any impairment losses and depreciation calculated on a straight-line basis to write-off the assets over 5 years.

The depreciation charge is included in the Income statement.

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset.

3.6 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 years 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 subsidiary's recoverable amount since the last impairment loss was recognised.

3.7 Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following specified categories: financial assets at 'fair value through profit or loss' (FVTPL); 'held to maturity investments'; 'available for sale (AFS) financial assets' and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company holds the following classes of financial assets.

3.7.1 Loans and receivables

Loans and receivables include receivables originated by the Company which are not classified either as held for trading or designated at fair value. Loans and receivables are recognised when cash is advanced to borrowers. They are derecognised when either borrowers repay their obligations, or the loans are sold or written off, or substantially all the risks and rewards of ownership are transferred. They are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less impairment losses.

3.7.2 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition, and include cash.

Notes to the financial statements (continued)

for the year ended 31 December 2015

3 Summary of significant accounting policies (continued)

3.7 Financial instruments (continued)

3.7.3 Impairment of financial instruments

Financial assets, other than those at FVTPL are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. If there is an indication that impairment exists, the recoverable amount of the asset is estimated to determine the extent of the impairment.

Losses for impaired loans are recognised immediately in profit or loss when there is objective evidence that impairment of a loan or portfolio of loans has occurred. Impairment losses are calculated on individual loans and on groups of loans assessed collectively. Impairment losses are recorded as charges to the Income statement. The carrying amount of impaired loans on the Statement of financial position is reduced through the use of impairment allowance accounts. Losses expected from future events are not recognised.

Individually assessed impairment losses are calculated by discounting the expected future cash flows of a loan at its original effective interest rate, and comparing the resultant present value with the loan's current carrying amount.

Collectively assessed impairment losses are calculated on the basis of past experience, current economic conditions and other relevant factors to provide for losses not yet specifically identified.

Financial assets are written off to the extent that there is no realistic prospect of recovery.

3.7.4 Financial liabilities

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other' financial liabilities.

Financial liabilities are initially measured at fair value less any transaction costs that are directly attributable to the purchase or issue. Financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. The Company derecognises the financial liability when the obligations specified in the contract expire, are discharged or cancelled. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

3.7.5 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.7.6 Determination of fair value

All financial instruments are recognised initially at fair value. In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received).

Subsequent to initial recognition, the fair values of financial instruments measured at fair value that are quoted in active markets are based on bid prices for assets held and offer prices for liabilities issued. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data. These include comparison to similar instruments where market observable prices exist, discounted cash flow analysis and other valuation techniques commonly used by market participants. Fair values are calculated by discounting future cash flows on financial instruments, using equivalent current interest rates.

Notes to the financial statements (continued)

for the year ended 31 December 2015

3 Summary of significant accounting policies (continued)

3.8 Statement of cash flows

The Statement of cash flows has been prepared on the basis that, with the exception of tax related transactions which are classified under 'Operating activities', movements in intercompany transactions are shown under the heading of 'Financing activities'. Such movements arise ultimately from the Company's financing activities, through which the Company will acquire resources intended to generate future income and cash flows.

3.9 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 year in which they are declared.

3.10 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.

3.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The provision is recognised as the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows.

3.12 Preference shares

Fixed rate preference share capital is included within investment in subsidiaries. The dividend receivable is recorded within finance income.

4 Finance income

	2015	2014
	£'000	£'000
Fixed rate preference dividend	495	495
Bank interest	128	101
	623	596

Eversholt Investment Limited

Notes to the financial statements (continued)

for the year ended 31 December 2015

5 Finance expense

	2015 £'000	2014 £'000
Interest payable to Eversholt Investment Group (Luxembourg) sarl	(47,891)	(49,773)
Interest payable to Eversholt Rail (UK) Limited	(3,155)	(2,805)
	<u>(51,046)</u>	<u>(52,578)</u>

6 Administrative expense

Administrative expenses include:	2015 £'000	2014 £'000
Foreign exchange losses	(8)	(4)
Depreciation	(34)	(22)
Fees payable to the Company's auditor for the audit of the Company's annual accounts	(20)	(19)
Fees payable to the Company's auditor and its associates for other services	-	(53)

7 Staff numbers and costs

The average number of persons employed by the Company (including Directors of the Company) during the year was as follows:

	2015 Number	2014 Number
Directors	3	3
Operations	2	2
Administration	4	4
	<u>9</u>	<u>9</u>

The aggregate payroll costs of these persons were as follows:

	2015 £'000	2014 £'000
Wages and salaries (excluding Directors' emoluments)	(325)	(373)
Social security costs	(36)	(42)
Contributions to defined contribution pension scheme	(36)	(39)
	<u>(397)</u>	<u>(454)</u>

8 Directors' emoluments

	2015 £'000	2014 £'000
For services to the Company	(152)	(169)
Reimbursement of expenses	(3)	(3)
	<u>(155)</u>	<u>(172)</u>

The emoluments of the highest paid Director, including benefits in kind were £52,144 (2014: £59,333). None of the Directors have any share options or interest in the share capital of the Company.

Eversholt Investment Limited

Notes to the financial statements (continued)

for the year ended 31 December 2015

9 Income tax charge

	2015 £'000	2014 £'000
Current tax		
On current year profit	(51)	(58)
On prior year profit	1	-
Total income tax charge	(50)	(58)

The Irish corporation tax rate applying to the Company was 12.5% (2014: 12.5%).

The following table reconciles the tax charge which would apply if profits had been taxed at the corporation tax rate:

	2015 £'000	2014 £'000
Taxation at corporation tax rate	(5,205)	(6,697)
Prior year adjustment	1	-
Permanent tax differences	5,154	6,639
	(50)	(58)

10 Property, plant and equipment

	Fixtures and fittings £'000
Cost	
Balance at 1 January 2014	40
Additions	130
Balance at 31 December 2014	170
Additions	3
Balance at 31 December 2015	173
Depreciation	
Balance at 1 January 2014	15
Charge for the year	22
Balance at 31 December 2014	37
Charge for the year	34
Balance at 31 December 2015	71
Net carrying value	
Carrying value at 31 December 2015	102
Carrying value at 31 December 2014	133

Eversholt Investment Limited

Notes to the financial statements (continued)

for the year ended 31 December 2015

11 Trade and other receivables

	2015 £'000	2014 £'000
Receivable no later than one year:		
Trade receivables	-	5
Dividends receivable	42	42
Prepayments	29	50
	<u>71</u>	<u>97</u>

12 Investments in subsidiaries

	2015 £'000	2014 £'000
Cost at 1 January and 31 December	<u>393,238</u>	<u>393,238</u>

The subsidiary undertakings of the Company at the end of the reporting year were:

Name of Undertaking	Class of Capital	Country of Incorporation	Type of business	Ownership Percentage	Ownership Percentage
				2015	2014
European Rail Finance Holdings Limited	Ordinary Shares	Ireland	Investment	100	100
European Rail Finance Limited*	Ordinary Shares	Ireland	Leasing	100	100
European Rail Finance (GB) Limited*	Ordinary Shares	England	Leasing	100	100
Eversholt Rail Holdings (UK) Limited*	Ordinary Shares	England	Investment	100	100
Eversholt Rail (UK) Limited*	Ordinary Shares	England	Management services	100	100
Eversholt Depot Finance (UK) Limited*	Ordinary Shares	England	Leasing	100	100
Eversholt Rail (365) Limited*	Ordinary Shares	England	Leasing	100	100
Eversholt Rail (380) Limited*	Ordinary Shares	England	Leasing	100	100
Eversholt Finance Holdings Limited*	Ordinary Shares	England	Investment	100	100
Eversholt Funding plc*	Ordinary Shares	England	Provision of finance to the Eversholt Rail Group	100	100
European Rail Finance (2) Limited*	Ordinary Shares	Ireland	Investment	100	100

*Indirect subsidiaries

Eversholt Investment Limited

Notes to the financial statements (continued)

for the year ended 31 December 2015

13 Cash and cash equivalents

Cash and cash equivalents are analysed as:

	2015 £'000	2014 £'000
Bank accounts	<u>26,816</u>	<u>26,605</u>

Within cash and cash equivalents there is a deposit of £26,417,500 (2014: £26,417,500) which provides security for the Profit Participating Shares issued by one of the group undertakings.

14 Trade and other payables

	2015 £'000	2014 £'000
Trade payables	-	5
Accruals	<u>200</u>	<u>162</u>
	<u>200</u>	<u>167</u>

15 Provisions

	2015 £'000	2014 £'000
Overheads	<u>-</u>	<u>10</u>
Balance at 1 January	10	-
Additions	-	10
Utilised	<u>(10)</u>	<u>-</u>
Balance at 31 December	<u>-</u>	<u>10</u>

16 Borrowings – non-current

	2015 £'000	2014 £'000
Eversholt Rail (UK) Limited	8,134	52,977
Eversholt Investment Group (Luxembourg) s.a.r.l.	<u>364,704</u>	<u>340,562</u>
	<u>372,838</u>	<u>393,539</u>

The intragroup loan with Eversholt Rail UK Limited is classified as non-current as it is repayable on 4 November 2018. Borrowing entities may prepay and redraw loans until the repayment date. Interest on the loan is payable monthly at a floating rate, which substantially matches the rate of the Group's senior debt, plus margin (2014: Group's senior debt, plus margin).

The loans with Eversholt Investment Group (Luxembourg) sarl are unsecured and have no fixed repayment terms and are therefore technically repayable on demand although the amount that the Company can pay in each accounting period is limited by the terms of its external financing agreements.

Eversholt Investment Limited

Notes to the financial statements (continued)

for the year ended 31 December 2015

17 Share capital

	2015 £'000	2014 £'000
Authorised, allotted, called up and fully paid		
12,000 Ordinary shares of £1 each	<u>12</u>	<u>12</u>

The holders of ordinary shares are entitled to attend and vote at general meetings and receive dividends as and when declared.

18 Dividends

For the year ended 31 December 2015 dividends of £20,751,074 were paid (2014: £50,000,000).

19 Risk management

Exposure to liquidity risk and market risk arises in the normal course of the Company's business. The policies for managing all risks which are significant together with the quantitative disclosures not already included elsewhere in the financial statements are described in this note.

Capital risk management

The Board actively monitors the capital structure of the Company to ensure that the Company is able to continue as a going concern. Consideration is given to the availability, cost and risks associated with each class of capital and to maximising the return to stakeholders through the optimisation of the debt to equity ratio.

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

As part of that process, management reviews the monthly management accounts of the Group.

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its cash flow requirements on a daily basis and will compare expected cash flow obligations with expected cash flow receipts to ensure they are appropriately aligned. In light of this the Company will borrow funds as and when required from a fellow group undertaking.

The Company's assets are funded principally by borrowings from another group undertaking.

Eversholt Investment Limited

Notes to the financial statements (continued)

for the year ended 31 December 2015

19 Risk management (continued)

Liquidity risk management (continued)

	Carrying value £'000	Contractual cash flows £'000	On demand £'000	Due within 1 year £'000	Due between 1-5 years £'000	Due after 5 years £'000
31 December 2015						
Financial assets						
- Trade and other receivables	71	71	-	71	-	-
- Cash and cash equivalents	26,816	26,816	398	-	26,418	-
	26,887	26,887	398	71	26,418	-
Financial liabilities						
Non – derivative instruments – amortised cost						
- Trade and other payables	200	200	-	200	-	-
- Borrowings	372,838	372,838	-	-	8,134	364,704
	373,038	373,038	-	200	8,134	364,704
Total financial instruments	(346,151)	(346,151)	398	(129)	18,284	(364,704)
31 December 2014						
Financial assets						
- Trade and other receivables	97	97	-	97	-	-
- Cash and cash equivalents	26,605	26,605	187	-	-	26,418
	26,702	26,702	187	97	-	26,418
Financial liabilities						
Non – derivative instruments – amortised cost						
- Trade and other payables	167	167	-	167	-	-
- Borrowings	393,539	393,539	-	-	-	393,539
	393,706	393,706	-	167	-	393,539
Total financial instruments	(367,004)	(367,004)	187	(70)	-	(367,121)

Of the cash and cash equivalents, £26,417,500 relates to cash held on deposit as security for the holders of the PPS in European Rail Finance Holdings Limited (2014: £26,417,500).

There are no material differences between the carrying value and the fair value of financial liabilities as at 31 December 2015 (2014: nil).

Undiscounted cash flows in respect of the intercompany loan with Eversholt Rail UK Limited include principle amount only, due to uncertainty of working capital movements and of interest estimation. Interest on working capital loans is settled as part of working capital cash movements and not accrued.

Eversholt Investment Limited

Notes to the financial statements (continued)

for the year ended 31 December 2015

19 Risk management (continued)

Market risk management

Interest rate risk management

The Company has exposure to fluctuations in interest rates. This exposure is managed at a Group level through the use of interest rate swaps. The cost or benefit derived from the use of swaps is taken into account in determining the interest on the loan accounts.

Interest rate Sensitivity Analysis

The impact of a 50 basis points increase in GBP LIBOR would have resulted in a decrease in intercompany working capital interest expense of £22,474 and an increase in cash deposit interest received of £8,597. The sensitivity analysis is applied to the borrowing/deposit rate and performed on the monthly balance of the relevant financial instrument.

20 Related-party transactions

20.1 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:

- European Rail Finance Holdings Limited
- European Rail Finance Limited
- Eversholt Finance Holdings Limited
- Eversholt Funding plc
- Eversholt Rail (UK) Limited
- European Rail Finance (GB) 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 CK Hutchison Holdings Limited. It was previously Eversholt Investment Group (Luxembourg) sarl, which is now the immediate holding company. 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 CK Hutchison Holdings Limited. The results of the Company are included in the group financial statements of CK Hutchison Holdings Limited.

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

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

20.2 Transactions with related parties

Loans with Eversholt Investment Group (Luxembourg) sarl are more fully described in note 16. Interest on these loans is disclosed in note 5.

Directors' emoluments are disclosed in note 8.

Eversholt Investment Limited

Notes to the financial statements (continued)

for the year ended 31 December 2015

21 Contingent liabilities

There were no contingent liabilities for the Company at 31 December 2015 (2014: nil).

22 Subsequent events

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