

# **Eversholt Rail (UK) Limited**

**Unaudited, condensed interim financial statements  
for the 6 months ended 30 June 2013**

**Registered No: 06953114**

**Condensed interim financial statements**

for the 6 months ended 30 June 2013

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Unaudited

**Condensed income statement**  
for the 6 months ended 30 June 2013

	<i>Notes</i>	6 months ended	
		30 June 2013 £	30 June 2012 £
<b>Revenue</b>			
Maintenance income		27,156,395	35,218,016
Service charge income		6,462,500	6,843,152
Other income		538,372	214,803
<b>Total income</b>		<b>34,157,267</b>	<b>42,275,971</b>
Maintenance expense		(23,655,131)	(30,575,499)
<b>Gross profit</b>		<b>10,502,136</b>	<b>11,700,472</b>
Finance income	4	749,839	664,755
Finance expense	5	(921,639)	(335,437)
Administrative expense	6	(6,788,016)	(6,732,795)
<b>Profit before tax</b>		<b>3,542,320</b>	<b>5,296,995</b>
Taxation charge		(424,119)	(1,320,973)
<b>Profit for the period</b>		<b>3,118,201</b>	<b>3,976,022</b>

There were no acquisitions, discontinued or discontinuing operations during the period.

The notes on pages 6 to 10 form an integral part of these financial statements.

**Condensed statement of comprehensive income**  
for the 6 months ended 30 June 2013

	<i>Note</i>	6 months ended	
		30 June 2013 £	30 June 2012 £
<b>Profit for the period</b>		<b>3,118,201</b>	<b>3,976,022</b>
Dividend paid	15	(1,800,000)	-
<b>Total comprehensive income for the period</b>		<b>1,318,201</b>	<b>3,976,022</b>

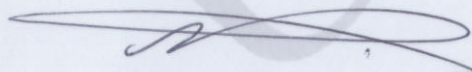


**Condensed statement of financial position**  
as at 30 June 2013

	Notes	30 June 2013 £	31 December 2012 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	1,175,027	1,377,578
Deferred tax	9	309,248	174,188
		<u>1,484,275</u>	<u>1,551,766</u>
<b>Current assets</b>			
Inventories		1,906,690	2,021,812
Trade and other receivables	8	18,654,918	23,220,721
Loans receivable	10	686,709,470	703,778,771
Current tax asset		8,330,451	-
Cash and cash equivalents		133,930,024	113,875,705
		<u>849,531,553</u>	<u>842,897,009</u>
<b>Total assets</b>		<u>851,015,828</u>	<u>844,448,775</u>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables	11	16,141,729	9,817,106
Current tax		-	2,420,953
Borrowings	12	698,487,785	695,276,720
Provisions		83,562	83,562
		<u>714,713,076</u>	<u>707,598,341</u>
<b>Non-current liabilities</b>			
Borrowings	12	1,798,350	1,798,350
Provisions		83,562	83,562
Deferred revenue	13	14,170,684	16,036,567
		<u>16,052,596</u>	<u>17,918,479</u>
<b>Total liabilities</b>		<u>730,765,672</u>	<u>725,516,820</u>
<b>Equity</b>			
Share capital		100,000,002	100,000,002
Retained earnings		20,250,154	18,931,953
<b>Total equity</b>		<u>120,250,156</u>	<u>118,931,955</u>
<b>Total equity and liabilities</b>		<u>851,015,828</u>	<u>844,448,775</u>

The notes on pages 6 to 10 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 22 August 2013. They were signed on its behalf by:



**M B Kenny**  
Director

Company registration number: 06953114

Eversholt Rail (UK) Limited

**Condensed statement of cash flows**

for the 6 months ended 30 June 2013

	6 months ended	
	30 June 2013	30 June 2012
	£	£
<b>Profit before tax</b>	3,542,320	5,296,995
Adjustments for:		
- Depreciation	236,720	224,953
<b>Operating cash flows before working capital</b>	<b>3,779,040</b>	5,521,948
- Decrease in inventory	115,123	115,123
- Decrease/(increase) in trade and other receivables	4,565,803	(6,371,355)
- Increase in trade and other payables	6,324,621	4,941,626
- (Decrease)/ increase in deferred income	(1,865,883)	234,180
- Decrease in provision	-	(1,558)
<b>Cash flow generated by operating activities</b>	<b>12,918,704</b>	4,439,964
Tax paid	(11,310,583)	(2,430,576)
<b>Net cash flow generated by operating activities</b>	<b>1,608,121</b>	2,009,388
<b>Investing activities</b>		
Acquisition of property, plant and equipment	(34,169)	18,770
<b>Net cash (utilised in)/generated by investing activities</b>	<b>(34,169)</b>	18,770
<b>Financing activities</b>		
Borrowings repaid	-	(14,000,000)
Dividend paid	(1,800,000)	-
Movement in working capital loan accounts	20,280,367	8,292,613
<b>Net cash generated by/(utilised in) financing activities</b>	<b>18,480,367</b>	(5,707,387)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>20,054,319</b>	(3,679,229)
Cash and cash equivalents at beginning of the period	113,875,705	152,366,811
<b>Cash and cash equivalents at end of the period</b>	<b>133,930,024</b>	148,687,582



**Condensed statement of changes in equity**  
for the 6 months ended 30 June 2013

	Share capital £	Retained earnings £	Total shareholders' equity £
<b>Balance at 1 January 2012</b>	100,000,002	10,577,577	110,577,579
Profit for the period	-	3,976,022	3,976,022
<b>Balance at 30 June 2012</b>	100,000,002	14,553,599	114,553,601
Profit for the period	-	5,092,739	5,324,354
Actuarial losses on defined benefit scheme after tax	-	(714,385)	(714,385)
<b>Balance at 31 December 2012</b>	<u>100,000,002</u>	<u>18,931,953</u>	<u>118,931,955</u>
	Share capital £	Retained earnings £	Total shareholders' equity £
<b>Balance at 1 January 2013</b>	<b>100,000,002</b>	<b>18,931,953</b>	<b>118,931,955</b>
Profit for the period	-	3,118,201	3,118,201
Dividend paid	-	(1,800,000)	(1,800,000)
<b>Balance at 30 June 2013</b>	<u>100,000,002</u>	<u>20,250,154</u>	<u>120,250,156</u>

**Notes to the condensed interim financial statements**

for the 6 months ended 30 June 2013

**1 General information**

Eversholt Rail (UK) Limited is a company incorporated and domiciled in England and Wales. The registered office of the Company is 210 Pentonville Road, London, N1 9JY.

**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 Rail (UK) Limited have been prepared on the historical cost basis.

The condensed interim financial report has been prepared in accordance with *IAS 34 Interim Financial Reporting* as adopted by the European Union. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for year ended 31 December 2012. This condensed interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

**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 accounting policies applied by the Company in this condensed interim financial report are the same as those applied by the Company in its financial statements for the year ended 31 December 2012.

**4 Finance income**

	6 months ended	
	30 June 2013	30 June 2012
	£	£
Bank interest	746,913	659,229
Other interest	2,926	5,526
	<u>749,839</u>	<u>664,755</u>

**5 Finance expense**

	6 months ended	
	30 June 2013	30 June 2012
	£	£
Interest on working capital loans	(179,810)	(67,990)
Other interest	-	(6,582)
Finance charge payable to Eversholt Funding plc	(741,829)	(260,865)
	<u>(921,639)</u>	<u>(335,437)</u>



**Notes to the condensed interim financial statements (continued)**

for the 6 months ended 30 June 2013

**6 Administrative expense**

Administrative expenses include the following:

	6 months ended	
	30 June 2013	30 June 2012
	£	£
Depreciation	(236,720)	(224,953)
Audit fees	(10,268)	(11,161)

**7 Property, plant and equipment**

	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>			
Balance at 1 January 2012	1,154,323	1,105,942	2,260,265
Additions	62,195	41,921	104,116
Balance at 31 December 2012	<u>1,216,518</u>	<u>1,147,863</u>	<u>2,364,381</u>
Additions	-	34,169	34,169
<b>Balance at 30 June 2013</b>	<u>1,216,518</u>	<u>1,182,032</u>	<u>2,398,550</u>
<b>Depreciation</b>			
Balance at 1 January 2012	284,159	252,493	536,652
Charge for the year	228,824	221,327	450,151
Balance at 31 December 2012	<u>512,983</u>	<u>473,820</u>	<u>986,803</u>
Charge for the period	122,778	113,942	236,720
<b>Balance at 30 June 2013</b>	<u>635,761</u>	<u>587,762</u>	<u>1,223,523</u>
<b>Net carrying value</b>			
<b>Carrying value at 30 June 2013</b>	<u>580,757</u>	<u>594,270</u>	<u>1,175,027</u>
Carrying value at 31 December 2012	<u>703,535</u>	<u>674,043</u>	<u>1,377,578</u>

**8 Trade and other receivables**

	30 June 2013 £	31 December 2012 £
<b>Receivables no later than one year:</b>		
Trade receivables	1,900,958	384,334
Maintenance prepayment	14,579,812	19,180,554
VAT	2,174,148	3,655,833
	<u>18,654,918</u>	<u>23,220,721</u>



**Notes to the condensed interim financial statements (continued)**

for the 6 months ended 30 June 2013

**9 Deferred tax**

	30 June 2013 £	31 December 2012 £
Balance at beginning of the period/year	(174,188)	89,665
Income statement	(135,060)	(32,238)
Other comprehensive income: actuarial movement on retirement benefit obligations	-	(231,615)
<b>Balance at end of the period/year</b>	<b>(309,248)</b>	<b>(174,188)</b>

Temporary differences relate principally to accelerated capital allowances and depreciation and the actuarial adjustment in relation to the defined benefit pension scheme.

The Spring Statement on 20 March 2013 announced that the UK Corporation Tax rate would reduce to 20% by 2015. This followed an earlier announcement in December 2012 that the rate would fall to 21% by 1 April 2014. These planned reductions will reduce the company's future current tax charge accordingly. However, as neither the 21% rate or the 20% rate has been enacted as at 30 June 2013, only the effect of the current 23% rate has been included in these accounts.

**10 Loans receivable**

	30 June 2013 £	31 December 2012 £
Eversholt Finance Holdings (UK) Limited	4,010	3,300
European Rail Finance (2) Limited	661,726,208	664,629,910
Eversholt Rail Holdings (UK) Limited	24,344,504	19,714,194
Eversholt Investment Limited	634,748	19,431,367
	<b>686,709,470</b>	<b>703,778,771</b>

The loans to other group entities are unsecured and repayable on demand Interest is charged at one month's GBP Libor plus 1.75% (year ended 31 December 2012: one month's GBP Libor plus 1.75%).

**11 Trade and other payables**

	30 June 2013 £	31 December 2012 £
Trade payables	11,413,364	3,712,865
Maintenance and administration accruals	4,283,072	5,781,473
Other payables	439,293	316,768
Retirement benefit liability	6,000	6,000
	<b>16,141,729</b>	<b>9,817,106</b>

**12 Borrowings**

	Current 30 June 2013 £	Non - current 30 June 2013 £	Current 31 December 2012 £	Non - current 31 December 2012 £
European Rail Finance (GB) Limited	9,609,460	-	834,434	-
European Rail Finance Holdings Limited	428,301,107	-	446,080,423	-
European Rail Finance Limited	221,353,141	-	212,171,788	-
Eversholt Depot Finance (UK) Limited	1,813,737	-	1,551,434	-
Eversholt Funding plc	536,332	-	2,416,962	-
Eversholt Funding plc – term loan	-	1,798,350	-	1,798,350
Eversholt Rail (365) Limited	24,432,888	-	19,561,004	-
Eversholt Rail (380) Limited	12,441,120	-	12,660,675	-
	<b>698,487,785</b>	<b>1,798,350</b>	<b>695,276,720</b>	<b>1,798,350</b>

**Notes to the condensed interim financial statements (continued)**

for the 6 months ended 30 June 2013

**13 Deferred revenue**

	30 June 2013	31 December 2012
	£	£
<b>Non-current</b>	<b>14,170,684</b>	<b>16,036,567</b>

Rentals received in relation to future maintenance costs are deferred and released when these costs are incurred.

The deferred revenue arises in respect of the Company obligations in respect of maintenance contracts in certain leases.

**14 Capital commitments**

In respect of capital expenditure:

	6 months ended	
	30 June 2013	31 December 2012
	£	£
Authorised and contracted	<b>143,000</b>	-

**15 Related-party transactions**

The Company has entered into the following transactions with related parties:

The Company has provided maintenance, procurement and management services to other Group Companies

	6 months ended	
	30 June 2013	30 June 2012
	£	£
European Rail Finance (GB) Limited	2,450,000	2,450,000
European Rail Finance Limited	9,340,000	10,000,000
Eversholt Rail (380) Limited	325,000	325,000
Eversholt Rail (365) Limited	725,000	725,000
Eversholt Depot Finance (UK) Limited	100,000	100,000

The Company charged the following fees for the procurement of maintenance:

	6 months ended	
	30 June 2013	30 June 2012
	£	£
European Rail Finance Limited	4,266,318	3,718,014
European Rail Finance (GB) Limited	21,881,459	23,069,702
Eversholt Rail (365) Limited	2,260,560	5,151,077

Loan accounts are more fully described in notes 10 and 12. Interest receivable (payable) on these loan accounts is described in notes 4 and 5.

The Company has paid £7,500 to Eversholt Funding plc for funding services (6 months ended 30 June 2012: £7,500)

For the period ended 30 June 2013 a dividend of £1,800,000 was paid to Eversholt Rail Holdings Limited (6 months ended 30 June 2012: nil).



**Notes to the condensed interim financial statements (continued)**  
for the 6 months ended 30 June 2013

**16 Contingent liabilities**

There were no contingent liabilities for the Company at 30 June 2013.

**17 Subsequent events**

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

Unaudited