

# **Eversholt Rail (UK) Limited**

**Unaudited, condensed interim financial statements  
for the 6 months ended 30 June 2012**

**Registered No: 06953114**

**Condensed interim financial statements**

for the 6 months ended 30 June 2012

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Unaudited

**Condensed income statement**

for the 6 months ended 30 June 2012

	<i>Notes</i>	<b>6 months ended 30 June 2012 £</b>	<b>6 months ended 30 June 2011 £</b>
<b>Revenue</b>			
Maintenance income		35,218,016	37,039,804
Service charge income		6,843,152	6,800,000
Other income		214,803	71,704
<b>Total income</b>		<u>42,275,971</u>	<u>43,911,508</u>
Maintenance expense		<u>(30,575,499)</u>	<u>(32,929,965)</u>
<b>Gross profit</b>		11,700,472	10,981,543
Finance income	<b>4</b>	664,755	1,258,417
Finance expense	<b>5</b>	<u>(335,437)</u>	<u>(833,928)</u>
		12,029,790	11,406,032
Administrative expense		<u>(6,732,795)</u>	<u>(5,696,463)</u>
<b>Profit before tax</b>		5,296,995	5,709,569
Taxation		<u>(1,320,973)</u>	<u>(1,555,858)</u>
<b>Profit for the period</b>		<u>3,976,022</u>	<u>4,153,711</u>

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

**Statement of comprehensive income**

for the 6 months ended 30 June 2012

There has been no comprehensive income or expense other than the profit for the period as shown above. (6 months ended 30 June 2011: nil)

**Condensed statement of financial position**  
as at 30 June 2012

	Notes	30 June 2012 £	31 December 2011 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,479,890	1,723,613
<b>Current assets</b>			
Inventories		2,136,936	2,252,058
Trade and other receivables		8,346,200	1,765,506
Maintenance prepayment		21,448,323	21,657,663
Loans receivable	7	699,779,549	98,251,656
Cash and cash equivalents		148,687,582	152,366,811
		<u>880,398,590</u>	<u>276,293,694</u>
<b>Total assets</b>		<u>881,878,480</u>	<u>278,017,307</u>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables		7,389,479	9,255,352
Current tax		1,331,780	2,430,576
Borrowings	8	736,311,099	133,683,092
Provisions		237,567	239,125
		<u>745,269,925</u>	<u>145,608,145</u>
<b>Non-current liabilities</b>			
Deferred tax	9	78,856	89,665
Deferred revenue		21,976,098	21,741,918
		<u>22,054,954</u>	<u>21,831,583</u>
<b>Total liabilities</b>		<u>767,324,879</u>	<u>167,439,728</u>
<b>Equity</b>			
Share capital		100,000,002	100,000,002
Retained earnings		14,553,599	10,577,577
<b>Total equity</b>		<u>114,553,601</u>	<u>110,577,579</u>
<b>Total equity and liabilities</b>		<u>881,878,480</u>	<u>278,017,307</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 August 2012. They were signed on its behalf by:



**S F Purves**  
Director

Company registration number: 06953114

**Condensed statement of cash flows**

for the 6 months ended 30 June 2012

	<i>Note</i>	<b>6 months ended 30 June 2012 £</b>	<b>6 months ended 30 June 2011 £</b>
<b>Cash flow generated by operating activities</b>	<b>10</b>	4,439,964	6,030,615
Tax paid		<u>(2,430,576)</u>	<u>(318,748)</u>
Net cash flow generated by operating activities		<u>2,009,388</u>	<u>5,711,867</u>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		<u>18,770</u>	<u>(101,481)</u>
<b>Net cash utilised in investing activities</b>		<u>18,770</u>	<u>(101,481)</u>
<b>Financing activities</b>			
Borrowings repaid		(14,000,000)	-
Net movement on working capital loan accounts		<u>8,292,613</u>	<u>87,382,701</u>
<b>Net cash (utilised in)/generated by financing activities</b>		<u>(5,707,387)</u>	<u>87,382,701</u>
Net increase in cash and cash equivalents		<u>(3,679,229)</u>	<u>92,993,087</u>
Cash and cash equivalents at beginning of the period		<u>152,366,811</u>	<u>47,229,472</u>
Cash and cash equivalents at end of the period		<u>148,687,582</u>	<u>140,222,559</u>

**Condensed statement of changes in equity**

for the 6 months ended 30 June 2012

	Share capital £	Retained earnings £	Total shareholders' equity £
<b>Balance at 1 January 2011</b>	100,000,002	5,039,798	105,039,800
Profit for the period	-	4,153,711	4,153,711
<b>Balance at 30 June 2011</b>	<u>100,000,002</u>	<u>9,193,509</u>	<u>109,193,511</u>

	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>	<u>100,000,002</u>	<u>14,553,599</u>	<u>114,553,601</u>

## Notes to the condensed interim financial statements

for the 6 months ended 30 June 2012

### 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 2011. 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 2011.

### 4 Finance income

	6 months ended 30 June 2012	6 months ended 30 June 2011
	£	£
Bank interest	659,229	143,725
Other interest	5,526	5,811
Interest income from other group undertakings	-	1,108,881
	<u>664,755</u>	<u>1,258,417</u>

### 5 Finance expense

	6 months ended 30 June 2012	6 months ended 30 June 2011
	£	£
Interest on working capital loans	(67,990)	-
Other interest	(6,582)	-
Finance charge payable to Eversholt Funding plc	(260,865)	(833,928)
	<u>(335,437)</u>	<u>(833,928)</u>

**Notes to the condensed interim financial statements**

for the 6 months ended 30 June 2012

**6 Property, plant and equipment**

	<b>Fixtures and fittings</b>	<b>Equipment</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
Balance at 1 January 2011	1,107,983	954,784	2,062,767
Additions	46,340	158,793	205,133
Disposal	-	(7,635)	(7,635)
Balance at 31 December 2011	<u>1,154,323</u>	<u>1,105,942</u>	<u>2,260,265</u>
Additions	(28,562)	9,792	(18,770)
<b>Balance at 30 June 2012</b>	<b><u>1,125,761</u></b>	<b><u>1,115,734</u></b>	<b><u>2,241,495</u></b>

	<b>Fixtures and fittings</b>	<b>Equipment</b>	<b>Total</b>
	£	£	£
<b>Depreciation</b>			
Balance at 1 January 2011	55,399	47,715	103,114
Disposal	-	(1,018)	(1,018)
Charge for the year	228,760	205,796	434,556
Balance at 31 December 2011	<u>284,159</u>	<u>252,493</u>	<u>536,652</u>
Charge for the period	115,104	109,849	224,953
<b>Balance at 30 June 2012</b>	<b><u>399,263</u></b>	<b><u>362,342</u></b>	<b><u>761,605</u></b>

<b>Net carrying value</b>			
<b>Carrying value at 30 June 2012</b>	<b><u>726,498</u></b>	<b><u>753,392</u></b>	<b><u>1,479,890</u></b>
Carrying value at 31 December 2011	<u>870,164</u>	<u>853,449</u>	<u>1,723,613</u>

Additions to Fixtures and fittings in the current period include a credit note of £29,253 for work carried out in the prior year.

**7 Loans receivable**

	<b>30 June 2012</b>	<b>31 December 2011</b>
	£	£
European Rail Finance Holdings Limited	1,817	-
European Rail Finance (GB) Limited	4,102,064	-
European Rail Finance (2) Limited	669,167,45	-
Eversholt Rail (380) Limited		5,951,755
Eversholt Rail Holdings (UK) Limited	13,654,445	12,391,001
Eversholt Investment Limited	12,853,773	67,770,090
Eversholt Funding plc	-	12,138,810
	<u>699,779,54</u>	<u>98,251,656</u>



**Notes to the condensed interim financial statements**

for the 6 months ended 30 June 2012

**8 Borrowings**

	30 June 2012	31 December 2011
	£	£
European Rail Finance (GB) Limited	1,633,333	19,564,301
European Rail Finance Holdings Limited	481,482,951	2,272,562
European Rail Finance Limited	204,154,417	68,265,370
Eversholt Depot Finance (UK) Limited	1,129,948	432,485
Eversholt Funding Plc	8,112,012	1,813,350
Eversholt Investment Limited	-	14,000,000
Eversholt Rail (365) Limited	31,563,052	27,280,858
Eversholt Rail (380) Limited	8,235,386	54,166
	<u>736,311,099</u>	<u>133,683,092</u>

**9 Deferred tax**

	30 June 2012	31 December 2011
	£	£
Balance at beginning of the period/year	89,665	201,681
Income statement (credit)/charge	(10,809)	150,309
Other comprehensive income: actuarial movement on retirement benefit obligations	-	(262,325)
Balance at end of the period/year	<u>78,856</u>	<u>89,665</u>

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

The Finance Act 2011 amended the effective rate from 1 April 2011 to 26% and amended the main rate of corporation tax to 25% effective from 1 April 2012. The Finance Act 2012 announced the main rate of corporation tax of 24% effective from 1 April 2012; 23% effective from 1 April 2013 and 22% effective from 1 April 2014.

At the date of this report, the rate of 23% had been substantively enacted and is therefore the rate used to calculate the deferred tax balance at the end of the period.

**10 Notes to the cash flow statement**

	6 months ended 30 June 2012	6 months ended 30 June 2011
	£	£
Profit before tax	5,296,995	5,709,569
Adjustments for:		
- Depreciation	224,953	213,573
<b>Operating cash flows before working capital</b>	<u>5,521,948</u>	<u>5,923,142</u>
- Decrease in inventory	115,123	124,359
- Increase in trade and other receivables	(6,371,355)	(8,201,435)
- Increase in trade and other payables	4,941,626	898,479
- Increase in deferred income	234,180	7,296,386
- Decrease in provision	(1,558)	(10,316)
<b>Cash generated by operating activities</b>	<u>4,439,964</u>	<u>6,030,615</u>

**Notes to the condensed interim financial statements**

for the 6 months ended 30 June 2012

**11 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

	<b>6 months ended 30 June 2012 £</b>	<b>6 months ended 30 June 2011 £</b>
European Rail Finance (GB) Limited	1,225,000	1,225,000
European Rail Finance Limited	5,000,000	5,000,000
Eversholt Rail (380) Limited	162,500	162,500
Eversholt Rail (365) Limited	362,500	362,500
Eversholt Depot Finance (UK) Limited	50,000	50,000

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

	<b>6 months ended 30 June 2012 £</b>	<b>6 months ended 30 June 2011 £</b>
European Rail Finance Limited	3,718,014	-
European Rail Finance (GB) Limited	23,069,702	27,360,92
Eversholt Rail (365) Limited	5,151,077	5,171,796

Loan accounts are more fully described in notes 7 and 8. 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 2011: nil)

**12 Contingent liabilities**

There were no contingent liabilities for the Company at 30 June 2012.

**13 Subsequent events**

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