

# **Eversholt UK Rails (Holding) Limited (Security Group)**

**Unaudited, condensed, consolidated  
interim financial statements  
for the 6 months ended 30 June 2025**

**Registered No: 10783654**

**Condensed, consolidated interim financial statements**  
for the 6 months ended 30 June 2025

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Unaudited

**Condensed, consolidated income statement**  
for the 6 months ended 30 June 2025

|   |      | Group                                      |   |
|---|------|--|---|
|   |      | 6 months ended<br>30 June<br>2025<br>£'000 | 6 months ended<br>30 June<br>2024*<br>£'000 |
|   | Note |  |   |
| <b>Revenue</b>  |      |  |   |
| Operating lease income                                  | 4.1  | 156,118                                    | 148,654                                     |
| Maintenance income                                      | 4.1  | 9,080                                      | 5,127                                       |
| Finance lease income                                    | 4.1  | 167  | 93  |
| Other income  | 4.1  | 958  | 933   |
| <b>Total revenue</b>                                    | 4.1  | <b>166,323</b>                             | <b>154,807</b>                              |
| Cost of sales   | 5    | (59,729)                                   | (53,560)                                    |
| <b>Gross profit</b>                                     |      | <b>106,594</b>                             | <b>101,247</b>                              |
| Finance income  | 6    | 11,795                                     | 10,139                                      |
| Finance expense   | 7    | (56,207)                                   | (59,022)                                    |
| Net fair value gain on derivative financial instruments | 18   | 3,731                                      | 10,097                                      |
| Administrative expense                                  | 8    | (14,371)                                   | (12,750)                                    |
| Profit on disposal of property, plant and equipment     |      | 298  | 420   |
| <b>Profit before tax</b>                                |      | <b>51,840</b>                              | <b>50,131</b>                               |
| Income tax charge                                       | 11   | (13,045)                                   | (12,521)                                    |
| <b>Profit for the period</b>                            |      | <b>38,795</b>                              | <b>37,610</b>                               |

There were no discontinued or discontinuing operations during the period.

The notes on pages 7 to 32 form an integral part of these financial statements.

**Condensed, consolidated statement of comprehensive income**  
for the 6 months ended 30 June 2025

|   |      | Group                                      |   |
|---|------|--|---|
|   |      | 6 months ended<br>30 June<br>2025<br>£'000 | 6 months ended<br>30 June<br>2024*<br>£'000 |
|   | Note |  |   |
| <b>Profit for the period</b>  |      | <b>38,795</b>                              | <b>37,610</b>                               |
| <b>Other comprehensive income / (expense)</b>                                     |      |  |   |
| Actuarial (loss)/gain on defined benefit scheme                                   | 29   | (190)                                      | 424   |
| Tax credit/(charge) in respect of actuarial gain/(loss) on defined benefit scheme | 15   | 48   | (106)                                       |
| Effective portion of changes in fair value of cash flow hedges                    | 18   | 1,881                                      | 5,545                                       |
| Transfer of loss on cash flow hedges to Income statement                          | 18   | 2,342                                      | 2,393                                       |
| Tax charge on effective portion of changes in fair value of cash flow hedges      | 18   | (1,055)                                    | (1,984)                                     |
| <b>Total other comprehensive income</b>   |      | <b>3,026</b>                               | <b>6,272</b>                                |
| <b>Total comprehensive income for the period (Restated*)</b>                      |      | <b>41,821</b>                              | <b>43,882</b>                               |

\*Refer to note 2.1 for further details regarding the prior period restatement.

Effective portion of changes in fair value cash flow hedges, together with related tax effects, may be reclassified to the Income statement in future years. Amounts relating to other items would be recycled through reserves.

**Condensed, consolidated statement of financial position**  
as at 30 June 2025

|   |             | As at<br>30 June<br>2025<br>£'000 | Group<br>As at<br>31 December<br>2024<br>£'000 | As at<br>1 January<br>2024*<br>£'000 |
|---|-------------|-----------------------------------|--|--------------------------------------|
| <b>Assets</b>   | <b>Note</b> |                                   |  |                                      |
| <b>Non-current assets</b>                                   |             |                                   |  |                                      |
| Property, plant and equipment                               | 12          | 1,722,336                         | 1,767,946                                      | 1,871,849                            |
| Right-of-use assets   | 13          | 5,760                             | 6,016  | 6,617                                |
| Finance lease receivables                                   | 14          | 2,444                             | 3,082  | -                                    |
| Derivative financial instruments                            | 18          | 166,065                           | 157,627  | 109,220                              |
| Retirement benefit asset                                    | 29          | -                                 | -  | 676                                  |
| Deferred tax  |             | -                                 | -  | 15                                   |
|   |             | <u>1,896,605</u>                  | <u>1,934,671</u>                               | <u>1,988,377</u>                     |
| <b>Current assets</b>                                       |             |                                   |  |                                      |
| Finance lease receivables                                   | 14          | 1,240                             | 1,190  | 900                                  |
| Contract assets   | 4.2         | 4,858                             | 5,563  | 12,755                               |
| Trade and other receivables                                 | 16          | 14,973                            | 13,736   | 12,953                               |
| Current tax   | 11          | 7,430                             | 16,454   | 9,727                                |
| Cash and cash equivalents                                   | 19          | 361,727                           | 358,096  | 335,570                              |
| Short-term deposits with maturity greater than three months | 19          | 132,000                           | 75,000   | -                                    |
| Other financial assets                                      | 20          | 3,695                             | 3,618  | -                                    |
|   |             | <u>525,923</u>                    | <u>473,657</u>                                 | <u>371,905</u>                       |
| <b>Total assets</b>   |             | <u>2,422,528</u>                  | <u>2,408,328</u>                               | <u>2,360,282</u>                     |
| <b>Liabilities and equity</b>                               |             |                                   |  |                                      |
| <b>Current liabilities</b>                                  |             |                                   |  |                                      |
| Trade and other payables                                    | 22          | 36,989                            | 48,416   | 50,086                               |
| Contract liabilities  | 4.2         | 1,517                             | 7,275  | 7,250                                |
| Lease liabilities   | 17          | 622                               | 613  | 585                                  |
| Current tax   |             | -                                 | -  | 2,026                                |
| Borrowings  | 23          | 319,430                           | 337,704  | 71,062                               |
| Other liabilities   | 21          | 14,620                            | 14,874   | 17,277                               |
| Provisions  | 25          | -                                 | -  | 25                                   |
|   |             | <u>373,178</u>                    | <u>408,882</u>                                 | <u>148,311</u>                       |
| <b>Non-current liabilities</b>                              |             |                                   |  |                                      |
| Retirement benefit obligations                              | 29          | 900                               | 710  | -                                    |
| Borrowings  | 23          | 1,428,188                         | 1,453,569                                      | 1,775,306                            |
| Deferred tax  | 15          | 5,704                             | 5,179  | -                                    |
| Contract liabilities  | 4.2         | 43,974                            | 32,114   | 16,180                               |
| Other liabilities   | 21          | 297,172                           | 278,725  | 236,495                              |
| Derivative financial instruments                            | 18          | 233,622                           | 230,874  | 207,923                              |
| Lease liabilities   | 17          | 6,135                             | 6,441  | 6,538                                |
| Provisions  | 25          | 6,215                             | 6,215  | 4,976                                |
|   |             | <u>2,021,910</u>                  | <u>2,013,827</u>                               | <u>2,247,418</u>                     |
| <b>Total liabilities</b>                                    |             | <u>2,395,088</u>                  | <u>2,422,709</u>                               | <u>2,395,729</u>                     |
| <b>Equity</b>   |             |                                   |  |                                      |
| Share capital   | 26          | -                                 | -  | -                                    |
| Other reserve   |             | 13,672                            | 13,672   | 13,672                               |
| Retained earnings   |             | 52,427                            | 13,774   | 2,697                                |
| Hedging reserve   |             | (38,659)                          | (41,827)                                       | (51,816)                             |
| <b>Total equity</b>   |             | <u>27,440</u>                     | <u>(14,381)</u>                                | <u>(35,447)</u>                      |
| <b>Total equity and liabilities</b>                         |             | <u>2,422,528</u>                  | <u>2,408,328</u>                               | <u>2,360,282</u>                     |

\*Refer to note 2.1 for further details regarding the prior period restatement.

**Condensed, consolidated statement of financial position (continued)**  
as at 30 June 2025

The notes on pages 7 to 32 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 18 July 2025. They were signed on its behalf by:



**A J Wesson**

Director

Company registration number: 10783654

Unaudited

**Condensed, consolidated statement of cash flows**  
for the 6 months ended 30 June 2025

|  |        | Group                                      |  |
|--|--------|--|--|
|  |        | 6 months ended<br>30 June<br>2025<br>£'000 | 6 months ended<br>30 June<br>2024<br>£'000 |
|  | Note   |  |  |
| <b>Cash flow from operating activities</b>                               |        |  |  |
| Profit before tax  |        | 51,840                                     | 50,131                                     |
| Adjustments for:   |        |  |  |
| - Depreciation   | 12     | 48,116                                     | 47,322                                     |
| - Depreciation of right-of-use assets                                    | 13     | 256  | 315  |
| - Fair value gain on derivative financial instrument                     | 18     | (3,731)                                    | (10,097)                                   |
| - Profit on disposal of property, plant and equipment                    |        | (298)                                      | (420)                                      |
| - Amortisation of capitalised transaction costs                          | 7 / 24 | 242  | 242  |
| - Finance expense  | 7      | 55,965                                     | 58,780                                     |
| - Finance income   | 6      | (11,795)                                   | (10,139)                                   |
| <b>Operating cash flow before changes in working capital</b>             |        | <b>140,595</b>                             | <b>136,134</b>                             |
| Decrease in finance lease receivables                                    |        | 588  | 671  |
| (Increase) / decrease in trade and other receivables and contract assets |        | (532)                                      | 5,703                                      |
| Increase in other and contract liabilities                               |        | 17,517                                     | 19,778                                     |
| Decrease in provisions   | 25     | -  | (25)                                       |
| Decrease in trade and other payables                                     |        | (11,427)                                   | (20,851)                                   |
| <b>Cash flow generated by operating activities</b>                       |        | <b>146,741</b>                             | <b>141,410</b>                             |
| Taxation paid  |        | (4,503)                                    | (9,942)                                    |
| Interest received  | 6      | 11,718                                     | 10,111                                     |
| <b>Net cash generated by operating activities</b>                        |        | <b>153,956</b>                             | <b>141,579</b>                             |
| <b>Cash flow from investing activities</b>                               |        |  |  |
| Acquisition of property, plant and equipment                             | 12     | (2,506)                                    | (909)                                      |
| Proceeds from disposal of property, plant and equipment                  |        | 298  | 420  |
| Other financial assets   | 20     | -  | (3,501)                                    |
| Short-term deposits with maturity greater than three months              | 19     | (57,000)                                   | (80,000)                                   |
| <b>Net cash utilised in investing activities</b>                         |        | <b>(59,208)</b>                            | <b>(83,990)</b>                            |
| <b>Cash flow from financing activities</b>                               |        |  |  |
| External borrowings paid   | 24     | (44,922)                                   | (27,107)                                   |
| Repayment of lease liability   | 17     | (377)                                      | (372)                                      |
| Interest paid on bonds   | 24     | (40,253)                                   | (42,229)                                   |
| Profit Participating Shares interest paid                                | 24     | (178)                                      | (327)                                      |
| Interest paid on swaps   | 24     | (4,688)                                    | (4,698)                                    |
| Other financing fees   |        | (699)                                      | (763)                                      |
| Dividends paid   |        | -  | (30,000)                                   |
| <b>Net cash utilised in financing activities</b>                         |        | <b>(91,117)</b>                            | <b>(105,496)</b>                           |
| Net movement in cash and cash equivalents                                |        | 3,631                                      | (47,907)                                   |
| Cash and cash equivalents at the beginning of the period                 |        | 358,096                                    | 335,570                                    |
| <b>Cash and cash equivalents at the end of the period</b>                | 19     | <b>361,727</b>                             | <b>287,663</b>                             |

**Condensed, consolidated statement of changes in equity**  
for the 6 months ended 30 June 2025

|   |    | Share<br>capital<br>£'000 | Share<br>premium<br>£'000 | Other<br>reserve<br>£'000 | Hedging<br>reserve<br>£'000 | (Accumulated<br>deficit) /<br>Retained<br>earnings<br>£'000 | Total<br>equity<br>£'000 |
|---|----|---------------------------|---------------------------|---------------------------|-----------------------------|---|--------------------------|
| <b>Balance at 1 January 2024 (as previously reported)</b>                               |    | -                         | -                         | 13,672                    | (51,816)                    | (42,411)  | (80,555)                 |
| Cumulative adjustments to opening balances*   |    | -                         | -                         | -                         | -                           | 45,108  | 45,108                   |
| <b>Balance at 1 January 2024 (Restated*)</b>  |    | -                         | -                         | 13,672                    | (51,816)                    | 2,697   | (35,447)                 |
| Profit for the period (Restated*)   |    | -                         | -                         | -                         | -                           | 37,610  | 37,610                   |
| Effective portion of changes in fair value of cash flow hedges                          |    | -                         | -                         | -                         | 5,545                       | -   | 5,545                    |
| Transfer of loss on cash flow hedges to Income statement                                |    | -                         | -                         | -                         | 2,393                       | -   | 2,393                    |
| Tax charge on changes in effective portion of changes in fair value of cash flow hedges |    | -                         | -                         | -                         | (1,984)                     | -   | (1,984)                  |
| Actuarial loss on defined benefit scheme after tax                                      |    | -                         | -                         | -                         | -                           | 318   | 318                      |
| <b>Total comprehensive income</b>   |    | -                         | -                         | -                         | 5,954                       | 37,928  | 43,882                   |
| Dividend paid   | 32 | -                         | -                         | -                         | -                           | (30,000)  | (30,000)                 |
| <b>Balance at 30 June 2024 (Restated*)</b>  |    | -                         | -                         | 13,672                    | (45,862)                    | 10,625  | (21,565)                 |
| <b>Balance at 31 December 2024</b>  |    | -                         | -                         | 13,672                    | (41,827)                    | 13,774  | (14,381)                 |
| Profit for the period   |    | -                         | -                         | -                         | -                           | 38,795  | 38,795                   |
| Effective portion of changes in fair value of cash flow hedges                          | 18 | -                         | -                         | -                         | 1,881                       | -   | 1,881                    |
| Transfer of loss on cash flow hedges to Income statement                                | 18 | -                         | -                         | -                         | 2,342                       | -   | 2,342                    |
| Tax charge on changes in effective portion of changes in fair value of cash flow hedges | 18 | -                         | -                         | -                         | (1,055)                     | -   | (1,055)                  |
| Actuarial loss on defined benefit scheme after tax                                      |    | -                         | -                         | -                         | -                           | (142)   | (142)                    |
| <b>Total comprehensive income</b>   |    | -                         | -                         | -                         | 3,168                       | 38,653  | 41,821                   |
| Dividend paid   | 32 | -                         | -                         | -                         | -                           | -   | -                        |
| <b>Balance at 30 June 2025</b>  |    | -                         | -                         | 13,672                    | (38,659)                    | 52,427  | 27,440                   |

\*Refer to note 2.1 for further details regarding the prior period restatement.

Dividends of £nil per share were paid during the period (6 months ended 30 June 2024: £291,262 per share).

"Other reserve" arose as a consequence of the 2017 restructure, by which the Eversholt UK Rails (Holding) Limited (the "Company") acquired 100% of the share capital of Eversholt Investment Limited from Eversholt UK Rails Limited. The group is accounted for under merger accounting principles, on the basis that the Company and Eversholt Investment Limited were controlled by the same entity both before and after the group reorganisation. There was therefore no loss of control of the subsidiary undertakings during the restructure. The results of the group have been (and continue to be) prepared on the basis that the group has always existed in its current form. The amount in Other reserve is the difference on consolidation arising from the change in the head of group post the reorganisation, being the difference between the share capital and share premium from the previous head of the group (Eversholt Investment Limited) and the new head (Eversholt UK Rails (Holding) Limited).

## Notes to the condensed, consolidated interim financial statements for the 6 months ended 30 June 2025

### 1 General information

The Company is a private company incorporated in England and Wales and is limited by shares (see note 26). The registered office of the Company is First Floor, Chancery House, 53-64 Chancery Lane, London, WC2A 1QS, United Kingdom. The Company together with its subsidiaries, form the Security Group ("Group").

### 2 Basis of preparation

These financial statements are presented in sterling (£'000), which is also the Company's functional currency and comprise the consolidated financial statements of Eversholt UK Rails (Holding) Limited and subsidiaries. All amounts have been rounded to the nearest thousand, unless otherwise stated.

#### 2.1 Prior period restatement (consistent with financial statements for the year ended 31 December 2024)

The Group has re-presented from trade and other payables amounts totalling £4,976,000 as at 31 December 2023, which are now shown as a non-current provision in the consolidated statement of financial position. During 2024, the balance increased from £4,976,000 to £6,215,000 and it is considered appropriate to classify the amount as a non-current provision.

The consolidated financial statements also include a prior year restatement in relation to the deferred tax treatment of a transfer of rolling stock assets between two subsidiaries in 2015. A reassessment of the application of IAS 12 to the transfer has identified a material difference in deferred tax. The transfer gave rise to a gain for the transferor and recognition of the rolling stock in the transferee's accounts at a higher value than previously carried by the transferor. This intra group gain/uplift in the carrying value of rolling stock was eliminated in the accounts of the Security Group and should have, but had not, been regarded as a temporary difference for deferred tax purposes under IAS 12 Income Taxes. The deferred tax associated with this temporary difference reduces through the tax charge in the Income statement. The Group has corrected this as a prior year adjustment.

The table below summarises the impact of the restatement:

|   |      | As previously<br>reported<br>£'000 | Group<br>Adjustment<br>£'000 | Restated<br>£'000 |
|---|------|------------------------------------|------------------------------|-------------------|
|   | Note |                                    |                              |                   |
| <b>Statement of financial position as at 1 January 2024</b> |      |                                    |                              |                   |
| Deferred tax (liability)/asset                              | 15   | (45,093)                           | 45,108                       | 15                |
| Accumulated deficit   |      | 42,411                             | (45,108)                     | (2,697)           |
| <b>Income statement for the period ended 30 June 2024</b>   |      |                                    |                              |                   |
| Income tax charge   | 11   | (10,795)                           | (1,726)                      | (12,521)          |



## **Notes to the condensed, consolidated interim financial statements (continued)**

for the 6 months ended 30 June 2025

### **2 Basis of preparation (continued)**

#### **2.2 Basis of consolidation**

All subsidiaries are consolidated from the date that the Company gains control.

The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The acquisition method of accounting is used when subsidiaries are acquired by the Group. The cost of acquisition is measured at the fair value of the consideration, including contingent consideration, given at the date of completion. Acquisition-related costs are recognised as an expense in the Income statement in the period in which they are incurred. The acquired assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition.

Entities that are controlled by the Company are consolidated until the date that control ceases. All intercompany transactions are eliminated on consolidation.

#### **2.3 Compliance with IFRS**

The consolidated interim financial statements of Eversholt UK Rails (Holding) Limited have been prepared on the historical cost basis except for the revaluation of derivative financial instruments.

The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom ("UK"). 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 Group since the last annual financial statements as at and for year ended 31 December 2024. The condensed interim financial statements do not include all the information required for full annual financial statements prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and endorsed for use in the UK by the UK Endorsement Board, referred to as "UK-adopted IFRS". They should also be read in conjunction with the audited financial statements for the year ended 31 December 2024.

IFRS accounting standards comprise accounting standards issued by the IASB and its predecessor body as well as interpretations issued by the IFRS interpretation committee and its predecessor body.

#### **2.4 Going concern**

The Group's forecasts and projections taking account of reasonably possible changes in trading performance, show that the Group has adequate resources to continue in operational existence for the period of at least 12 months from the date when the condensed consolidated interim financial statements are authorised for issue.

In reaching this conclusion, the Directors have considered the Group's forecasts and projections, together with the debt maturing in 2025; current financial resources (including cash of £362m (December 2024: £358m), short-term deposits of £132m (December 2024: £75m), investment in financial assets of £3.7m (December 2024: £3.6m) and undrawn committed borrowing facilities of £450m as at 30 June 2025 (December 2024: £450m undrawn); projected performance against financial covenants; the high level of forecast revenue underpinned by existing lease agreements; the legal arrangements in place in the event of an operator default and the extent to which the UK Government is the "operator of last resort" in such circumstances; and potential mitigating actions. Downside and non-recovery of contracted revenue have been considered against the most recent forecasts in assessing the level of forecast revenue that would need to be lost before the Security Group breached any of its borrowing covenants. The Directors are satisfied that under all reasonable sensitivities the Group has adequate resources to continue in existence for the period of at least 12 months from the date when the financial statements are authorised for issue.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**3 Summary of material accounting policies**

The accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025.

These policies are consistent with applicable UK-adopted IFRS.

**3.1 New standards effective as of 1 January 2025**

The following amendment applies for the first time in 2025, but does not have an impact on the interim condensed financial statements.

**Lack of exchangeability (Amendments to IAS 21)**

These requirements provide users of financial statements with information to enable them to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

## 4 Revenue

### 4.1 Revenue information

The Group generates revenue primarily from the rental of rolling stock assets under operating leases and where applicable, from the provision of maintenance services. Arising in the UK, total income can be analysed as follows:

|                                       | <b>Group</b>   |  |
|---------------------------------------|--|--|
|                                       | <b>6 months ended<br/>30 June<br/>2025<br/>£'000</b> | <b>6 months ended<br/>30 June<br/>2024<br/>£'000</b> |
| Operating lease rental income         | 156,118  | 148,654  |
| Finance lease income                  | 167  | 93   |
| Revenue from contracts with customers |  |  |
| - Maintenance income                  | 9,080  | 5,127  |
| - Other income                        | 958  | 933  |
|                                       | <b>166,323</b>                                       | <b>154,807</b>                                       |

#### *Maintenance income*

Maintenance income from contracts with customers arises wholly in the UK and is recognised as services are provided over time. Revenue (and the terms of payments by customers) is determined by reference to transaction prices within formal contracts between the Group and its customers which are adjusted periodically by reference to pricing indices.

Maintenance revenue is recognised, when control of the service is transferred to the customer. This is measured by reference to consideration specified in the contract with a customer and maintenance expenditure incurred (i.e. applying an input method regarded by the Group, as being representative of work performed and therefore performance obligations being satisfied). Contract liabilities are expected to be recognised as revenue over the course of contracts (which are typically 10 years or less), as expenditure is incurred.

The transaction price allocated to (partially) unsatisfied performance obligations as at 30 June 2025 is set out below.

As maintenance expenditure is incurred, the Group expects that these performance obligations will be satisfied (i.e. income will be generated) in the following periods:

|               | <b>Group</b>   |  |
|---------------|--|--|
|               | <b>6 months ended<br/>30 June<br/>2025<br/>£'000</b> | <b>6 months ended<br/>30 June<br/>2024<br/>£'000</b> |
| Within 1 year | 34,160   | 33,176   |
| 1-5 years     | 122,401  | 122,624  |
|               | <b>156,561</b>                                       | <b>155,800</b>                                       |

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**4 Revenue (continued)**

**4.1 Revenue information (continued)**

*Other income*

Other income primarily relates to the provision in the UK of asset management services £958,000 (6 months ended 30 June 2024: £933,000).

The transaction price allocated to (partially) unsatisfied performance obligations at 30 June 2025 is set out below.

Performance obligations are expected to be fulfilled (i.e. income will be generated) in relation to customers in the following periods:

|               | <b>Group</b>                      |                                   |
|---------------|-----------------------------------|-----------------------------------|
|               | <b>30 June<br/>2025<br/>£'000</b> | <b>30 June<br/>2024<br/>£'000</b> |
| Within 1 year | 1,651                             | 1,748                             |
| 1-2 years     | -                                 | 1,603                             |
|               | <b>1,651</b>                      | <b>3,351</b>                      |

Revenue is recognised over time as services are provided (when the customers receive the benefit), as determined by reference to transaction prices agreed with customers. There are no contract balances or trade receivables held in relation to this.

**4.2 Contract balances**

The following table provides information about contract assets and contract liabilities from contracts with customers.

Contract assets, contract liabilities and trade receivables are as follows:

|                      | <b>As at<br/>30 June<br/>2025<br/>£'000</b> | <b>Group<br/>As at<br/>31 December<br/>2024<br/>£'000</b> | <b>As at<br/>1 January<br/>2024<br/>£'000</b> |
|----------------------|---|---|---|
| Contract assets      | 4,858                                       | 5,563   | 12,755  |
| Contract liabilities | 45,491                                      | 39,389  | 23,430  |
| Trade receivables    | 9,459                                       | 7,432   | 9,223   |

The contract assets relate to the Group's rights to consideration for services provided but not billed at the reporting date. The contract assets are reduced as the customer is billed for services in accordance with the contracted billing profile.

The contract liabilities relate to consideration received from customers for maintenance of rolling stock in advance of related services being provided.

The amount of £9,080,000 (2024: £10,383,000) recognised in contract liabilities at the beginning of the year will be recognised as income in 2025 (was recognised as income in 2024).

Current period movements on these amounts can be attributed to normal business activity (i.e. the recognition of revenue; maintenance services performed; amounts invoiced; and consideration for services received in advance of performing the maintenance activity). There are no adjustments to performance obligations satisfied in the prior period.

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**5 Cost of sales**

|  | Group                                      |  |
|--|--|--|
|  | 6 months ended<br>30 June<br>2025<br>£'000 | 6 months ended<br>30 June<br>2024<br>£'000 |
| Depreciation - rolling stock and other railway assets (note 12)    | (48,065)                                   | (47,261)                                   |
| Depreciation - right-of-use asset - other railway assets (note 13) | (256)                                      | (315)                                      |
| Maintenance and asset management costs                             | (11,408)                                   | (5,984)                                    |
|  | <u>(59,729)</u>                            | <u>(53,560)</u>                            |

**6 Finance income**

|  | Group                                      |  |
|--|--|--|
|  | 6 months ended<br>30 June<br>2025<br>£'000 | 6 months ended<br>30 June<br>2024<br>£'000 |
| Income from money market liquidity funds carried at fair value through profit or loss: |  |  |
| Change in fair value   | 77   | 28   |
|  | <u>77</u>                                  | <u>28</u>                                  |
| Bank interest - income on financial assets carried at amortised cost                   | 11,718                                     | 10,111                                     |
| Total finance income   | <u>11,795</u>                              | <u>10,139</u>                              |

**7 Finance expense**

|   | Group                                      |  |
|---|--|--|
|   | 6 months ended<br>30 June<br>2025<br>£'000 | 6 months ended<br>30 June<br>2024<br>£'000 |
| Profit participating preference share dividend  | (144)                                      | (184)                                      |
| Interest payable on bonds   | (39,802)                                   | (41,735)                                   |
| Bonds - other finance costs   | (1,510)                                    | (1,564)                                    |
| Fees payable on undrawn committed borrowing facilities                                | (747)                                      | (763)                                      |
| Amortisation of capitalised transaction costs   | (242)                                      | (242)                                      |
| <b>Finance expense in relation to financial liabilities carried at amortised cost</b> | <b>(42,445)</b>                            | <b>(44,488)</b>                            |
| Transfer from hedging reserve   | (2,342)                                    | (2,393)                                    |
| Lease liability interest  | (80)                                       | (71)                                       |
| Interest payable in relation to derivatives   | (4,610)                                    | (4,676)                                    |
| Other finance costs   | (6,730)                                    | (7,394)                                    |
| <b>Total</b>  | <b><u>(56,207)</u></b>                     | <b><u>(59,022)</u></b>                     |

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**8 Administrative expense**

In addition to payroll costs in note 9, administrative expense includes:

|  | <b>Group</b>                               |  |
|--|--|--|
|  | <b>6 months ended<br/>30 June<br/>2025</b> | <b>6 months ended<br/>30 June<br/>2024</b> |
|  | <b>£'000</b>                               | <b>£'000</b>                               |
| Depreciation – other assets  | (51)                                       | (61)                                       |
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | (356)                                      | (400)                                      |

**9 Staff numbers and costs**

The average monthly number of persons employed by the Group (including Directors of the Company and of its subsidiaries) during the period was as follows:

|                | <b>Group</b>                                    |   |
|----------------|---|---|
|                | <b>6 months<br/>30 June<br/>2025<br/>Number</b> | <b>6 months<br/>30 June<br/>2024<br/>Number</b> |
| Directors      | 5   | 5   |
| Operations     | 39  | 41  |
| Administration | 64  | 56  |
|                | <b>108</b>                                      | <b>102</b>                                      |

The aggregate payroll costs of these persons were as follows:

|  | <b>Group</b>   |  |
|--|--|--|
|  | <b>6 months ended<br/>30 June<br/>2025<br/>£'000</b> | <b>6 months ended<br/>30 June<br/>2024<br/>£'000</b> |
| Wages and salaries                                   | (7,231)  | (6,824)  |
| Social security costs                                | (947)  | (891)  |
| Contributions to defined contribution pension scheme | (481)  | (440)  |
| Defined benefit pension scheme service cost          | (73)   | (79)   |
|  | <b>(8,732)</b>                                       | <b>(8,234)</b>                                       |

**10 Directors' emoluments**

Directors' emoluments are borne by Eversholt Rail Limited.

None of the Directors have any share options or interests in the share capital of the Company.

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

## 11 Income tax charge

Amounts include the following tax (charge)/credit:

|   | Note | Group<br>(Restated*)<br>6 months ended<br>30 June<br>2025<br>£'000 | 6 months ended<br>30 June<br>2024<br>£'000 |
|---|------|--|--|
| <b>Current tax</b>  |      |  |  |
| UK corporation tax  |      |  |  |
| - On current period result                                    |      | (13,527)   | (9,457)                                    |
| - On prior year result  |      | -  | (555)                                      |
|   |      | <u>(13,527)</u>  | <u>(10,012)</u>                            |
| <b>Deferred tax</b>   |      |  |  |
| Origination and reversal of temporary differences (Restated*) | 15   | 482  | (3,154)                                    |
| Adjustment in respect of prior year                           | 15   | -  | 645  |
|   |      | <u>482</u>   | <u>(2,509)</u>                             |
|   |      |  |  |
| <b>Income tax charge (Restated*)</b>                          |      | <u>(13,045)</u>  | <u>(12,521)</u>                            |

Corporation tax has been calculated by reference to the current tax rate of 25% (2024: 25%).

Deferred tax is calculated by reference to the tax rates that apply when the corresponding deferred tax asset is realised or deferred tax liability settled. The applicable rate that has been enacted or substantively enacted by 30 June 2025 is 25% (2024: 25%)

The following table reconciles the tax charge which would apply if all profits had been taxed at 25% (2024: 25%).

|   | Group<br>(Restated*)                 |                                      |
|---|--------------------------------------|--------------------------------------|
|   | 6 months<br>ended<br>30 June<br>2025 | 6 months<br>ended<br>30 June<br>2024 |
|   | £'000                                | £'000                                |
| Profit before tax                                   | 51,841                               | 50,131                               |
| Taxation at corporation tax rate of 25% (2024: 25%) | (12,960)                             | (12,534)                             |
| Prior years adjustment                              | -                                    | 90                                   |
| Permanent tax differences                           | (85)                                 | (77)                                 |
| <b>Income tax charge (Restated*)</b>                | <b>(13,045)</b>                      | <b>(12,521)</b>                      |

\*Refer to note 2.1 for further details regarding the prior period restatement.

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**11 Income tax charge (continued)**

In addition to the amount charged to the Income statement, the aggregate amount of current and deferred tax relating to components of other comprehensive income, resulted in a loss of £1,006,000 recognised in total comprehensive income (6 months ended 30 June 2024: £2,090,000 loss).

**Tax receivable in the Statement of financial position**

The Group's tax receivable as 30 June 2025 includes tax recoverable in relation to prior years. During 2022, the Group settled a number of outstanding issues with the tax authorities and, as a consequence, it was estimated that the Group had overpaid tax of £15,038,000 for these years. The Group has so far recovered £8,570,000 in 2025, leaving £6,438,000 at 30 June 2025 that is still to be collected.

**12 Property, plant and equipment**

**Group**

|   | Other assets<br>£'000 | Rolling stock<br>and other<br>railway assets<br>£'000 | Total<br>£'000   |
|---|-----------------------|---|------------------|
| <b>Cost</b>                                     |                       |   |                  |
| Balance at 1 January 2024                       | 415                   | 3,000,991   | 3,001,406        |
| Additions                                       | 42                    | 5,488   | 5,530            |
| Disposals                                       | -                     | (22,483)  | (22,483)         |
| <b>Balance at 31 December 2024</b>              | <b>457</b>            | <b>2,983,996</b>                                      | <b>2,984,453</b> |
| Additions                                       | 5                     | 2,501   | 2,506            |
| Disposals                                       | -                     | (93,098)  | (93,098)         |
| <b>Balance at 30 June 2025</b>                  | <b>462</b>            | <b>2,893,399</b>                                      | <b>2,893,861</b> |
| <b>Accumulated depreciation and write-downs</b> |                       |   |                  |
| Balance at 1 January 2024                       | 169                   | 1,129,388   | 1,129,557        |
| Charge for the year                             | 118                   | 96,298  | 96,416           |
| Write-down                                      | -                     | 13,017  | 13,017           |
| Disposals                                       | -                     | (22,483)  | (22,483)         |
| <b>Balance at 31 December 2024</b>              | <b>287</b>            | <b>1,216,220</b>                                      | <b>1,216,507</b> |
| Charge for the period                           | 51                    | 48,065  | 48,116           |
| Write-down                                      | -                     | -   | -                |
| Disposals                                       | -                     | (93,098)  | (93,098)         |
| <b>Balance at 30 June 2025</b>                  | <b>338</b>            | <b>1,171,187</b>                                      | <b>1,171,525</b> |
| <b>Carrying value at 30 June 2025</b>           | <b>124</b>            | <b>1,722,212</b>                                      | <b>1,722,336</b> |
| Carrying value at 31 December 2024              | 170                   | 1,767,776   | 1,767,946        |

Other assets relate to office equipment.

The depreciation charge is included within cost of sales in the Condensed, consolidated income statement. In addition, following a review of recoverable values, there is no write-down in the 6 months ended 30 June 2025. In 2024, the Company wrote down the net book value of rolling stock by £13,017,000. This reflected the extent to which the net book value of rolling stock exceeded recoverable value. The write-down was included as part of the accumulated depreciation.

All rolling stock assets are subject to operating lease arrangements or are available to lease under such arrangements.



**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**13 Right-of-use assets**

| <b>Group</b>                  | <b>Other railway<br/>assets and land<br/>£'000</b> |
|-------------------------------|--|
| As at 1 January 2024          | 6,617  |
| Additions                     | -  |
| Depreciation charge           | (601)  |
| Re-measurement*               | 550  |
| Write-down**                  | (101)  |
| Transfer***                   | (449)  |
| <b>As at 31 December 2024</b> | <b>6,016</b>                                       |
| Depreciation charge           | (256)  |
| <b>As at 30 June 2025</b>     | <b>5,760</b>                                       |

\*This relates to the re-measurement of a depot lease right-of-use asset, arising from the reassessment of the term of the corresponding head lease agreement. There is a corresponding adjustment to the lease liabilities (see note 17).

\*\*In 2024, following a review of recoverable value, the Company wrote down the net book value of the right-of-use asset by £101,000. This reflected the extent to which the net book value exceeded expected recoverable value. The write-down was included as part of accumulated depreciation. There has been no further charge in 2025.

\*\*\*This relates to the lease of the depot lease right-of-use asset under a finance lease (see note 14).

Lease rentals are reviewed periodically in accordance with the terms of the agreement and revised accordingly.

**14 Finance lease receivables**

|   | <b>Group<br/>30 June<br/>2025<br/>£'000</b> | <b>31 December<br/>2024<br/>£'000</b> |
|---|---|---------------------------------------|
| Gross investment in finance leases                      |   |                                       |
| <i>Amounts falling due:</i>                             |   |                                       |
| No later than one year                                  | 1,507                                       | 1,507                                 |
| Later than one year and no later than five years        | 2,641                                       | 3,401                                 |
| <b>Total gross investment in finance leases</b>         | <b>4,148</b>                                | <b>4,908</b>                          |
| Unearned finance income                                 | (464)                                       | (636)                                 |
| <b>Net investment in finance leases less provisions</b> | <b>3,684</b>                                | <b>4,272</b>                          |
| Amortisation of finance lease receivables:              |   |                                       |
| <i>Amounts falling due:</i>                             |   |                                       |
| No later than one year                                  | 1,240                                       | 1,190                                 |
| Later than one year and no later than five years        | 2,444                                       | 3,082                                 |
| <b>Present value of minimum lease receivables</b>       | <b>3,684</b>                                | <b>4,272</b>                          |
| Aggregate finance lease income receivable in the year   | 167   | 250                                   |

In 2024, the Group entered into a finance leasing arrangement for one of its depots. This finance lease arrangement has been extended and expires in 2028. The gross investment in finance leases at 31 December 2024 includes the £449,000 transferred from right-of-use assets (note 13), together with the remeasurement of a finance lease receivable £4,193,000. The fair value of fixed rate finance lease receivables is calculated by discounting future minimum lease receivables, using current interest rates applicable to the remaining term of the lease. The fair values are not considered to be significantly different from the carrying value.

Finance lease receivable balances are secured over the depot. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**15 Deferred tax**

Deferred tax assets and liabilities are offset where the Group meets the relevant criteria. The following is the analysis of the deferred tax balances:

|                          | <b>Group</b>                      |                                       |
|--------------------------|-----------------------------------|---------------------------------------|
|                          | <b>30 June<br/>2025<br/>£'000</b> | <b>31 December<br/>2024<br/>£'000</b> |
| Deferred tax liabilities | 24,752                            | 25,689                                |
| Deferred tax assets      | (19,048)                          | (20,510)                              |
|                          | <b>5,704</b>                      | <b>5,179</b>                          |

In assessing the recoverability of deferred tax assets, the Group considers the extent to which it is probable that there will be sufficient taxable profits in the future to allow the benefit of part or all of the deferred tax asset to be utilised. In assessing this, the Group considers internal profit projections and budgets and related tax impacts, as well as the amount and timing of the reversal of timing differences giving rise to deferred tax liabilities at the balance sheet date.

The following are the major deferred tax (assets)/liabilities recognised by the Group and movements thereon during the current and prior reporting period:

| <b>Group</b>                                    | <b>(Restated*)<br/>Capital<br/>Allowances<br/>£'000's</b> | <b>Provision<br/>£'000's</b> | <b>Fair value<br/>of<br/>derivatives<br/>£'000's</b> | <b>Retirement<br/>benefit<br/>(obligation)<br/>/asset<br/>£'000's</b> | <b>Tax losses<br/>£'000's</b> | <b>Other tax<br/>attributes<br/>£'000's</b> | <b>(Restated*)<br/>Total<br/>£'000's</b> |
|---|---|------------------------------|--|---|-------------------------------|---|--|
| <b>At 1 January 2024 (Restated*)</b>            | 26,565  | (651)                        | (25,886)   | 168   | (47)                          | (164)                                       | (15)                                     |
| (Credit)/charge to the Income statement         | (329)   | -                            | 3,215  | (5)   | -                             | 60  | 2,941                                    |
| Charge / (credit) to other comprehensive income | -   | -                            | 3,330  | (341)   | -                             | -   | 2,989                                    |
| Prior year adjustments                          | (547)   | (143)                        | (47)   | 1   | -                             | -   | (736)                                    |
| <b>At 31 December 2024</b>                      | 25,689  | (794)                        | (19,388)   | (177)   | (47)                          | (104)                                       | 5,179                                    |
| (Credit)/charge to the Income statement         | (937)   | -                            | 431  | -   | -                             | 24  | (482)                                    |
| Charge / (credit) to other comprehensive income | -   | -                            | 1,055  | (48)  | -                             | -   | 1,007                                    |
| <b>Balance as at 30 June 2025</b>               | <b>24,752</b>   | <b>(794)</b>                 | <b>(17,902)</b>                                      | <b>(225)</b>  | <b>(47)</b>                   | <b>(80)</b>                                 | <b>5,704</b>                             |

\*Refer to note 2.1 for further details regarding the prior period restatement.

The Group has an unrecognised deferred tax asset of £35,956,000 at 30 June 2025 (31 December 2024: £35,956,000) in relation to interest expense disallowed for tax purposes in the financial year under the Corporate Interest Restriction rules.

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**16 Trade and other receivables**

|                   | Group<br>30 June<br>2025<br>£'000 | 31 December<br>2024<br>£'000 |
|-------------------|-----------------------------------|------------------------------|
| Trade receivables | 9,459                             | 7,432                        |
| Accrued income    | 5,514                             | 6,304                        |
|                   | <u>14,973</u>                     | <u>13,736</u>                |

Trade receivables includes £1,041,000 (31 December 2024: £1,239,000) in relation to operating lease rentals and £446,000 (31 December 2024: £92,000) in relation to other receivables, for which a 12-month ECL allowance of £408,000 is carried (31 December 2024: £360,000). During the period there has been a increase of £48,000 in the expected credit loss allowance (6 months ended 30 June 2024: £17,000 release).

**17 Lease liabilities**

| Group                         | Other railway<br>assets - land<br>£'000 |
|-------------------------------|---|
| As at 1 January 2024          | 7,123                                   |
| Interest charge               | 149                                     |
| Payments                      | (768)                                   |
| Re-measurement*               | 550                                     |
| <b>As at 31 December 2024</b> | <b><u>7,054</u></b>                     |
| Interest charge               | 80                                      |
| Payments                      | (377)                                   |
| <b>As at 30 June 2025</b>     | <b><u>6,757</u></b>                     |

\*This relates to the re-measurement of the depot lease liabilities arising from the reassessment of the term of the head lease agreement. There is a corresponding adjustment to the right-of-use assets (see note 13).

Total lease liabilities can be analysed as follows:

|             | Group<br>30 June<br>2025<br>£'000 | 31 December<br>2024<br>£'000 |
|-------------|-----------------------------------|------------------------------|
| Current     | 622                               | 613                          |
| Non-current | 6,135                             | 6,441                        |
|             | <u>6,757</u>                      | <u>7,054</u>                 |

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**17 Lease liabilities (continued)**

**Maturity of lease liabilities**

The maturity profile of total undiscounted lease liabilities at 30 June 2025 was as follows:

|   | <b>Group</b>                      |                                       |
|---|-----------------------------------|---------------------------------------|
|   | <b>30 June<br/>2025<br/>£'000</b> | <b>31 December<br/>2024<br/>£'000</b> |
| Current   | <u>769</u>                        | <u>738</u>                            |
| In more than one year but not more than two years   | 769                               | 769                                   |
| In more than two years but not more than five years | 2,083                             | 2,183                                 |
| In more than five years                             | <u>3,741</u>                      | <u>4,209</u>                          |
| Non-current   | <u>6,593</u>                      | <u>7,161</u>                          |
|   | <u>7,362</u>                      | <u>7,899</u>                          |

**18 Derivative financial instruments**

The fair value of derivative financial instruments shown in the Statement of financial position, includes related accrued interest.

Amounts included under each "Derivative financial instruments" heading are analysed below:

|  | <b>Note</b>      | <b>Group</b>                      |                                       |
|--|------------------|-----------------------------------|---------------------------------------|
|  |                  | <b>30 June<br/>2025<br/>£'000</b> | <b>31 December<br/>2024<br/>£'000</b> |
| <b>Non-current assets</b>  |                  |                                   |                                       |
| Fair value – excluding accrued interest  | <b>See below</b> | <b>161,798</b>                    | 152,427                               |
| Accrued interest   | <b>24</b>        | <u>4,267</u>                      | <u>5,200</u>                          |
|  |                  | <u>166,065</u>                    | <u>157,627</u>                        |
| <b>Non-current liabilities</b>   |                  |                                   |                                       |
| Fair value – excluding accrued interest  | <b>See below</b> | <b>(226,484)</b>                  | (222,725)                             |
| Accrued interest   | <b>24</b>        | <u>(7,138)</u>                    | <u>(8,149)</u>                        |
|  |                  | <u>(233,622)</u>                  | <u>(230,874)</u>                      |
| <b>Total derivative financial instruments<br/>(excluding accrued interest)</b> | <b>See below</b> | <u><b>(64,686)</b></u>            | <u>(70,298)</u>                       |
| <b>Total accrued interest</b>  | <b>24</b>        | <u><b>(2,871)</b></u>             | <u><b>(2,949)</b></u>                 |

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**18 Derivative financial instruments (continued)**

Excluding accrued interest, the fair values and maturity profile of the derivative financial instruments are as follows:

| 30 June 2025                                   | Maturity      | Notional amount  | Group Fair value amount | Change in fair value used for calculating hedge ineffectiveness gain/(loss) |
|--|---------------|------------------|-------------------------|---|
|  |               | £'000            | £'000                   | £'000   |
| <b>Non-current assets</b>                      |               |                  |                         |   |
| Interest rate swap contracts - hedge accounted | December 2036 | (100,000)        | 3,430                   | (780)   |
| Interest rate swap contracts                   | April 2040    | (300,000)        | 84,848                  | -   |
| Interest rate swap contracts                   | July 2045     | (243,768)        | 56,125                  | -   |
| Interest rate swap contracts - hedge accounted | October 2049  | (237,500)        | 17,395                  | 2,860   |
|  |               | <u>(881,268)</u> | <u>161,798</u>          | <u>2,080</u>  |
| <b>Non-current liabilities</b>                 |               |                  |                         |   |
| Interest rate swap contracts                   | June 2040     | 300,000          | (140,743)               | -   |
| Interest rate swap contracts                   | July 2045     | 243,768          | (85,741)                | -   |
|  |               | <u>543,768</u>   | <u>(226,484)</u>        | <u>-</u>  |
| <b>Total derivative financial instruments</b>  |               | <u>(337,500)</u> | <u>(64,686)</u>         | <u>2,080</u>  |
| <b>31 December 2024</b>                        |               |                  |                         |   |
|  | Maturity      | Notional amount  | Fair value amount       | Change in fair value used for calculating hedge ineffectiveness gain/(loss) |
|  |               | £'000            | £'000                   | £'000   |
| <b>Non-current assets</b>                      |               |                  |                         |   |
| Interest rate swap contracts - hedge accounted | December 2036 | (100,000)        | 4,209                   | 5,455   |
| Interest rate swap contracts                   | April 2040    | (300,000)        | 81,730                  | -   |
| Interest rate swap contracts                   | July 2045     | (244,512)        | 51,953                  | -   |
| Interest rate swap contracts - hedge accounted | October 2049  | (237,500)        | 14,535                  | 4,658   |
|  |               | <u>(882,012)</u> | <u>152,427</u>          | <u>10,113</u>   |
| <b>Non-current liabilities</b>                 |               |                  |                         |   |
| Interest rate swap contracts                   | June 2040     | 300,000          | (139,681)               | -   |
| Interest rate swap contracts                   | July 2045     | 244,512          | (83,044)                | -   |
|  |               | <u>544,512</u>   | <u>(222,725)</u>        | <u>-</u>  |
| <b>Total derivative financial instruments</b>  |               | <u>(337,500)</u> | <u>(70,298)</u>         | <u>10,113</u>   |

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**18 Derivative financial instruments (continued)**

The fair value of derivative financial instruments at 30 June 2025 is based on market rates at 30 June 2025. The comparative fair values at 31 December 2024 are based on market rates at 31 December 2024.

The notional of derivative financial instruments not designated in hedge relationships offset each other in periods up to 2045. The instruments designated in hedge relationships maturing in 2036 hedge variable rate funding costs from 2025 to 2036. The instruments designated in hedge relationships maturing in 2049 are forward starting interest rate swaps that hedge highly probable forecast variable rate funding costs from 2040 to 2049.

The Group's swap contracts that are included in a hedge accounting relationship, are used to manage its overall hedging ratio.

The carrying value of the interest rate swaps set out in the above table at 30 June 2025, includes £3,918,000 (31 December 2024: £4,032,000) in relation to a day one loss arising on the restructure of certain derivatives. This "loss" is the difference on initial recognition between the transaction price and the fair value of the restructured derivatives. Representing an input into the valuation that was not market observable at the time of the restructure, this amount is being amortised to the Income Statement over the life of the related instruments. During the 6 months ended 30 June 2025 £114,000 (6 months ended 30 June 2024: £114,000) was recognised in the Income statement under the heading "Net fair value gain on derivative financial instruments".

**Movement in fair value of Derivative financial instruments**

|   | Interest rate swap contracts |                               |                 |
|---|------------------------------|-------------------------------|-----------------|
|   | Not hedge<br>accounted       | Current<br>hedge<br>accounted | Total           |
|   | £'000                        | £'000                         | £'000           |
| <b>Balance as at 1 January 2024</b>                       | (104,410)                    | 8,631                         | (95,779)        |
| Unrealised gain through the Income statement              |                              |                               |                 |
| - Hedge ineffectiveness                                   | -                            | 1,319                         | 1,319           |
| - Change in fair value of non-hedge accounted derivatives | 15,368                       | -                             | 15,368          |
|   | 15,368                       | 1,319                         | 16,687          |
| Unrealised gain through other comprehensive income        | -                            | 8,794                         | 8,794           |
| <b>Balance as at 31 December 2024</b>                     | <b>(89,042)</b>              | <b>18,744</b>                 | <b>(70,298)</b> |
| Unrealised gain through the Income statement              |                              |                               |                 |
| - Hedge ineffectiveness                                   | -                            | 199                           | 199             |
| - Change in fair value of non-hedge accounted derivatives | 3,532                        | -                             | 3,532           |
|   | 3,532                        | 199                           | 3,731           |
| Unrealised gain through other comprehensive income        | -                            | 1,881                         | 1,881           |
| <b>Balance as at 30 June 2025</b>                         | <b>(85,510)</b>              | <b>20,824</b>                 | <b>(64,686)</b> |

## Notes to the condensed, consolidated interim financial statements (continued)

for the 6 months ended 30 June 2025

### 18 Derivative financial instruments (continued)

Amounts affecting the Statement of comprehensive income and financial position, are as follows:

#### Movement in Hedging reserve for the 6 months ended 30 June 2025

##### Group

|  | Interest rate swap contracts<br>Current<br>hedge<br>accounted<br>£'000 | Terminated<br>hedge<br>accounted<br>£'000 | Total<br>£'000 |
|--|--|---|----------------|
| <b>Balance as at 1 January 2024</b>                            | (12,460)   | 64,276                                    | 51,816         |
| Unrealised gain through Other comprehensive income             | (8,794)  | -   | (8,794)        |
| Effective portion of changes in fair value of cash flow hedges | (8,794)  | -   | (8,794)        |
| Transfer to Income statement                                   | -  | (4,525)                                   | (4,525)        |
| Income tax on Other comprehensive income                       | 2,199  | 1,131                                     | 3,330          |
| <b>Balance as at 31 December 2024</b>                          | <b>(19,055)</b>  | <b>60,882</b>                             | <b>41,827</b>  |
| Unrealised gain through Other comprehensive income             | (1,881)  | -   | (1,881)        |
| Effective portion of changes in fair value of cash flow hedges | (1,881)  | -   | (1,881)        |
| Transfer to Income statement                                   | -  | (2,342)                                   | (2,342)        |
| Income tax on Other comprehensive income                       | 470  | 585                                       | 1,055          |
| <b>Balance as at 30 June 2025</b>                              | <b>(20,466)</b>  | <b>59,125</b>                             | <b>38,659</b>  |

#### 18.1 Foreign exchange forward contracts

The Company has no outstanding foreign exchange forward contracts as they were all settled in 2020 and have no arrangements that give rise to a cashflow hedge relationship.

#### 18.2 Interest rate swap contracts

The hedging reserve contains balances relating to settled derivative contracts, where the hedged future cashflows are still expected to occur.

Cumulative unrealised losses of £59,125,000 (31 December 2024: £60,882,000) relating to interest rate swaps where the hedge relationship was terminated in prior years remain in the hedging reserve and will be recognised in the Income statement in future years, when the originally hedged future cashflows occur. At 30 June 2025, the Group held interest rate swaps with a fair value liability of £85,510,000 (31 December 2024: £89,042,000 liability) which were not designated in hedging relationships for accounting purposes.

## Notes to the condensed, consolidated interim financial statements (continued)

for the 6 months ended 30 June 2025

### 18 Derivative financial instruments (continued)

#### 18.2 Interest rate swap contracts (continued)

As at 30 June 2025, the Group's hedge accounted swaps were deemed to be effective and the fair value asset associated to these interest rate swaps was £20,824,000 asset (31 December 2024: £18,744,000 asset).

Hedge ineffectiveness gain of £199,000 (6 months ended 30 June 2024: £125,000 gain) was calculated by reference to the following:

- Change in the fair value of the hedged item used as a basis of recognising hedge ineffectiveness loss of £1,881,000 (6 months ended 30 June 2024: £5,545,000 loss); and
- Change in the fair value of the interest rate swaps used as a basis of recognising hedge ineffectiveness gain of £2,080,000 (6 months ended 30 June 2024: £5,670,000 gain).

These changes are the aggregate of the changes in the fair value of the hedged items and interest rate swaps for hedging relationships described above.

Hedge ineffectiveness can be attributed to where actual funding profiles were different to those originally expected.

Certain bond agreements include contractual obligations to settle cross-currency derivative financial instruments, that the lender has entered into pursuant to the bonds, in the event that the Security Group either defaults on or repays the bonds before maturity. The embedded derivatives resulting from such arrangements have been valued at £nil (31 December 2024: £nil) on the basis that the Group is not in default and is not forecast to be in default or repay bonds early.

### 19 Cash and cash deposits

Cash and cash deposits are analysed as:

|   | Group                    |                              |
|---|--------------------------|------------------------------|
|   | 30 June<br>2025<br>£'000 | 31 December<br>2024<br>£'000 |
| Cash  | 15,938                   | 29,657                       |
| Cash deposits   | 345,789                  | 328,439                      |
| <b>Cash and cash equivalents</b>                            | <b>361,727</b>           | <b>358,096</b>               |
| Short-term deposits with maturity greater than three months | 132,000                  | 75,000                       |
| <b>Cash and cash deposits</b>                               | <b>493,727</b>           | <b>433,096</b>               |

Within cash and cash equivalents there is a deposit of £2,600,000 (31 December 2024: £2,600,000) which is restricted as it provides security for the Profit Participating Shares issued by a subsidiary. £500,000 of cash and cash equivalents (31 December 2024: £500,000) is restricted cash in line with the terms of an agreement with the security trustee for the Group's secured creditors.



**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**20 Other financial assets**

|  | Group                    |                              |
|--|--------------------------|------------------------------|
|  | 30 June<br>2025<br>£'000 | 31 December<br>2024<br>£'000 |
| Investments in money market liquidity funds at the beginning of the period | 3,618                    | 3,501                        |
| Change in fair value (note 6)  | 77                       | 117                          |
| <b>Investments in money market liquidity funds at end of the period</b>    | <b>3,695</b>             | <b>3,618</b>                 |

The investment in financial assets represents an investment in a money market liquidity fund that is carried at fair value through profit and loss.

**21 Other liabilities**

Other liabilities represent amounts charged to customers under current contracts in relation to their share of future maintenance costs after the expiry of the current lease. These amounts will be paid out over the course of future leases to, as yet unidentified, future lessees who will undertake the future rolling stock maintenance. Such amounts will never be recognised as revenue in the Group's Income statement and can be analysed as follows:

|             | Group                    |                              |
|-------------|--------------------------|------------------------------|
|             | 30 June<br>2025<br>£'000 | 31 December<br>2024<br>£'000 |
| Current     | 14,620                   | 14,874                       |
| Non-current | 297,172                  | 278,725                      |
|             | <b>311,792</b>           | <b>293,599</b>               |

**22 Trade and other payables**

|   | Group                    |                              |
|---|--------------------------|------------------------------|
|   | 30 June<br>2025<br>£'000 | 31 December<br>2024<br>£'000 |
| Trade and other payables                | 6,231                    | 4,054                        |
| Lease rentals received in advance       | 11,548                   | 24,212                       |
| Maintenance and administrative accruals | 13,049                   | 14,160                       |
| Other payables                          | 5,911                    | 5,740                        |
| Other accruals                          | 250                      | 250                          |
|   | <b>36,989</b>            | <b>48,416</b>                |

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**23 Borrowings**

|                             | Group<br>30 June<br>2025<br>£'000 | 31 December<br>2024<br>£'000 |
|-----------------------------|-----------------------------------|------------------------------|
| <b>Current</b>              |                                   |                              |
| Interest accrued            | 15,634                            | 16,119                       |
| Bonds                       | 304,246                           | 322,061                      |
| Transaction costs           | (450)                             | (476)                        |
|                             | <u>319,430</u>                    | <u>337,704</u>               |
| <b>Non-current</b>          |                                   |                              |
| Bonds                       | 1,429,635                         | 1,455,232                    |
| Transaction costs           | (3,947)                           | (4,163)                      |
| Profit Participating Shares | 2,500                             | 2,500                        |
|                             | <u>1,428,188</u>                  | <u>1,453,569</u>             |
| <b>Total borrowings</b>     | <u>1,747,618</u>                  | <u>1,791,273</u>             |

The Group finances itself using a Common Documents platform. This means that all covenants on the performance and management of the Group apply to all Senior lenders. Failure to comply with these may result in Bank loans and Bonds being repayable on demand. The Group was in compliance with the covenants during period ended 30 June 2025 and earlier periods.

All Senior lenders are secured against substantially all of the Group's assets by way of fixed and floating charges. The security is held by The Law Debenture Trust Corporation plc (in its capacity as Security Trustee). The Group is not permitted to create additional security over its assets apart from in limited circumstances that have been agreed with its financiers.

Fees incurred on raising the finance set out in the above table have been capitalised and are being amortised using the effective interest method over the term of the borrowings.

| Bond principal amount | Interest rate<br>Semi-annual<br>coupon | Due date  |
|-----------------------|--|-----------|
| £250m*                | 6.359%                                 | 2025      |
| £286m**               | 6.698%                                 | 2025-2035 |
| £100m                 | SONIA + margin                         | 2029-2036 |
| £90m                  | Fixed rate                             | 2030      |
| £50m                  | Fixed rate                             | 2029-2036 |
| £100m                 | Fixed rate                             | 2026-2031 |
| £100m                 | Fixed rate                             | 2037      |
| £400m                 | 3.529%                                 | 2034-2042 |
| £385m***              | 2.742%                                 | 2024-2040 |

None of the Bonds are puttable.

\* During the six months ended 30 June 2025, £17,815,000 (six months ended 30 June 2024: £nil) of the bond was repaid.

\*\* During the six months ended 30 June 2025, £14,286,000 (six months ended 30 June 2024: £14,286,000) of the bond was repaid.

\*\*\* During the six months ended 30 June 2025, £12,821,000 (six months ended 30 June 2024: £12,821,000) of the bond was repaid.

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**23 Borrowings (continued)**

The Profit Participating Shares ("PPS") carry a right to quarterly dividends. The PPS dividend has two parts. The first part confers a right to a SONIA based return. The second part confers a right to 0.1% of post-tax profits arising in the issuing company during the reference period. The PPS are classified as a non-current liability as the holders of these shares have a fixed entitlement to a dividend.

**Maturity of borrowings**

The maturity profile of the carrying amount of the Group's non-current borrowings at 30 June 2025 was as follows:

|   | <b>Group</b>        |                         |
|---|---------------------|-------------------------|
|   | <b>30 June 2025</b> | <b>31 December 2024</b> |
|   | <b>£'000</b>        | <b>£'000</b>            |
| In more than one year but not more than two years   | 87,212              | 87,212                  |
| In more than two years but not more than five years | 235,762             | 226,387                 |
| In more than five years                             | 1,109,161           | 1,144,133               |
| Transaction costs                                   | (3,947)             | (4,163)                 |
|   | <b>1,428,188</b>    | <b>1,453,569</b>        |

**24 Reconciliation of liabilities arising from financing activities**

|  | <b>Group</b>                  |                           |                                 |   |                           |
|--|-------------------------------|---------------------------|---------------------------------|---|---------------------------|
| <b>30 June 2025</b>                          | <b>As at 31 December 2024</b> | <b>Cash flow payments</b> | <b>Non-cash finance expense</b> | <b>Non-cash other movements reduction</b> | <b>As at 30 June 2025</b> |
|  | <b>£'000</b>                  | <b>£'000</b>              | <b>£'000</b>                    | <b>£'000</b>                              | <b>£'000</b>              |
| <b>Financing activities attributable to:</b> |                               |                           |                                 |   |                           |
| <b>Liabilities</b>                           |                               |                           |                                 |   |                           |
| Bond interest accrued                        | 16,013                        | (40,253)                  | 39,802                          | -   | 15,562                    |
| Swap interest accrued                        | 2,949                         | (4,688)                   | 4,610                           | -   | 2,871                     |
| Profit Participating Share dividends         | 106                           | (178)                     | 144                             | -   | 72                        |
| Bonds  | 1,777,293                     | (44,922)                  | 1,510                           | -   | 1,733,881                 |
| Profit Participating Shares                  | 2,500                         | -                         | -                               | -   | 2,500                     |
|  | <b>1,798,861</b>              | <b>(90,041)</b>           | <b>46,066</b>                   | <b>-</b>                                  | <b>1,754,886</b>          |
| <b>Assets</b>                                |                               |                           |                                 |   |                           |
| Capitalised transaction costs                | (4,639)                       | -                         | 242                             | -   | (4,397)                   |

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**24 Reconciliation of liabilities arising from financing activities (continued)**

| 30 June 2024                                 | Group                                 |                                |   |  |                                |
|--|---------------------------------------|--------------------------------|---|--|--------------------------------|
|  | As at 31<br>December<br>2023<br>£'000 | Cash flow<br>payments<br>£'000 | Non-cash<br>finance<br>expense<br>£'000 | Non-cash<br>other<br>movements<br>reduction<br>£'000 | As at 30<br>June 2024<br>£'000 |
| <b>Financing activities attributable to:</b> |                                       |                                |   |  |                                |
| <b>Liabilities</b>                           |                                       |                                |   |  |                                |
| Bond interest accrued                        | 16,840                                | (42,229)                       | 41,735                                  | -  | 16,346                         |
| Swap interest accrued                        | 2,924                                 | (4,698)                        | 4,676                                   | -  | 2,902                          |
| Profit Participating Share dividends         | 251                                   | (327)                          | 184                                     | -  | 108                            |
| Bonds  | 1,831,904                             | (27,107)                       | 1,564                                   | -  | 1,806,361                      |
| Profit Participating Shares                  | 2,500                                 | -                              | -                                       | -  | 2,500                          |
|  | <u>1,854,419</u>                      | <u>(74,361)</u>                | <u>48,159</u>                           | <u>-</u>   | <u>1,828,217</u>               |
| <b>Assets</b>                                |                                       |                                |   |  |                                |
| Capitalised transaction costs                | <u>(5,127)</u>                        | <u>-</u>                       | <u>242</u>                              | <u>-</u>   | <u>(4,885)</u>                 |

**25 Provisions**

|                     | Group                    |                              |
|---------------------|--------------------------|------------------------------|
|                     | 30 June<br>2025<br>£'000 | 31 December<br>2024<br>£'000 |
| Non-current - other | <u>6,215</u>             | <u>6,215</u>                 |

**26 Share capital**

|   | Company              |                          |
|---|----------------------|--------------------------|
|   | 30 June<br>2025<br>£ | 31 December<br>2024<br>£ |
| <b>Authorised</b><br>103 Ordinary shares of £1 each                         | <u>103</u>           | <u>103</u>               |
| <b>Allotted, called up and fully paid</b><br>103 Ordinary shares of £1 each | <u>103</u>           | <u>103</u>               |

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

## Notes to the condensed, consolidated interim financial statements (continued)

for the 6 months ended 30 June 2025

### 27 Risk management

The types of risks to which the Group is exposed during the period and the Group's approach toward risk management, are consistent with the risks and approach described in the Group's 2024 consolidated annual financial statements.

Undiscounted cash flows in respect of financial assets and financial liabilities are analysed below by their contractual due date:

| Group                              | Carrying Value<br>£'000 | Contractual Cash flows<br>£'000 | On Demand<br>£'000 | Due within 1 year<br>£'000 | Due between 1-5 years<br>£'000 | Due after 5 years<br>£'000 |
|------------------------------------|-------------------------|---------------------------------|--------------------|----------------------------|--------------------------------|----------------------------|
| <b>30 June 2025</b>                |                         |                                 |                    |                            |                                |                            |
| <b>Financial assets</b>            |                         |                                 |                    |                            |                                |                            |
| Fair value through profit or loss  |                         |                                 |                    |                            |                                |                            |
| - Other financial assets           | 3,695                   | 3,695                           | 3,695              | -                          | -                              | -                          |
| - Derivative financial instruments | 166,065                 | 284,351                         | -                  | 40,009                     | 36,597                         | 207,745                    |
| Amortised cost                     |                         |                                 |                    |                            |                                |                            |
| - Finance lease receivables        | 3,684                   | 4,148                           | -                  | 1,507                      | 2,641                          | -                          |
| - Trade and other receivables      | 14,973                  | 14,973                          | -                  | 14,973                     | -                              | -                          |
| - Cash and cash equivalents        | 361,727                 | 361,727                         | 15,938             | 345,789                    | -                              | -                          |
| - Short term deposits              | 132,000                 | 132,000                         | -                  | 132,000                    | -                              | -                          |
|                                    | <b>682,144</b>          | <b>800,894</b>                  | <b>19,633</b>      | <b>534,278</b>             | <b>39,238</b>                  | <b>207,745</b>             |
| <b>Financial liabilities</b>       |                         |                                 |                    |                            |                                |                            |
| Fair value through profit or loss  |                         |                                 |                    |                            |                                |                            |
| - Derivative financial instruments | 233,622                 | 416,131                         | -                  | 71,145                     | 72,826                         | 272,160                    |
| Amortised cost                     |                         |                                 |                    |                            |                                |                            |
| - Trade and other payables         | 36,989                  | 36,989                          | -                  | 36,989                     | -                              | -                          |
| - Borrowings                       | 1,752,015               | 2,735,750                       | -                  | 373,129                    | 536,385                        | 1,826,236                  |
|                                    | <b>2,022,626</b>        | <b>3,188,870</b>                | <b>-</b>           | <b>481,263</b>             | <b>609,211</b>                 | <b>2,098,396</b>           |
| <b>Total financial instruments</b> | <b>(1,340,482)</b>      | <b>(2,387,976)</b>              | <b>19,633</b>      | <b>53,015</b>              | <b>(569,973)</b>               | <b>(1,890,651)</b>         |

| Group                              | Carrying Value<br>£'000 | Contractual Cash flows<br>£'000 | On Demand<br>£'000 | Due within 1 year<br>£'000 | Due between 1-5 years<br>£'000 | Due after 5 years<br>£'000 |
|------------------------------------|-------------------------|---------------------------------|--------------------|----------------------------|--------------------------------|----------------------------|
| <b>31 December 2024</b>            |                         |                                 |                    |                            |                                |                            |
| <b>Financial assets</b>            |                         |                                 |                    |                            |                                |                            |
| Fair value through profit or loss  |                         |                                 |                    |                            |                                |                            |
| - Other financial assets           | 3,618                   | 3,618                           | 3,618              | -                          | -                              | -                          |
| - Derivative financial instruments | 157,627                 | 265,398                         | -                  | 40,514                     | 45,815                         | 179,069                    |
| Amortised cost                     |                         |                                 |                    |                            |                                |                            |
| - Finance lease receivables        | 4,272                   | 4,908                           | -                  | 1,507                      | 3,401                          | -                          |
| - Trade and other receivables      | 13,736                  | 13,736                          | -                  | 13,736                     | -                              | -                          |
| - Cash and cash equivalents        | 358,096                 | 358,096                         | 29,657             | 328,439                    | -                              | -                          |
| - Short term deposits              | 75,000                  | 75,000                          | -                  | 75,000                     | -                              | -                          |
|                                    | <b>612,349</b>          | <b>720,756</b>                  | <b>33,275</b>      | <b>459,196</b>             | <b>49,216</b>                  | <b>179,069</b>             |
| <b>Financial liabilities</b>       |                         |                                 |                    |                            |                                |                            |
| Fair value through profit or loss  |                         |                                 |                    |                            |                                |                            |
| - Derivative financial instruments | 230,874                 | 402,576                         | -                  | 71,515                     | 80,687                         | 250,374                    |
| Amortised cost                     |                         |                                 |                    |                            |                                |                            |
| - Trade and other payables         | 48,416                  | 48,416                          | -                  | 48,416                     | -                              | -                          |
| - Borrowings                       | 1,795,912               | 2,887,902                       | -                  | 401,611                    | 534,867                        | 1,951,424                  |
|                                    | <b>2,075,202</b>        | <b>3,338,894</b>                | <b>-</b>           | <b>521,542</b>             | <b>615,554</b>                 | <b>2,201,798</b>           |
| <b>Total financial instruments</b> | <b>(1,462,853)</b>      | <b>(2,618,138)</b>              | <b>33,275</b>      | <b>(62,346)</b>            | <b>(566,338)</b>               | <b>(2,022,729)</b>         |

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**27 Risk management (continued)**

The borrowings in the above table that are measured at amortised cost can be reconciled to note 23 as follows:

|                               | Group            |
|-------------------------------|------------------|
|                               | 30 June 2025     |
|                               | 31 December 2024 |
|                               | £'000            |
|                               | £'000            |
| Borrowings as per above       | 1,752,015        |
| Less: transaction costs       | (4,397)          |
| <b>Borrowings per note 23</b> | <b>1,747,618</b> |
|                               | 1,795,912        |
|                               | (4,639)          |
|                               | <b>1,791,273</b> |

**28 Financial instruments**

The fair values together with the carrying amounts of the financial assets and financial liabilities are as follows:

| Group                              | Note | Carrying amount    |                  | Fair value       |                  |
|------------------------------------|------|--------------------|------------------|------------------|------------------|
| 30 June 2025                       |      | £'000              | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 |
| <b>Financial assets</b>            |      |                    |                  |                  |                  |
| Fair value through profit or loss  |      |                    |                  |                  |                  |
| - Other financial assets           | 20   | 3,695              | 3,695            |                  |                  |
| - Derivative financial instruments | 18   | 166,065            |                  | 166,065          |                  |
| Amortised cost                     |      |                    |                  |                  |                  |
| - Finance lease receivables        | 14   | 3,684              |                  | 3,684            |                  |
| - Trade and other receivables      | 16   | 14,973             |                  | 14,973           |                  |
| - Cash and cash deposits           | 19   | 361,727            |                  | 361,727          |                  |
| - Short term deposits              | 19   | 132,000            |                  | 132,000          |                  |
| <b>Total financial assets</b>      |      | <b>682,144</b>     |                  |                  |                  |
| <b>Financial liabilities</b>       |      |                    |                  |                  |                  |
| Fair value through profit or loss  |      |                    |                  |                  |                  |
| - Derivative financial instruments | 18   | 233,622            |                  | 233,622          |                  |
| Amortised cost                     |      |                    |                  |                  |                  |
| - Publicly traded bonds            | 23   | 1,293,881          | 1,194,708        |                  |                  |
| - Fixed rate borrowings            | 23   | 340,000            |                  | 309,392          |                  |
| - Other borrowings                 | 23   | 118,134            |                  | 118,134          |                  |
| - Trade and other payables         | 22   | 36,989             |                  | 36,989           |                  |
| <b>Total financial liabilities</b> |      | <b>2,022,626</b>   |                  |                  |                  |
| <b>Total financial instruments</b> |      | <b>(1,340,482)</b> |                  |                  |                  |

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**28 Financial instruments (continued)**

| Group                              | Note | Carrying amount    |                  | Fair value       |                  |
|------------------------------------|------|--------------------|------------------|------------------|------------------|
| 31 December 2024                   |      | £'000              | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 |
| <b>Financial assets</b>            |      |                    |                  |                  |                  |
| Fair value through profit or loss  |      |                    |                  |                  |                  |
| - Other financial assets           | 20   | 3,618              | 3,618            |                  |                  |
| - Derivative financial instruments | 18   | 157,627            |                  | 157,627          |                  |
| Amortised cost                     |      |                    |                  |                  |                  |
| - Finance lease receivables        | 14   | 4,272              |                  | 4,272            |                  |
| - Trade and other receivables      | 16   | 13,736             |                  | 13,736           |                  |
| - Cash and cash equivalents        | 19   | 358,096            |                  | 358,096          |                  |
| - Short term deposits              | 19   | 75,000             |                  | 75,000           |                  |
| <b>Total financial assets</b>      |      | <u>612,349</u>     |                  |                  |                  |
| <b>Financial liabilities</b>       |      |                    |                  |                  |                  |
| Fair value through profit or loss  |      |                    |                  |                  |                  |
| - Derivative financial instruments | 18   | 230,874            |                  | 230,874          |                  |
| Amortised cost                     |      |                    |                  |                  |                  |
| - Publicly traded bonds            | 23   | 1,337,293          | 1,214,304        |                  |                  |
| - Fixed rate borrowings            | 23   | 340,000            |                  | 298,119          |                  |
| - Other borrowings                 | 23   | 118,619            |                  | 118,619          |                  |
| - Trade and other payables         | 22   | 48,416             |                  | 48,416           |                  |
| <b>Total financial liabilities</b> |      | <u>2,075,202</u>   |                  |                  |                  |
| <b>Total financial instruments</b> |      | <u>(1,462,853)</u> |                  |                  |                  |

Carrying value is regarded as a reasonable approximation of fair value, when this is not provided in the above table. Only the derivative financial instruments and other financial assets are measured subsequent to initial recognition at fair value. All derivative financial instruments are grouped into level two, based on the degree to which the fair value is observable. Level two fair value measurements are those derived from inputs other than quoted prices that are observable from active markets either directly or indirectly.

The financial liabilities measured at amortised cost in the above table can be reconciled to note 23 as follows:

|  | Group            |                     |
|--|------------------|---------------------|
|  | 30 June<br>2025  | 31 December<br>2024 |
|  | £'000            | £'000               |
| Total financial liabilities as per above | 2,022,626        | 2,075,202           |
| Derivative financial instruments         | (233,622)        | (230,874)           |
| Capitalised transaction costs            | (4,397)          | (4,639)             |
| Trade and other payables                 | (36,989)         | (48,416)            |
| <b>Borrowings per note 23</b>            | <u>1,747,618</u> | <u>1,791,273</u>    |

**29 Retirement benefit scheme**

At 30 June 2025, there was a net defined benefit obligation of £900,000. At 31 December 2024, there was a net defined benefit liability of £710,000, the movement of £190,000 during the period (6 months ended 30 June 2024: £424,000) reflecting an increase in discount rate partially offset by adjustment for CPI inflation (equivalent to £142,000 reflecting the deferred tax impact).

**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

### 30 Operating lease arrangements

#### The Group as lessor

The Group has contracts with lessees in relation to rolling stock and depots. At the reporting date, the outstanding commitments for future undiscounted lease payments to be received under operating leases are as follows:

|  | 30 June<br>2025<br>£'000 | Group<br>31 December<br>2024<br>£'000 |
|--|--------------------------|---------------------------------------|
| Within one year  | 317,117                  | 272,283                               |
| 1-2 years  | 292,220                  | 217,756                               |
| 2-3 years  | 185,836                  | 192,910                               |
| 3-4 years  | 113,485                  | 72,431                                |
| 4-5 years  | 103,300                  | 40,027                                |
| Over 5 years   | 433,565                  | 204,720                               |
|  | <u>1,445,523</u>         | <u>1,000,127</u>                      |
| Aggregate operating lease rentals receivable in the period | <u>156,118</u>           | <u>301,302</u>                        |

#### The Group as lessee

The Group subleased certain right-of-use assets in relation to land and has recognised income of £79,000 during the period (31 December 2024: £145,000), which is included in the rentals receivables shown above.

### 31 Capital commitments

In respect of rolling stock capital expenditure:

|                           | 30 June<br>2025<br>£'000 | Group<br>31 December<br>2024<br>£'000 |
|---------------------------|--------------------------|---------------------------------------|
| Authorised and contracted | <u>31,561</u>            | <u>29,098</u>                         |

The above represents all capital commitments.

### 32 Dividends

For the period ended 30 June 2025, dividends of £nil were paid (6 months ended 30 June 2024: £30,000,000).

### 33 Related party transactions

#### 33.1 Identity of related parties

The Company has a related party relationship with its directors and with its fellow group undertakings of the Group, namely:

- Eversholt UK Rails Group Limited
- Eversholt UK Rails Limited
- Eversholt Rail Leasing Limited
- Eversholt Investment Limited
- European Rail Finance Limited
- Eversholt Funding plc
- Eversholt Rail Limited
- Eversholt Depot Finance Limited
- European Rail Finance (2) Limited



**Notes to the condensed, consolidated interim financial statements (continued)**  
for the 6 months ended 30 June 2025

**33 Related party transactions (continued)**

**33.1 Identity of related parties (continued)**

In the Company's interim financial statements for the 6 months ended 30 June 2024, Eversholt Finance Holdings Limited was reported as a related party. This is no longer the case as this company was voluntarily liquidated under English law in 2024.

The Directors of the Company consider the ultimate parent and controlling party to be Eversholt UK Rails Group Limited, incorporated in the UK.

Accordingly, the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and which the Company is a member of, is Eversholt UK Rails Group Limited.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and which the Company is a member of, is Eversholt UK Rails (Holding) Limited.

Copies of the consolidated financial statements of Eversholt UK Rails Group Limited (and Eversholt UK Rails (Holding) Limited) for the year ended 31 December 2024 may be obtained from the following registered address:

First Floor  
Chancery House  
53-64 Chancery Lane  
London  
WC2A 1QS

**33.2 Transactions with related parties**

The Group was charged a consultancy service fee of £66,000 (6 months ended to 30 June 2024: £60,000) by Eversholt UK Rails Limited and received a management fee of £34,000 (6 months ended to 30 June 2024: £38,000) from Eversholt UK Rails Limited during the first six months of the year.

Details of the Company's ordinary shares issued to Eversholt UK Rails Limited are set out in note 26.

**34 Contingent liabilities**

There were no contingent liabilities for the Group at 30 June 2025.

**35 Subsequent events**

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