

HSBC Rail (UK) Limited
Registered No: 2912638

Annual Report and Financial Statements for the year ended 31 December 2017



Annual Report and Financial Statements for the year ended 31 December 2017

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HSBC Rail (UK) Limited
Strategic Report

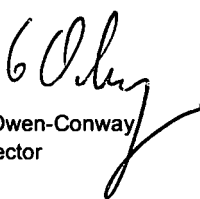
Review of the Company's business

HSBC Rail (UK) Limited (the 'Company') was dormant during 2017 and is expected to remain dormant for the foreseeable future.

Risk management

The financial risk management objectives and policies of the Company, together with an analysis of the exposure to such risks, are set out in Note 7 of the financial statements.

On behalf of the Board


G Owen-Conway
Director

Dated: 18 September 2018

Registered Office
8 Canada Square
London E14 5HQ
United Kingdom

HSBC Rail (UK) Limited
Report of the Directors

Directors

The Directors who served during the year were as follows:

Name	Appointed	Resigned
J Subramaniyan		
K J Godfrey		
G Owen-Conway		
S E Long		
C R J Irvin	22 March 2017	
M C Anderson		22 March 2017
J R Kent		31 May 2017
O Uwakwe	12 September 2017	

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors. All Directors have the benefit of directors' and officers' liability insurance.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2017 (2016: nil).

Significant events since the end of the financial year

No important events affecting the Company have occurred since the end of the financial year.

Future developments

No change in the Company's activities is expected.

Going Concern basis

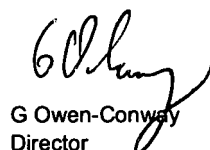
The Company's trade ceased during 2012 and the Directors do not intend for the Company to enter into a replacement trade. Accordingly, these financial statements are prepared on a non going concern basis. The effect is explained in Note 1.1(e).

Capital Management

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

The Company defines capital as total equity. It is HSBC's objective to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. There were no changes to the Company's approach to capital management during the year.

On behalf of the Board



G Owen-Conway
Director

Dated: 18 September 2018

Registered Office
8 Canada Square
London E14 5HQ
United Kingdom

HSBC Rail (UK) Limited
Financial Statements

Income statement for the year ended 31 December 2017

During the financial year and the preceding financial year, the Company did not trade, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss.

Statement of comprehensive income for the year ended 31 December 2017

There has been no comprehensive income or expense for the year ended 31 December 2017 or the preceding financial year.

HSBC Rail (UK) Limited
Financial Statements

Balance sheet as at 31 December 2017

	Notes	2017 £	2016 £
ASSETS			
Current assets			
Amounts owed by parent undertakings	4	<u>419,379,645</u>	<u>419,379,645</u>
Total assets		<u>419,379,645</u>	<u>419,379,645</u>
Equity			
Called up share capital	5	100	100
Retained earnings		<u>419,379,545</u>	<u>419,379,545</u>
Total equity		<u>419,379,645</u>	<u>419,379,645</u>
Total equity and liabilities		<u>419,379,645</u>	<u>419,379,645</u>

The accompanying notes on pages 6 to 9 form an integral part of these financial statements.

Statements

- a) For the year ended 31 December 2017 the Company was entitled to exemption under section 480 of the Companies Act 2006.
- b) Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- c) The Directors acknowledge their responsibility for:
 - i. ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006; and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 396, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 18 September 2018 and signed on its behalf by:


 G Owen-Conway
 Director
 Company Registration No: 2912638

HSBC Rail (UK) Limited
Financial Statements

Statement of cash flows for the year ended 31 December 2017

The Company is not required to prepare a Statement of cash flows for the current year or previous year as there are no movements in cash balances during these periods.

Statement of changes in equity for the year ended 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
2017			
At 1 January 2017 and 31 December 2017	100	419,379,545	419,379,645
	Called up share capital £	Retained earnings £	Total equity £
2016			
At 1 January 2016 and 31 December 2016	100	419,379,545	419,379,645

Equity is wholly attributable to equity shareholders.

HSBC Rail (UK) Limited

Notes on the financial statements

1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 as applicable to companies using International Financial Reporting Standards ('IFRSs'). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all of the years presented, unless otherwise stated.

1.1 Basis of preparation

(a) Compliance with International Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'), including interpretations issued by the IFRS Interpretations Committee, and as endorsed by the European Union ('EU').

At 31 December 2017, there were no unendorsed standards effective for the year ended 31 December 2017 affecting these financial statements and the Company's application of IFRSs results in no differences between IFRSs as issued by the IASB and IFRSs as endorsed by the EU.

Standards adopted during the year ended 31 December 2017

There were no new standards applied during the year ended 31 December 2017.

(b) Future accounting developments

At 31 December 2017, a number of standards and amendments to standards had been issued by the IASB, which are not effective for the Company's financial statements as at 31 December 2017. None of these are expected to have a significant effect on the results or net assets of the Company when adopted.

(c) Presentation of information

The functional currency of the Company is sterling which is also the presentational currency of the financial statements of the Company.

The financial statements are prepared on a historical cost basis.

(d) Critical accounting estimates and judgements

The preparation of financial information requires the use of estimates and judgements about future conditions. In view of the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of items listed below as the critical accounting estimates and judgements, it is possible that the outcomes in the next financial year could differ from those on which management's estimates are based, resulting in materially different conclusions from those reached by management for the purposes of these Financial Statements.

There are no accounting policies which contain critical estimates and judgements in terms of materiality of the items to which the policies are applied, the high degree of judgement involved and the estimation uncertainty involved.

(e) Going concern basis

The Company's trade ceased during 2012 and the Directors do not intend for the Company to enter into a replacement trade. Accordingly, these financial statements are not prepared on a going concern basis. The accounts are prepared on a basis other than going concern whereby all assets and liabilities are recognised as current. The adoption of non-going concern basis has not resulted in any difference to the carrying amounts/presentation of assets and liabilities.

HSBC Rail (UK) Limited
Notes on the Financial Statements

1.2 Summary of significant accounting policies

(a) Financial assets and liabilities

Loans and receivables

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

Impairment of financial assets

Financial assets, other than those at fair value through the profit and loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the asset the estimated future cash flows of the asset have been impacted.

The Company considers evidence of impairment at both a specific and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or receivable by the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter into bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as economic conditions that correlate with defaults in the group.

(b) Called up share capital

Financial instruments issued are generally classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

HSBC Rail (UK) Limited

Notes on the Financial Statements

2 Employee compensation and benefits

The Company has no employees and hence no staff costs (2016: nil).

3 Directors emoluments

The Directors made no charge for their services (2016: nil). The Directors are employed by other companies within the HSBC Group and consider that their services to the Company are incidental to their other responsibilities within the HSBC Group.

4 Amounts owed by parent undertakings

	2017 £	2016 £
Amounts owed by parent undertakings	419,379,645	419,379,645
	<u>419,379,645</u>	<u>419,379,645</u>

Amounts owed by parent undertakings have no fixed date for repayment and are therefore technically repayable on demand. They are accounted for as loans and receivables, measured at amortised cost and the fair value is not considered to be significantly different from the carrying value. Amounts owed by parent undertakings represent an inter-company current account.

5 Called up share capital

	2017 £	2016 £
Issued, Allotted and fully paid up 100 (2016: 100) Ordinary shares of £1 each	100	100
As at 1 January and 31 December	<u>100</u>	<u>100</u>

6 Fair value of financial assets and liabilities

Except where disclosed elsewhere, there are no material differences between the carrying value and the fair value of financial assets and liabilities as at 31 December 2017 and 31 December 2016.

7 Risk Management

The Company's risk management policies are consistent with HSBC Group's risk management policies. As part of that process the business management will review the monthly management accounts of the business.

There were no change to the Company's approach to risk management during the year.

During the year the Company had no exposure to risk.

HSBC Rail (UK) Limited
Notes on the Financial Statements

8 Related-party transactions

Balances with related parties:

	2017 Highest balance during the year £	Balance at 31 December £	2016 Highest balance during the year £	Balance at 31 December £
Assets				
Amounts owed by parent undertakings ¹	419,379,645	419,379,645	419,379,645	419,379,645

¹These balances are held with HSBC Asset Finance (UK) Limited.

9 Parent undertakings

The ultimate parent undertaking and ultimate controlling party is HSBC Holdings plc which is the parent undertaking of the largest group to consolidate these financial statements. HSBC Bank plc is the parent undertaking of the smallest group to consolidate these financial statements

The immediate parent undertaking is Forward Trust Rail Services Limited. All companies are registered in England and Wales.

The result of the Company is included in the group financial statements of HSBC Holdings plc and HSBC Bank plc.

Copies of HSBC Holdings plc and HSBC Bank plc consolidated financial statements can be obtained from:

HSBC Holdings plc
8 Canada Square
London E14 5HQ
United Kingdom
www.hsbc.com

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom
www.hsbc.com

10 Contingent liabilities and contractual commitments and guarantees

There were no contingent liabilities as at 31 December 2017 (2016: nil).

11 Subsequent events

There are no significant events after the balance sheet date.