

EASTTRAX LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2014



The Company's Registered Number is: 3565430



FASTTRAX LIMITED

MISSION STATEMENT

Fasttrax, in **partnership** with the UK MoD, is **dedicated** to providing the Heavy Equipment Transporter capability **effectively** and **safely**.

FASTTRAX LIMITED

ANNUAL REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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FASTTRAX LIMITED

STRATEGIC REPORT

BUSINESS REVIEW

The Company continues to perform well and in line with the Business Plan. Performance is measured by monthly Key Performance Indicators (KPIs) across a range of service measurables. For 2014 and the project to date, Fasttrax has again exceeded all service targets.

The business has reached maturity in terms of development of the main contract deliverables. However, the company has regenerated several vehicles which have returned from Operational service.

Financial performance in terms of cash flow was better than plan and the outlook is to continue exceeding plan. Repayments of the Bonds were made in line with the Agreements. Costs are in line or below model, especially Insurance. Reported profits were better than plan for the year but losses brought forward from earlier years reflect lower capitalisation rates of interest and indexation during the development phase up to mid 2004.

During 2014, Fasttrax generated £21m of contract revenues against a plan of £15.4m. The additional revenues, are due to repairs of operational equipment payable by the client.

Cash balances of £15.3m are better than modelled (£6.1m) due to working capital management, interest earned and Insurance cost savings. Furthermore, the expenditure modelled in 2005 of £2.7m from the Change in Law Reserve has been avoided. The cash reserve accounts are fully funded. Debt Service Cover Ratios are within the prescribed limits.

RISKS AND UNCERTAINTIES

The business reviews risks on a regular basis and identifies mitigations. Due to the nature of the project and sub contract structure, risks continue to be managed effectively. Other than Insurance costs and Interest Rates, risks are generally flowed to sub-contractors. The Board of Directors receives quarterly confirmation from the Senior Management Team of the status of the Joint Risk Register which is shared and reviewed with the Client.

Inflation is mitigated by matching revenue and cost escalation applicable to contractual rates which are fixed for the contract duration. There is no exposure to risk of changes to inflation.

The Company has a comprehensive Health and Safety strategy, measured by Zero Harm Statistics. Zero Harm is a strategy managed by the principal operating company to reduce incidents to nil by 2016.

STRATEGIC REPORT (Cont'd)

PERFORMANCE

The Concession Contract is at the mid point since service commenced. As stated in the Business Review, the Company has exceeded targets to date and is predicted to continue to do so. The Profit & Loss Account deficit has been cleared in Q1 2014 – two years ahead of plan.

Key Performance Indicators (KPIs)

Performance is monitored by contractual KPIs. These include:-

- Execution of the Tasking Service
- Vehicle Reliability
- Staff Turnover
- Training Service Delivery
- Management and Information Services
- General Contract Performance

During the year under review, the Company exceeded all KPIs, consistent with the contract to date.

Registered Office

Hill Park Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL

BY ORDER OF THE BOARD



R Card
Director

Dated: 29 June 2015

DIRECTORS' REPORT

The directors present their report on the affairs of the company together with the financial statements and auditor's report for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The company's principal activity is the provision of a Heavy Equipment Transporter, (HET) Service to the Ministry of Defence (MoD).

BUSINESS REVIEW

The business review can now be found in the Strategic Report on Page 3.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The profit after taxation for the financial year amounted to £1,831,000 (2013 – profit £1,056,000), it is proposed that this profit be transferred to reserves.

The audited financial statements for the year ended 31 December 2014 are set out on pages 9 to 20.

There are no known future events of a material nature likely to impact performance. Some regeneration of vehicles is expected in the next two years after which trading levels will be in line with original models.

DIRECTORS

The directors of the company during the year were:

	Resigned	Appointed
L Henry		
T Haga	25 February 2014	
R Card		
BIIF Corporate Services Limited		
R Hoile	25 July 2014	25 February 2014
P Ashbrook		25 July 2014

FINANCIAL INSTRUMENTS

The company does not undertake financial instrument transactions which are speculative or unrelated to the company's trading activities. The company's funding has been arranged using the principles of project finance with the terms of the financial instruments, and the resulting profile of the debt service costs, tailored to match the expected revenues arising from the contract with the MoD. The company's exposure to the price risk of financial instruments is therefore minimal.

The company does not use hedge accounting. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

DIRECTORS' REPORT (Cont'd)

POLITICAL CONTRIBUTIONS

There were no political contributions made during the year (2013 - £Nil)

PROVISION OF INFORMATION TO THE AUDITOR

As far as each of the Directors is aware, at the time this report was approved:

- There is no relevant available information of which the auditor is unaware; and
- They have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

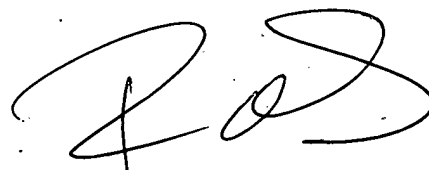
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Registered Office

Hill Park Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL

BY ORDER OF THE BOARD



R Card
Director

Dated: 29 June 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FASTTRAX LIMITED

We have audited the financial statements of Fasttrax Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

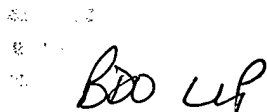
In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FASTTRAX LIMITED (Cont'd)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jason Homewood (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Dated: 30 June 2015

FASTTRAX LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Year to 31/12/14 £'000	Year to 31/12/13 £'000
TURNOVER	1	20,975	20,693
Cost of sales		<u>(13,169)</u>	<u>(13,027)</u>
GROSS PROFIT		7,806	7,666
Administrative expenses (net)		<u>(1,711)</u>	<u>(1,724)</u>
OPERATING PROFIT – continuing operations	3	6,095	5,942
Interest Received	2	47	47
Interest Paid	2	<u>(3,840)</u>	<u>(4,582)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,302	1,407
Tax on profit on ordinary activities	4	(471)	(351)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	10	<u>1,831</u>	<u>1,056</u>

A statement of movement in reserves is given in note 10 to the financial statements.

There are no other recognised gains or losses other than the profit for the year.

All amounts relate to continuing activities.

FASTTRAX LIMITED

COMPANY NUMBER 3565430

BALANCE SHEET - 31 DECEMBER 2014

	Notes	31/12/14 £'000	31/12/13 £'000
NON-CURRENT ASSETS			
Tangible assets	5	37,225	41,143
Deferred taxation	4(c)	-	132
CURRENT ASSETS			
Debtors - falling due within one year	6(i)	2,378	2,040
Debtors - falling due after one year	6(ii)	251	280
Cash at bank and in hand	7	<u>15,322</u>	<u>14,592</u>
		17,951	16,912
CREDITORS: Amounts falling due within one year	8(i)	(8,704)	(8,302)
NET CURRENT ASSETS		<u>9,247</u>	<u>8,610</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		46,472	49,885
CREDITORS: Amounts falling due after one year	8(ii)	(43,980)	(49,563)
Provisions - Deferred taxation	4(c)	(339)	-
NET ASSETS		<u>2,153</u>	<u>322</u>
CAPITAL AND RESERVES			
Called-up share capital - equity	9	1,000	1,000
Profit and loss account	10	1,153	(678)
EQUITY SHAREHOLDER FUNDS	11	<u>2,153</u>	<u>322</u>

The financial statements were approved and authorised issue by the Board and were signed on for it's behalf on 29 June 2015 by

R Card

Director



The accompanying notes are an integral part of this balance sheet.

FASTTRAX LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Year to 31/12/14 £000's	Year to 31/12/13 £000's
Net cash inflow from operating activities	12(i)	9,627	11,986
<u>Returns on investments and servicing of finance</u>			
Interest received		47	47
Interest paid		(2,932)	(3,346)
Net cash outflow from returns on investments and servicing of finance		(2,885)	(3,299)
Net cash inflow before financing		6,742	8,687
<u>Financing</u>			
Repayment of Senior debt		(5,807)	(5,809)
Repayment of Sub debt		(205)	(2,733)
Net cash outflow from financing		(6,012)	(8,542)
Net cash inflow after financing		730	145
Increase in cash in period	12(iii)	730	145

Net non-cash transactions comprise bond indexation in the amount of £1,038,000 for the year ended 31 December 2014.

The accompanying notes are an integral part of this cash flow statement.

FASTTRAX LIMITED

ACCOUNTING POLICIES

For the year ended 31 December 2014

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding year, are set out below.

i) **Basis of Accounting:**

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

ii) **Fixed Assets:**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. From July 2004, Full Service Date, depreciation has been charged on a straight line basis over the remaining contract life of 20 years.

iii) **Capitalised Interest and Fees:**

The interest cost of financing the Company's obligations under its contract with the MoD has been capitalised during the construction phase.

iv) **Deferred Taxation:**

Deferred tax is provided using the full provision method set out in Financial Reporting Standard 19, 'Deferred tax'. Deferred tax is therefore recognised in respect of all relevant timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised when they arise from timing differences when their recoverability is regarded as more likely than not. Deferred tax balances are not discounted.

v) **Turnover:**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related discounts.

vi) **Foreign Currencies:**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of transaction. All exchange differences are taken to the profit and loss account.

vii) **Indexation:**

The carrying amount of bond liabilities subject to indexation is adjusted to reflect the applicable index at the year end. The adjustment is recognised in the profit and loss account as part of interest paid. Any gains arising on indexation are not recognised if it is clear that the gain has arisen from a temporary decrease in the underlying index, and that the decrease in the index has been reversed by the balance sheet date. The bond liabilities are initially recognised at fair value and then are stated at amortised cost.

viii) **Going Concern:**

These financial statements are prepared on the going concern basis. The company operates in line with a financial model based on its contractual arrangements with the Ministry of Defence. This model forecasts that cash will be available to fund repayment of the company's long and short term liabilities as they fall due.

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2014

1. SEGMENTAL ANALYSIS

The turnover and operating result were derived from the company's principal activity and was carried out wholly in the UK.

2. INTEREST PAID / (RECEIVED)

	Year to 31/12/14 £000's	Year to 31/12/13 £000's
LPI Bond Interest Payable	1,325	1,450
LPI Bond Indexation	1,037	1,296
Fixed Rate Bond Interest Payable	462	520
Junior Subordinated Debt Interest	1,016	1,316
Bank Interest Received	(47)	(47)
	<u>3,793</u>	<u>4,535</u>
Interest Paid	3,840	4,582
Interest Received	(47)	(47)
	<u>3,793</u>	<u>4,535</u>

3. OPERATING PROFIT

The operating profit is stated after charging the following:

	Year to 31/12/14 £000's	Year to 31/12/13 £000's
Auditor's remuneration		
- audit fees	14	14
- other (Taxation services)	3	3
Depreciation	<u>3,918</u>	<u>3,918</u>

Fasttrax has no employees other than Directors.

The amount of £218,000 (2013- £204,000) has been paid to third parties in respect of making the services of the Directors available to Fasttrax Limited.

NOTES TO FINANCIAL STATEMENTS (Cont'd)

4. TAX ON LOSS ON ORDINARY ACTIVITIES

a) ANALYSIS OF CHARGE IN PERIOD

	2014 £000's	2013 £000's
UK corporation tax on profit of the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax (note 4(b))	-	-
Origination and reversal of timing differences	522	288
Effect of reduced tax rate on opening asset	(51)	63
Adjustment in respect of prior periods	-	-
Deferred tax (note 4(c))	471	351
Tax on profit on ordinary activities	471	351

b) FACTORS AFFECTING TAX CHARGE FOR PERIOD

The tax assessed for the period is other than the standard rate of corporation tax in the UK (20%).
The differences are explained below:

	2014 £000's	2013 £000's
Profit on ordinary activities before taxation	2,302	1,407
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK at 21.25% (2013: 23.25%)	489	327
Effects of:		
Accelerated tax relief for capitalised finance costs	(129)	(138)
Depreciation in advance of capital allowances	(367)	(196)
Expenses not deductible for tax purposes	7	7
Current tax charge for year	-	-

c) PROVISION FOR DEFERRED TAXATION

	2014 £000's	2013 £000's
Depreciation in advance of capital allowances	(1,636)	(1,979)
Accelerated tax relief for capitalised finance costs	2,778	2,650
Tax losses available to carry forward against future profits	(803)	(803)
Provision/(Asset) for deferred tax	339	(132)
(Asset)/Provision at start of period	(132)	(483)
Deferred tax charge in profit and loss account for period(note4(a))	471	351
Provision/(Asset) at end of period (note 6(ii))	339	(132)

NOTES TO FINANCIAL STATEMENTS (Cont'd)

5. TANGIBLE FIXED ASSETS

	HET's in Service(91)	Total Assets
	2014 £000's	2014 £000's
Cost		
At 01/01/14	80,195	80,195
At 31/12/14	<u>80,195</u>	<u>80,195</u>
Depreciation		
At 01/01/14	39,052	39,052
Charge for the year	3,918	3,918
At 31/12/14	<u>42,970</u>	<u>42,970</u>
NET BOOK VALUE		
AT 31/12/14	<u>37,225</u>	<u>37,225</u>
NET BOOK VALUE		
AT 31/12/13	<u>41,143</u>	<u>41,143</u>

The Cost above includes net interest and other finance costs capitalised of £5,474,000.

During 2007 one of the 92 original HET's was destroyed during Operational Service. Under the concession contract the Ministry of Defence are responsible for the cost of its replacement and the Net Book Value (NBV) of this HET was transferred to Other debtors. (Note 6)

6. DEBTORS

	31/12/14 £000's	31/12/13 £000's
(i) Amounts falling due within one year:		
Debtors	-	-
Prepayments and accrued income	2,348	2,010
Other debtors - HET	<u>30</u>	<u>30</u>
	<u>2,378</u>	<u>2,040</u>
(ii) Amounts falling due after one year:		
Other debtors - HET	251	280
	<u>251</u>	<u>280</u>

Other debtors represents an amount due from the Ministry of Defence in respect of the replacement of the HET destroyed in service during 2007. (Note 5)

NOTES TO FINANCIAL STATEMENTS (Cont'd)

7. CASH AT BANK

From FSD (Full Service Date) the release of funds from all bank accounts no longer requires authorisation from Ambac Assurance UK Limited as Bond Insurer.

Included in this balance is £9,771,000 (2013 - £9,740,000) held in Reserve accounts as required under contract.

8. CREDITORS

	31/12/14 £000's	31/12/13 £000's
(i) Amounts falling due within one year:		
Trade Creditors	16	19
VAT	291	321
Accruals	1,106	1,150
Loan Note	377	205
Senior Debt	6,244	5,807
Bond interest payable	422	470
Sub Debt interest payable	248	330
	<u>8,704</u>	<u>8,302</u>
(ii) Amounts falling due after one year:		
<u>Loan Note and Senior Debt</u>		
Due within 2-5 years	29,170	27,375
Due after more than 5 years	14,810	22,188
	<u>43,980</u>	<u>49,563</u>
(iii) Amounts falling due after one year by category:		
Loan Note	6,698	7,074
Senior Debt	37,282	42,489
	<u>43,980</u>	<u>49,563</u>

The Senior Debt balance is made up of:-

Bond Certificates issued as follows:

Class A 3.459% Index Linked Bonds - £56,000,000 due 2021 Prudential Annuities Limited
Class A Indexation rolled into the Bond for its term - for the year £1,038,000 (Cumulative £20,066,000)
Class B 5.91% Fixed Rate Bonds - £7,680,000 due 2021 Prudential Assurance Company Limited
Class B 5.91% Fixed Rate Bonds - £9,000,000 due 2021 Prudential Retirement Income Limited

All Classes of Bond are repayable by instalments between March 2005 and the due dates noted above.

All are entered in the register of The Bank of New York as the Registered Holders. Issue is subject to and with benefit of a trust deed dated 14 December 2001 between Fasttrax Limited (the Issuer), Ambac Assurance UK Limited and Law Debenture Trustees Limited as trustee for the holders of the Bonds. The Law Debenture Trust Corporation Plc has a fixed and floating charge over the undertaking and all property and assets present and future.

A Class B Bond - £4,000,000 is registered but not issued to The Bank of New York and is being held in reserve.

The amount of principal and indexation outstanding on the Class A Bonds as 31st December 2014 is £36,194,000.

The amount of principal outstanding on the Class B Fixed Rate Bonds as 31st December 2014 is £7,332,000.

NOTES TO FINANCIAL STATEMENTS (Cont'd)

8. CREDITORS (Cont'd)

Secured Loan Note

A Secured Loan Note 001 was issued in September 2005 to Fasttrax Holdings Limited to the value of £11,200,000.

Fasttrax Holdings Limited on the same date issued Loan notes to the respective Shareholders.

The Loan Notes are now held by the following respective Shareholders:

Secured Loan Note 001 - Kellogg Brown & Root Limited Secured - £5,600,000 (50% holding) Issued September 2005
 Secured Loan Note 002 - Elbon Holdings (2) Limited - £2,800,000 (25% holding) Purchased from Barclays European Infrastructure Limited December 2005
 Secured Loan Note 003 - Elbon Holdings (2) Limited - £2,800,000 (25% holding) Internal transfer from Noble PFI Fund II May 2006

All Loan Note conditions as issued have been transferred on both purchase and internal transfer.

All issues are subject to interest, at a rate of 11.25%. This rate rises under agreement in October 2008 - 11.50%, April 2011 - 13.50%, April 2012 - 13.75%, October 2013 - 14.25%, April 2016 - 15.25% to a maximum of 16% in April 2017 to March 2025.

Repayments are due by 6 monthly instalments from March 2006 to March 2025.

During 2014 the following schedule of payments is included:-

	Principal Paid		Interest Paid	
	2014	2013	2014	2013
	£000's	£000's	£000's	£000's
March	180	683	589	687
September	<u>24</u>	<u>2,050</u>	<u>509</u>	<u>643</u>
	204	2,733	1,098	1,330

The amount of principal outstanding on the Loan Notes as 31st December 2014 is £7,074,000.

Fasttrax Limited's Loan Note is secured by an Issuer Debenture with The Law Debenture Trust Corporation p.l.c. dated 14 December 2001. The Loan Notes are secured by a first fixed charge over all of the company's assets, together with a floating charge over the whole of the company's undertaking and assets.

Fasttrax Holdings Limited holds a Holdco Debenture with The Law Debenture Trust Corporation p.l.c. dated 14 December 2001 for the respective issue of Loan Notes to the Shareholders.

9. CALLED-UP SHARE CAPITAL

	31/12/14	31/12/13
	£000's	£000's
Allotted, called-up and fully paid		
1,000,000 ordinary shares of £1 each	1,000	1,000

NOTES TO FINANCIAL STATEMENTS (Cont'd)

10. RESERVES

The movement in the profit and loss account during the year was as follows:-

	Year to 31/12/14 £000's
<u>Profit and Loss Account</u>	
At 01/01/14	(678)
Retained profit for the year	1,831
At 31/12/14	<u>1,153</u>

11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER FUNDS

	31/12/14 £000's	31/12/13 £000's
At 01/01/14	322	(734)
Retained profit for the year	1,831	1,056
At 31/12/14	<u>2,153</u>	<u>322</u>

12. NOTES TO THE CASH FLOW STATEMENT

(i) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year to 31/12/14 £000's	Year to 31/12/13 £000's
Operating profit	6,095	5,941
(Increase) / Decrease in debtors	(338)	1,831
(Decrease) / Increase in creditors	(77)	266
Depreciation	3,918	3,918
Amortisation of other debtor balance	29	30
Net cash inflow from operating activities	<u>9,627</u>	<u>11,986</u>

NOTES TO FINANCIAL STATEMENTS (Cont'd)

12. NOTES TO THE CASH FLOW STATEMENT (Cont'd)

(ii) ANALYSIS OF CHANGES IN NET DEBT

	01/01/14	Cash Flows	Other non cash changes	31/12/14
	£000's	£000's	£000's	£000's
Cash in hand and in bank	14,592	730	-	15,322
Debt due within 1 year	(6,012)	6,012	(6,621)	(6,621)
Debt due after 1 year	(49,563)	-	5,583	(43,980)
	<u>(40,983)</u>	<u>6,742</u>	<u>(1,038)</u>	<u>(35,279)</u>

Net non cash transactions comprise Bond indexation.

(iii) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Year to 31/12/14 £000's	Year to 31/12/13 £000's
Increase/(Decrease) in cash in year	730	145
Cash outflow from decrease in debt financing	<u>6,012</u>	<u>8,542</u>
Changes in net debt resulting from cashflows	6,742	8,687
Changes in net debt resulting from non cash transactions	(1,038)	685
Movement in net debt in year	<u>5,704</u>	<u>9,372</u>

Net non cash transactions comprise Bond indexation.

13. PARENT UNDERTAKINGS

Fasttrax Limited is a wholly-owned subsidiary of Fasttrax Holdings Limited registered in England and Wales.

There is no ultimate controlling party.

14. RELATED PARTY TRANSACTIONS

Related party transactions represented in these accounts consist of:

Fasttrax Holdings Limited – the sole holding company.

A Loan Note principal of £7,074,000 (note 8) (2013 - £7,279,000) and associated interest paid of £1,016,540 (2013 - £1,316,000) with associated interest payable of £248,000 (2013 - £330,000).

Kellogg Brown & Root Limited (KBR) – 50% JV partner of Fasttrax Holdings Limited and subcontracted for Vehicle Supply to Fasttrax Limited.

Expensed Management & other fees £68,000 Exc. VAT (2013 – £66,000 Exc. VAT)

NOTES TO FINANCIAL STATEMENTS (Cont'd)

14. RELATED PARTY TRANSACTIONS (Cont'd)

FTX Logistics Ltd (FTX) – subcontracted for the provision of a maintained service to Fasttrax Limited and 100% subsidiary of KBR.

Expensed items include Management and Other Fees of £218,000 (Exc. VAT) (2013 – £212,000 Exc. VAT). Fees payable in respect of the HET Service of £10,045,000 (Exc. VAT) have been expensed in the year. (2013 - £9,866,000 Exc VAT).

Related Loan Note disclosure can be found in Note 8.

Sales for Third Party Guaranteed Revenue have been made to FTX to the value of £289,000 (Exc. VAT) in the year. (2013 - £259,000 Exc VAT)

Elbon Holdings (2) Limited - 50% JV partner of Fasttrax Holdings Limited and subcontracted for Vehicle Supply to Fasttrax Limited.

Expensed Management & other fees £141,000 Exc. VAT (2013 – £138,000 Exc. VAT)

Related Loan Note disclosure can be found in Note 8.

The aggregate amounts payable at the year end are: KBR £Nil (2013 - £Nil), Elbon £Nil (2013 - £138,000) and FTX £Nil (2013 - £Nil) with no receivables due at the year end.