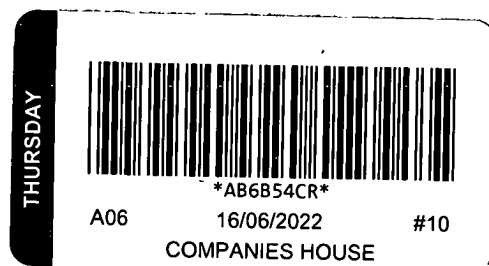


Registered number: 06733214

DB REGIO TYNE AND WEAR LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



DB REGIO TYNE AND WEAR LIMITED

COMPANY INFORMATION

Directors	A Poray-Wilczynska A Furlong
Registered number	06733214
Registered office	1 Admiral Way Doxford International Business Park Sunderland Tyne and Wear SR3 3XP
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ

DB REGIO TYNE AND WEAR LIMITED

CONTENTS

	Page(s)
Directors' report	1 - 2
Independent auditors' report	3 - 6
Statement of comprehensive income	7
Balance sheet	8
Notes to the financial statements	10 - 18

DB REGIO TYNE AND WEAR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the company was previously that of the operation and maintenance of the Tyne and Wear Metro service on behalf of The Tyne and Wear Passenger Transport Executive (trading as Nexus). This concession ended on 31 March 2017 and the company ceased to trade with effect from that date.

The company remains in existence for the recovery and settlement of any outstanding assets and liabilities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £64,000 (2019 *(as restated)* - £26,000 profit).

The company did not pay a dividend during the current and previous financial year.

DIRECTORS

The directors who served during the year, and up to the date of signing the financial statements, were:

A Furlong
C D D Burchell (resigned 9 October 2020)
A Poray-Wilczynska

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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.

DB REGIO TYNE AND WEAR LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

FUTURE DEVELOPMENTS

The concession for the company to operate and maintain the Tyne and Wear Metro service ended on 31 March 2017. However, the company has remained in existence to ensure the recovery and settlement of any outstanding assets and liabilities. When that process has been completed, the intention is for the company to be closed. Accordingly, the directors have assessed that use of a going concern basis of preparation is not appropriate and the financial statements have been prepared on a basis other than going concern.

Notwithstanding this assessment, the directors believe that the company will be able to achieve a solvent discharge of its obligations to its creditors as they fall due. This belief reflects discussions with the parent group on rectifying the net liability position of the company, with net liabilities of £1,144,000 as at 31 December 2020 (2019: £1,080,000).

Directors' confirmations

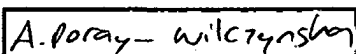
In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by Section 414B of the Companies Act 2006 and have not prepared a strategic report.

This report was approved by the board on 8 June 2022 and signed on behalf of the board.



A Poray-Wilczynska
Director

Independent auditors' report to the members of DB Regio Tyne and Wear Limited

Report on the audit of the financial statements

Opinion

In our opinion, DB Regio Tyne and Wear Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1.2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of DB Regio Tyne and Wear Limited (continued)

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of DB Regio Tyne and Wear Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to improve financial results and management bias in significant accounting estimates. Audit procedures performed by the engagement team included:

- Review of board minutes;
- Obtaining Company's assessment of the key fraud risks and the controls and procedures that are in operation to detect and prevent fraud;
- Analysing journals to identify any unusual or unexpected journals for specific follow up and testing. As required by ISA 240, an element of unpredictability was incorporated into our audit testing;
- Testing management bias in estimates through review of underlying data and assumptions used to calculate these;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of DB Regio Tyne and Wear Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Craig Willis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
14 June 2022

DB REGIO TYNE AND WEAR LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	<i>Restated</i> 2019 £000
Administrative expenses		(51)	39
Operating (loss)/ profit	4	(51)	39
Interest payable and similar expenses	6	(13)	(14)
(Loss)/ profit before tax		(64)	25
Tax on (loss)/ profit	7	-	1
(Loss)/ profit for the financial year		(64)	26
Total comprehensive (expense)/income for the financial year		(64)	26

The notes on pages 10 to 18 form part of these financial statements.

DB REGIO TYNE AND WEAR LIMITED
REGISTERED NUMBER: 06733214

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	Restated 2019 £000
Current assets			
Debtors	8	1	2
		<u>1</u>	<u>2</u>
Creditors: Amounts falling due within one year	9	(1,145)	(1,082)
		<u>(1,144)</u>	<u>(1,080)</u>
Net current liabilities		<u>(1,144)</u>	<u>(1,080)</u>
Total assets less current liabilities		<u>(1,144)</u>	<u>(1,080)</u>
Net liabilities		<u>(1,144)</u>	<u>(1,080)</u>
Capital and reserves			
Called up share capital	10	1,300	1,300
Share premium account		3,000	3,000
Profit and loss account		(5,444)	(5,380)
		<u>(1,144)</u>	<u>(1,080)</u>
Total shareholders' deficit		<u>(1,144)</u>	<u>(1,080)</u>

The financial statements on pages 7 to 18 were approved and authorised for issue by the board and were signed on its behalf on 8 June 2022.

A Poray-Wilczynska
Director

A. Poray-Wilczynska

The notes on pages 10 to 18 form part of these financial statements.

DB REGIO TYNE AND WEAR LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total shareholders' deficit
	£000	£000	£000	£000
At 1 January 2019	1,300	3,000	(5,406)	(1,106)
Comprehensive income for the year				
Profit for the financial year	-	-	35	35
Prior year adjustment (Note 1.1)	-	-	(9)	(9)
Profit for the financial year (as restated)	-	-	26	26
At 31 December 2019 (as restated)	1,300	3,000	(5,380)	(1,080)
Comprehensive expense for the year				
Loss for the financial year	-	-	(64)	(64)
At 31 December 2020	1,300	3,000	(5,444)	(1,144)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied to all years, unless otherwise stated.

Restatement of Statement of comprehensive income and balance sheet

The comparative financial statements for the year ended 31 December 2019 have been restated to correct for an error in the timing of recognition of certain costs.

In the company's previous financial statements, certain intergroup costs relating to 2019 had not been accrued for, which were subsequently invoiced to the company in 2020.

The error resulted in an understatement in administrative expenses of £9,000 in the statement of comprehensive income for the year ended 31 December 2019 and an equivalent understatement of amounts owed to group undertakings in the Balance sheet as at 31 December 2019. In correcting this error, the financial statements for the year ended 31 December 2019 have been restated as follows:

- 'Administrative expenses' as previously reported of £48,000 credit have decreased by £9,000 to £39,000 credit;
- 'Creditors: amounts falling due within one year' as previously reported of £1,073,000 have increased by £9,000 to £1,082,000; and
- 'Profit and loss account' reserve as previously reported of £5,371,000 loss has increased by £9,000 to £5,380,000 loss.

The impact of the above restatements resulted in a reduction to the company's net assets / total shareholders' funds of £9,000 at 31 December 2019 and an equivalent reduction to total comprehensive income for the year then ended.

DB REGIO TYNE AND WEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.2 BASIS OF PREPARATION - USE OF A BASIS OTHER THAN A GOING CONCERN

The company was initially set up for the operation and maintenance of the Tyne and Wear Metro service on behalf of The Tyne and Wear Passenger Transport Executive (trading as Nexus) for a limited period. The concession ended on 31 March 2017 but DB Regio Tyne and Wear Limited will remain in existence for the settlement of any assets and liabilities. On settlement of all outstanding assets and liabilities it is the intention of management to close the company. Accordingly, the going concern basis of preparation is not appropriate and the financial statements have been prepared on a basis other than going concern. This is in line with the basis of preparation of the prior year financial statements and as such the comparatives are also presented on the basis other than going concern.

No adjustments have been required to the financial statements to reduce assets to their realisable values, provide for any potential liabilities or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Notwithstanding this assessment, the directors believe that the company will be able to achieve a solvent discharge of its obligations to its creditors as they fall due. This belief reflects discussions with the parent group on rectifying the net liability position of the company, with net liabilities of £1,144,000 as at 31 December 2020 (2019: £1,080,000).

1.3 DEBTORS

Trade and other debtors are initially measured at fair value and subsequently at amortised cost. In general, this is equivalent to the costs of purchase. Receivables for which there are substantial objective indications of an impairment are adjusted appropriately.

Trade and other debtors are considered to be impaired when there is objective evidence that the estimated future cash flows associated with the asset have been affected. Objective evidence for impairment could be observable changes in national or local economic conditions / government policies on transport.

1.4 CREDITORS

Creditors are obligations to pay for goods / services that have been acquired in the ordinary course of business.

Trade and other creditors are initially stated at fair value and subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.5 CURRENT AND DEFERRED TAXATION

The tax charge or credit in the statement of comprehensive income represents the sum of the current tax charge or credit and the deferred tax charge or credit for the year. Tax is recognised within the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

The current tax charge or credit is based on the taxable profit for the year. Taxable profit can differ from the profit or loss before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, or that are never taxable or deductible. The company's liability or asset relating to current tax is calculated using rates prevailing during the year.

Where companies within the UK Group make payments for tax losses where the amount paid exceeds the tax value of the losses, any excess is reported as a movement through equity.

Deferred taxation is recognised on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and when the deferred taxation assets and liabilities relate to taxation levied by the same taxation authority, and the company intends to settle its current taxation assets and liabilities on a net basis.

Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.6 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The company is a qualifying entity for the purpose of FRS 101 and Note 10 gives details of the company's ultimate parent and from where its consolidated financial statements, prepared in accordance with IFRS, may be obtained.

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which permits a qualifying entity to apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards but makes amendments where necessary in order to comply with the Companies Act 2006.

The equivalent disclosures are included in the consolidated financial statements of the ultimate parent company, Deutsche Bahn AG, in accordance with the application guidance of FRS 100 "Application of financial reporting requirements".

1.7 SHARES AND SHARE PREMIUM

Proceeds from the issuance of shares are accounted as equity (forming part of Total shareholders' funds) only to the extent that they include no contractual obligation upon the company to deliver cash or other financial assets to another party (or exchange financial assets or financial liabilities with another party on unfavourable terms). Where this condition is not satisfied, the proceeds of issuance are accounted as financial liabilities, initially measured at fair value and subsequently at amortised cost.

Where shares are accounted as equity, any proceeds from issuance in excess of the nominal value of new shares issued is recognised within the Share premium account.

DB REGIO TYNE AND WEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. GENERAL INFORMATION

The company is a private limited company, limited by shares and incorporated and domiciled in England, the United Kingdom.

The registered company number is 06733214 and the address of the registered office is 1 Admiral Way, Doxford International Business Park, Sunderland, Tyne and Wear, SR3 3XP.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Application of certain company accounting policies required management to make judgements, assumptions and estimates concerning the future as detailed below.

The preparation of financial statements in conformity with FRS 101 requires management to make estimates and judgements in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expense. Estimates and judgements are based on historical experience and management's best knowledge of the amount. Due to the inherent uncertainty in making estimates and judgements, actual results in future periods may be based on amounts which differ from those estimates.

Critical judgements in applying accounting policies

The following is a critical judgement that has been made in the process of applying the company's accounting policies, apart from those involving estimations, that had the most significant effect on the financial statements.

Basis of preparation - use of a basis other than a going concern

The company was initially set up for the operation and maintenance of the Tyne and Wear Metro service on behalf of The Tyne and Wear Passenger Transport Executive (trading as Nexus) for a limited period. The concession ended on 31 March 2017 but DB Regio Tyne and Wear Limited will remain in existence for the settlement of any assets and liabilities. On settlement of all outstanding assets and liabilities it is the intention of management to close the company.

Accordingly, the directors have assessed that use of a going concern basis of preparation is not appropriate, and the financial statements have been prepared on a basis other than going concern.

Notwithstanding this assessment, the directors believe that the company will be able to achieve a solvent discharge of its obligations to its creditors as they fall due.

No adjustments have been required to the financial statements to reduce assets to their realisable values, provide for any potential liabilities or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Critical assumptions and key sources of estimation uncertainty

The following areas are the critical assumptions concerning the future and the key sources of estimation uncertainty in the reporting period. These areas may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Accruals and deferred income

The company recognise accrued expenses within the financial statements. They are calculated at the cost the company expect to be paid in future periods, based on reliable evidence available at the time the financial statements are prepared.

DB REGIO TYNE AND WEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2020 £000	2019 £000
Insurance claims	51	-

The company's directors, who are employed under a contract of service with another group company, did not receive any (2019: £Nil) remuneration in respect of services provided to the company.

5. AUDITORS' REMUNERATION

	2020 £000	2019 £000
Fees payable to the company's auditors in respect of the audit of the financial statements of the company:		
Fees for the audit of the company	9	11

The audit fee for the current and prior years was paid by Arriva UK Trains Limited, a fellow group company.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £000	2019 £000
On amounts due to group undertakings	13	14
	13	14

7. TAX ON (LOSS)/PROFIT

	2020 £000	2019 £000
Corporation tax		
Adjustments in respect of previous years	-	(1)
Total current tax credit	-	(1)
Total taxation credit on (loss)/ profit	-	(1)

DB REGIO TYNE AND WEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. TAX ON (LOSS)/PROFIT (CONTINUED)

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
(Loss)/profit before tax	(64)	25
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(12)	5
Effects of:		
Expenses not allowable for tax purposes	12	-
Utilisation of tax losses	-	(5)
Adjustments in respect of prior years	-	(1)
Total tax credit for the year	-	(1)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be £Nil.

8. DEBTORS

	2020 £000	2019 £000
Amounts owed by group undertakings	-	2
Other debtors	1	-
	1	2

DB REGIO TYNE AND WEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. CREDITORS: Amounts falling due within one year

	2020 £000	<i>As restated</i> 2019 £000
Amounts owed to group undertakings	1,064	990
Corporation tax	3	-
Accruals and deferred income	78	92
	<u>1,145</u>	<u>1,082</u>

Amounts owed to group undertakings as previously reported of £981,000 have been restated by £9,000 to £990,000. For further details of the restatement, refer to Note 1.1.

10. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
1,300,001 (2019 : 1,300,001) Ordinary shares of £1 each	<u>1,300,001</u>	<u>1,300,001</u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Arriva Trains Holdings Limited.

The ultimate parent company and ultimate controlling party is Deutsche Bahn AG, a company registered in Germany, which has prepared group financial statements incorporating the results of the company. Copies of these financial statements can be obtained from Potsdamer Platz 2, 10785 Berlin.

Deutsche Bahn AG is the largest and smallest group to consolidate the financial statements of the company.

Transactions with other companies in the Deutsche Bahn AG group are not specifically disclosed as the company has taken advantage of the exemption available under IAS 24 'Related party disclosures' for wholly-owned subsidiaries.