

AGILITY TRAINS WEST (MIDCO) LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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Registered Number 07930573

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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DIRECTORS AND ADVISERS

Directors

M E Binnington	(appointed 27 March 2020)
Y Fukaya	(resigned 30 April 2019)
G S Jackson	
A V Leness	
J A Mee	
A K Nguyen	(resigned 15 November 2019)
H Odajima	(appointed 30 April 2019)
A G Ray	(resigned 27 March 2020)
M R Swindell	
J L Woodard	

Registered office

4th Floor
4 Copthall Avenue
London, United Kingdom
EC2R 7DA

Auditor

Deloitte LLP
Statutory Auditor
Hill House, 1 Little New Street
London, United Kingdom
EC4A 3TR

Solicitors

DLA Piper UK LLP
160 Aldersgate Street
London, United Kingdom
EC1A 4HT

STRATEGIC REPORT

The Directors submit their Strategic Report on the Company for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

Agility Trains West (MidCo) Limited is a wholly-owned subsidiary of Agility Trains West (Holdings) Limited, joint venture between Apple BidCo 2 Limited (45%), Hitachi Rail Limited (25%), JLIF Holdings (ATW) Limited (15%), and InfraEquity UK Holdings (ATW) Limited (15%), all of which are incorporated in the United Kingdom and registered in England and Wales. The Company is a private company limited by shares.

The principal activity of the Company is the holding of an investment in Agility Trains West Limited.

The principal activity of Agility Trains West Limited is the financing, delivery, provision and maintenance of Super Express Trains and train depots under the Great Western Network Intercity Express Programme Master Availability and Reliability Agreement (MARA) entered into with the Secretary of State for Transport on 24 July 2012, and subsequently amended and restated.

BUSINESS REVIEW

On 30 April 2019 Hitachi Rail Limited sold a 15% shareholding in Agility Trains West (Holdings) Limited to Apple BidCo 2 Limited. On the same date Hitachi Rail Limited converted £42.9m of B loan notes issued by the Company into £42.9m of A loan notes, which were acquired by Apple BidCo 2 Limited, representing 15% of the total loan notes issued, along with rights to any associated accrued loan note interest.

All 57 trains in the fleet have operated throughout the year on the Great Western Mainline.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

The Directors are not aware, at the date of this report, of any likely significant changes in the Company's activities in the next twelve months.

IMPACT OF THE COVID-19 PANDEMIC

The global Coronavirus (COVID-19) pandemic has had a significant impact on the rail industry in the UK. Since the outbreak of the virus in January 2020, the Group has been in regular discussion with key stakeholders on the impact on operations.

The Company has successfully implemented its business continuity plan with its workforce continuing to work remotely. Despite operational challenges the Company's key supplier, Hitachi Rail Limited, has continued to meet its contractual obligations and fully maintain the fleet. The Directors have had no indication or reason to believe that maintenance services will be significantly impacted in the future.

The uninterrupted provision of maintenance services has enabled the Company to make trains available to its customer in line with contractual requirements, and availability based revenue receipts have continued to be received on time. Loan facility repayments have continued as scheduled and are expected to continue as planned. The contractual framework in place throughout the term of the MARA guarantees the receipt of revenue subject to performance obligations being met and therefore the Directors consider there to be no impact on going concern or the Company's ability to meet all of its financial and operational contractual obligations.

GOING CONCERN

Having made the appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have concluded the use of the going concern basis in the preparation of the financial statements is applicable. Further detail is provided in the Company accounting policies.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's exposure is limited to the extent of the investment it has made in its subsidiary undertaking, Agility Trains West Limited.

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the Directors consider the Company not to have any significant risks of its own.

STRATEGIC REPORT (CONTINUED)

SECTION 172 (1) STATEMENT

The Directors consider that the success of the Company is closely linked to the success of the Agility Trains West (Holdings) Limited Group (the Group) as a whole. In performing their duties the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 as follows:

Overview and approach

Agility Trains West Limited is a special purpose company, established specifically to fund and implement the Department for Transport's (DfT's) Intercity Express Programme (IEP), delivering new trains and maintenance facilities into operation across the Great Western Mainline.

Under the IEP contracts the design and manufacture of the trains, and provision of the associated depot facilities, has been sub-contracted in its entirety to Hitachi Rail Limited (Hitachi), with Agility Trains West Limited providing finance and acting as the central contracting party with the DfT, Hitachi and the Train Operating Company (the ultimate user of the trains and their services) as well as the Group's lenders and shareholders providing finance. This means the Group's operations can be operated with a relatively small workforce provided through management service and consultancy agreements. The Directors consider all of these parties to be key stakeholders of the Group.

When making decisions the Directors consider both the detailed operational and financial information provided by management and the opinions of the Group's key stakeholders.

The likely consequences of any decision in the long term

Because the Group is a special purpose company it does not expect to enter into new projects or investments. The Group's primary focus and the focus of decisions made by the Directors is to ensure compliance with the commercial and financial obligations arising under the long-term MARA.

The Directors meet regularly to review detailed information provided by management within its operational report on the Group's compliance with its MARA obligations. The Directors also review and prioritise the key risks faced by the Group, making appropriate decisions to mitigate the probability of the risks occurring and the impact if they do.

The long-term value of the Group is determined by the term of the MARA and beyond. The Directors regularly review long term operational and financial forecasts prepared by management and make appropriate decisions to protect the Group's long-term value based on the impact of those decisions on these forecasts.

The need to foster the company's business relationships with suppliers, customers and other industry stakeholders.

The Group maintains open and transparent dialogue with all of its key stakeholders. Under the terms of the MARA and the TARA routine formal engagement is required with the Group's sole customer, the DfT and the Train Operating Company which is the user of the IEP infrastructure. Similarly under the terms of the TSA regular meetings are held with the Group's key supplier, Hitachi, which accounts for more than 95% of the Group's supply chain. In practice, in addition to these formalised scheduled discussions, the Group also engages in continual dialogue on an ad-hoc basis with these stakeholders whenever necessary.

The Group maintains key relationships with its Senior Lending Group members, making available all required information under the terms of its financing agreements and meeting on a regular basis to understand the views of the Group's lenders.

The interests of the company's employees

The Group does not have any employees of its own; instead its workforce is provided under a combination of management service and consultancy agreements with third parties. The Group's Directors and management are in close ongoing contact with the Group's small workforce, allowing them to understand and act on any concerns and feedback on an ad-hoc basis. The Group strives to provide a motivating and positive work environment.

The desirability of the company maintaining a reputation for high standards of business conduct

The Board of Directors acts in a way it considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole. To successfully achieve this a number of key policies have been established through the Group's assurance plan. These include health and safety, modern slavery, anti-bribery and corruption, environment and data protection.

STRATEGIC REPORT (CONTINUED)

SECTION 172 (1) STATEMENT (CONTINUED)

Of these areas the Directors consider that the desirability of the Group maintaining a reputation for high standards of health and safety in the IEP infrastructure is the single most important in order to ensure the health and safety of the public and the Group's contractors, as well as the continuation of its licence to operate from government and society. The Directors receive detailed health and safety monitoring information from Hitachi, including quantitative and qualitative reporting of incidents and near misses including investigations of causes and proposed remedial actions.

The impact of the company's operations on the community and the environment

As a special purpose company with a small workforce the Group's own operations have only a limited impact on the community and the environment, however where relevant the Directors take the needs of the community and the environment into consideration based on feedback received directly, or reported to management through other stakeholders.

The need to act fairly as between members of the company

There is an agreement in place between all members which specifies the matters reserved for joint agreement between them. This agreement seeks to ensure that all members are treated fairly whatever their level of shareholding.

All of the Group's members are currently represented by a director on the Board of Directors. The Board meets regularly, providing the opportunity for the members' appointed Directors to discuss key matters of importance to them and communicate their views to key members of the management team, who also attend Board meetings. Additionally risk and finance sub-committees of the Board also meet regularly to review and discuss relevant matters in greater detail.

Key decisions in the year

The following key decisions were taken by the Group's Board of Directors during the year:

- approval of the annual budget and long term forecast;
- Implementation of the business assurance framework to align the Group's governance, compliance and risk management activities; and
- Review and approval of the Group's risk register.

Approved by the Board and signed on its behalf by:



G.S. Jackson
Director
26 June 2020

DIRECTORS' REPORT

The Directors submit their Report and the audited financial statements for the year ended 31 March 2020.

DIVIDENDS

The Directors do not recommend the payment of a dividend for the year (2019: £nil).

USE OF FINANCIAL INSTRUMENTS

The Company has issued and received payment for fixed interest rate loan notes to related parties (see note 6). The Company has also subscribed for loan notes issued by its subsidiary (see note 5). While there is no risk on the loan notes issued by the Company, it is exposed to an element of credit risk on loan note repayments and interest receivable; however, this is limited due to the loan notes being issued by a related party that is under the Company's control.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that:

- as far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to be taken as a Director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

DIRECTORS

The Directors who served throughout the year, and subsequently, except where noted are shown on page 1.

EMPLOYEES

Details of the number of employees and related costs can be found in note 3 to the financial statements on page 14.

ENERGY AND CARBON REPORTING

The Company consumed less than 40,000 kWh of energy during the period and has therefore taken advantage of the exemption available for low energy users not to disclose further energy and carbon information.

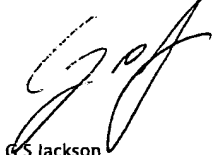
FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments, principal risks and uncertainties and events that have occurred after the balance sheet date can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

AUDITOR

The Board of Directors is satisfied with the quality of the external audit and Deloitte LLP have indicated their willingness to continue as auditor for another term.

Approved by the Board and signed on its behalf by:



G S Jackson
Director
26 June 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual 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 of the Company in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 judgements and accounting estimates that are reasonable and prudent; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGILITY TRAINS WEST (MIDCO) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Agility Trains West (Midco) Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the accounting policies; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 AUDITOR'S REPORT TO THE MEMBERS OF AGILITY TRAINS WEST (MIDCO) LIMITED (CONTINUED)

Auditor's 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 auditor's 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.

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 auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

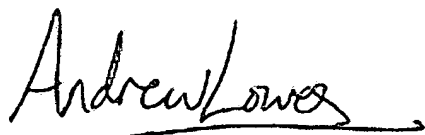
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Andrew Lowes (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
26 June 2020

STATEMENT OF COMPREHENSIVE INCOME


FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Investment revenues	4	36,423	37,206
Finance costs	4	(36,423)	(37,206)
Result for the year and total comprehensive income		-	-

BALANCE SHEET AS AT 31 MARCH 2020

	Notes	2020 £'000	2019 £'000
Non - current assets			
Investments in subsidiaries	5	<u>286,017</u>	<u>387,376</u>
		<u>286,017</u>	<u>387,376</u>
Non - current liabilities			
Bank and other loans	6	<u>(285,967)</u>	<u>(387,326)</u>
		<u>(285,967)</u>	<u>(387,326)</u>
Net assets		<u>50</u>	<u>50</u>
Equity			
Share capital	7	50	50
Retained earnings		-	-
Total equity		<u>50</u>	<u>50</u>

The financial statements of Agility Trains West (MidCo) Limited, registered number 07930573, were approved by the Board of Directors and authorised for issue on 26 June 2020. They were signed on its behalf by:



G S Jackson
Director
26 June 2020

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 31 March 2019	50	-	50
Total comprehensive income / (expense) for the year	-	-	-
Balance at 31 March 2020	<u>50</u>	<u>-</u>	<u>50</u>

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 31 March 2018	50	-	50
Total comprehensive income / (expense) for the year	-	-	-
Balance at 31 March 2019	<u>50</u>	<u>-</u>	<u>50</u>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2020

BASIS OF PREPARATION

Agility Trains West (MidCo) Limited is a private limited company incorporated in England and Wales in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently throughout the year, is shown below.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The Company is a wholly owned subsidiary of Agility Trains West (Holdings) Limited and has taken advantage of the exemption under FRS 101:8(d) financial instrument disclosures and FRS 101:8(h) in determining that it is exempt from the requirement to prepare a Company cash flow statement. Additionally, the Company has taken the exemption from preparing consolidated financial statements available under s400 of the Companies Act 2006.

The functional currency of Agility Trains West (MidCo) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

ADOPTION OF NEW AND REVISED STANDARDS

At the date of authorisation of these financial statements, the Company adopted one new IFRS, along with a number of amendments to IFRS and interpretations that are effective (and have been endorsed for use within the EU):

Standard/amendment/interpretation

IFRS 16: Leases

Amendments to:

IFRS 9: Payment Features with Negative Compensations;

IAS 28: Long-term Interest in Associates and Joint Ventures;

IFRS 2015 - 2017 Cycle: Amendments to IFRS 3: Business Combinations, IFRS 11: Joint Arrangements, IAS 12: Income Taxes and IAS 23: Borrowing Costs;

Amendments to IAS 19 Employee Benefit; Plan Amendment, Curtailment and Settlement; and

IFRIC 23 Uncertainty over Income Tax Treatments.

The adoption of IFRS 16, along with the other amendments and interpretations, has not had a material impact on the financial statements of the Company.

At the date of authorisation of these financial statements, the following standards, amendments and interpretations which have not been applied in these financial statements were in issue and relevant, but not yet effective (and in some cases had not yet been adopted by the EU):

Standard/amendment/interpretation

IFRS 17: Insurance Contracts.

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;

Amendments to:

IAS 1 and IAS 8: Definition of Material;

IFRS 3: Definition of Business;

IFRS 10 and IAS 28: Sale or Contribution of Assets between Investor and its Associate or Joint Venture; and

Conceptual Framework Amendments to References to the Conceptual Framework in IFRS Standards

The Directors do not anticipate that the adoption of these standards listed above will have a material impact on the financial statements of the Company in future reporting periods.

SIGNIFICANT ACCOUNTING POLICIES

a) Going Concern

The Company exists to hold an investment in a subsidiary which provides services under specific private finance agreements. The subsidiary has been established as a Special Purpose Company under non-recourse arrangements and therefore the Company has limited its exposure to the associated liabilities. In the event of default of the subsidiary, the exposure is limited to the extent of the investment it has made. Having reviewed the Company's investment portfolio, including the associated future cash requirements and forecast receipts, the Directors are satisfied that they have a reasonable expectation that the Company will have access to adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

b) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

c) Bank and other borrowing costs

Interest bearing bank and other loans including overdrafts are initially recorded at fair value, being the proceeds received, net of direct finance costs, and are subsequently amortised using the effective interest rate method. Finance charges, including premiums payable on settlement or redemption, and direct issue costs are accounted for on an accruals basis in the Income Statement and are added to the carrying amount of the loan to the extent that they are not settled in the period in which they arise.

d) Share capital

Ordinary shares are classified as equity instruments on the basis that they evidence a residual interest in the assets of the Company after deducting all of its liabilities.

e) Investment revenues

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate, which is the rate that exactly discounts estimated future receipts through the expected life of the loan notes to the asset's net carrying amount on initial recognition.

f) Critical accounting judgements and sources of estimation uncertainty

The Directors believe that there are no critical accounting estimates or judgements relevant to this Company.

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

1 AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP for the audit of the Company's annual accounts were £2,500 (2019: £2,500). These were borne by Agility Trains West Limited, a subsidiary of Agility Trains West (MidCo) Limited.

2 DIRECTORS' REMUNERATION

No Director received any remuneration for services provided to the Company during the year (2019: £nil).

3 EMPLOYEES

The Company had no employees during the year (2019: nil). Management services are provided to the Company by Agility Trains West Limited.

4 INVESTMENT REVENUES AND FINANCE COSTS

	2020 £'000	2019 £'000
Investment revenues		
Interest income	36,423	37,206
Total investment revenues	36,423	37,206
Finance costs		
Interest on bank and other loans	(36,423)	(37,206)
Total finance costs	(36,423)	(37,206)

5 INVESTMENTS IN SUBSIDIARIES

	Interest in subsidiary undertaking		Total
	Equity £'000	Loan notes £'000	£'000
Cost at 31 March 2018	50	350,120	350,170
Additions in the year	-	37,206	37,206
Cost at 31 March 2019	50	387,326	387,376
Additions in the year	-	36,423	36,423
Interest paid in the year	-	(119,782)	(119,782)
Redemptions in the year	-	(18,000)	(18,000)
Cost at 31 March 2020	50	285,967	286,017

Details of the Company's subsidiary at 31 March 2020 are as follows:

Name		Place of incorporation and operation	Proportion of ownership interest %	Proportion of voting power held %	Type of shares held
Agility Trains West Limited	*	United Kingdom	100	100	Ordinary

* Subsidiary owned directly by the Company

The subsidiary investment is stated at cost less any provision for impairment. In the opinion of the Directors the value of the subsidiary investment is not less than the amount stated in the balance sheet. The registered office of Agility Trains West Limited is 4th Floor, 4 Cophall Avenue, London, United Kingdom, EC2R 7DA.

As at 31 March 2020 Agility Trains West (MidCo) Limited held £268.2m (2019: £286.2m) of loan notes issued by Agility Trains West Limited. The loan notes have a coupon rate of 13% and will terminate on 31 December 2041 in the absence of early redemption.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 (CONTINUED)

6 BANK AND OTHER LOANS

	2020 £'000	2019 £'000
Bank and other loans falling due after more than one year	<u>(285,967)</u>	<u>(387,326)</u>

On 30 April 2019 Hitachi Rail Limited transferred £42.9m of B loan notes to Apple BidCo 2 Limited, a shareholder of the Company's immediate parent company, Agility Trains West (Holdings) Limited.

On 15 November 2019 the Company redeemed £13.5m of A loan notes and £4.5m of B loan notes.

As at 31 March 2020, Apple BidCo 2 Limited held £120.7m (2019: £85.8m) of A loan notes, InfraEquity UK Holdings (ATW) Limited held £40.2m (2019: £42.9m) A loan notes, JIJF Holdings (ATW) Limited held £40.2m (2019: £42.9m) A loan notes and Hitachi Rail Limited held £67.0m (2019: £114.5m) of B loan notes, respectively.

Both A and B loan notes have a coupon rate of 13% and will terminate on 31 December 2041 in the absence of early redemption. Loan note principal and interest is secured against assets and shares in Agility Trains West Limited.

7 SHARE CAPITAL

	2020 £'000	2019 £'000
Authorised, allotted, called up and fully paid: 50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

8 RELATED PARTY TRANSACTIONS

As a wholly-owned subsidiary of Agility Trains West (Holdings) Limited, the Company has taken advantage of the exemption under FRS 101:8(k) not to provide information on related party transactions with other undertakings within the Agility Trains West (Holdings) Limited Group.

Note 6 provides details of amounts due to related parties in respect of loan notes and the interest attributable to related parties in respect of those loan notes.

Note 9 provides details of how to obtain a copy of the published financial statements of Agility Trains West (Holdings) Limited.

9 ULTIMATE PARENT UNDERTAKINGS

The Company's immediate and ultimate parent company and controlling party, and the smallest and largest group in which its results are consolidated is Agility Trains West (Holdings) Limited, a company incorporated in United Kingdom and registered in England and Wales. Agility Trains West (Holdings) Limited's registered office is 4th Floor, 4 Copthall Avenue, London, EC2R 7DA.

Copies of the consolidated financial statements of Agility Trains West (Holdings) Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.