

AGILITY TRAINS WEST (MIDCO) LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Registered Number 07930573

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

CONTENTS	Page
Directors and advisers	1
Strategic report	2 - 4
Directors' report	5
Directors' responsibilities statement	6
Independent Auditor's report to the members of Agility Trains West (MidCo) Limited	7 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Accounting policies	13 - 14
Notes to the financial statements	15 - 17

DIRECTORS AND ADVISERS

Directors

M E Binnington

T Hawkesworth

A V Leness

B Love

H Odajima

J Pritchard

Y Sakata

M R Swindell

J L Woodard

(appointed 4 April 2023)

(resigned 25 May 2023)

(resigned 4 April 2023)

(appointed 25 May 2023)

(resigned 1 March 2023)

Registered office

4th Floor

4 Copthall Avenue

London, United Kingdom

EC2R 7DA

Auditor

Deloitte LLP

Statutory Auditor

London, United Kingdom

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 2023.

PRINCIPAL ACTIVITY

Agility Trains West (MidCo) Limited is a wholly-owned subsidiary of Agility Trains West (Holdings) Limited, which is a 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

56 of the 57 sets in the Great Western IEP Project fleet have operated throughout the year on the Great Western Mainline. The single set not in operation was used to develop and test corrective body frame repair works. This set will return to operational service in 2023.

The works programme to repair cracking between the body frame and some underframe components identified in May 2021 on Class 800 series fleets has commenced and will continue through to 2029. Sets awaiting repair works were returned into operational service in 2021 following extensive investigation, and will continue to be monitored. All repair costs will be borne by Hitachi Rail Limited as manufacturer.

The Company's revenue for the year was £47.2m (2022: £45.6m), with the increase being due to a higher interim dividend received. Finance costs incurred during the year totalled £28.2m (2022: £29.1m).

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.

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 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. To mitigate this the Directors regularly meet to review and discuss the operational performances and future cashflows of Agility Trains West Limited, enabling the Board to determine whether the current valuation of the Company's investment is reasonable.

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

The Group was 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 East Coast 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, with Agility Trains West Limited providing finance and acting as the central contracting party with the DfT, Hitachi and the Train Operating Company (TOC) as well as the Group's lenders and shareholders providing finance. This means that the Group can be operated with a relatively small team 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 TOC 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 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 responding to ad-hoc enquiries and requests.

The interests of the company's employees

The Group's activities are resourced through a combination of management service and consultancy agreements. The Group's Directors and management are in close contact with staff, allowing them to understand and act on any concerns and feedback. 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)

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

As a special purpose company 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 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.

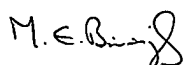
Key decisions in the year

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; and
- review and approval of the Group's risk register.

The Group's Board made no other long-term key decisions during the year.

Approved by the Board and signed on its behalf by:



M E Binnington
Director
22 June 2023

DIRECTORS' REPORT

The Directors submit their Report and the audited financial statements for the year ended 31 March 2023.

DIVIDENDS

The Directors declared an interim dividend during the year totalling £379.82 per ordinary share (2022: £330.00). They do not recommend payment of a further dividend for the year. The total cost of the dividends for the year was £18.9m (2022: £16.5m).

USE OF FINANCIAL INSTRUMENTS

The Company has issued and received payment for fixed interest rate loan notes to related parties (see note 7). 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 15. Further information of employee engagement as well as engagement with suppliers, customers and others are included within the Strategic Report.

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.

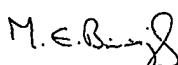
FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

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 has indicated its willingness to continue as auditor for another term.

Approved by the Board and signed on its behalf by:



M E Binnington
Director
22 June 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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), 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 a 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 2023 and of its profit 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 10.

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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

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

Matters on which we are required to report by exception

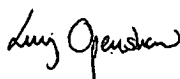
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Lucy Openshaw (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
22 June 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

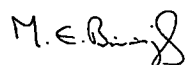
	Notes	2023 £'000	2022 £'000
Investment revenues	4	47,186	45,575
Finance costs	4	(28,195)	(29,075)
Profit for the year and total comprehensive income		18,991	16,500

AGILITY TRAINS WEST (MIDCO) LIMITED

BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Investments in subsidiaries	5	<u>228,507</u>	<u>235,109</u>
		228,507	235,109
Non-current liabilities			
Bank and other loans	7	<u>(228,457)</u>	<u>(235,059)</u>
		(228,457)	(235,059)
Net assets		<u>50</u>	<u>50</u>
Equity			
Share capital	8	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 22 June 23. They were signed on its behalf by:



M E Binnington
Director
22 June 2023

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital £'000	Retained earnings £'000	Total £'000
Notes	8		
Balance at 1 April 2022	50	-	50
Total comprehensive income for the year	-	18,991	18,991
Dividends paid	-	(18,991)	(18,991)
Balance at 31 March 2023	<u>50</u>	<u>-</u>	<u>50</u>

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital £'000	Retained earnings £'000	Total £'000
Notes	8		
Balance at 1 April 2021	50	-	50
Total comprehensive income for the year	-	16,500	16,500
Dividends paid	-	(16,500)	(16,500)
Balance at 31 March 2022	<u>50</u>	<u>-</u>	<u>50</u>

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2023

BASIS OF PREPARATION

Agility Trains West (MidCo) Limited is a private limited company incorporated in the United Kingdom under the Companies Act, and registered in England and Wales. 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

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standard/amendment/interpretation

Amendments to:

IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies;
IAS 8: Definition of Accounting Estimates;
IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
IFRS 16: Lease Liability in a Sale and Leaseback; and
IFRS 17: Insurance Contracts.

Annual Improvements to IFRS Standards 2018-2020 Cycle Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture.

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 UK):

Standard/amendment/interpretation

Amendments to:

IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants; Deferral of Effective Date Amendment; Classification of Liabilities as Current or Non-current

The Directors do not anticipate that the adoption of the standards will have a material impact on the financial statements of the Company in future reporting periods. The Directors' assessment of the impact of these standards remains ongoing. No additional IFRSs have been adopted in the year.

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 relevant to this Company.

The Directors regularly meet to review and discuss the operational performances and future cashflows of Agility Trains West Limited, enabling the Board to make a judgement on the reasonableness of the Company's investment valuation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP for the audit of the Company's annual accounts were £2,500 (2022: £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 (2022: £nil).

3 EMPLOYEES

The Company had no employees during the year (2022: none). Resource is provided to the Company by Agility Trains West Limited.

4 INVESTMENT REVENUES AND FINANCE COSTS

	2023 £'000	2022 £'000
Investment revenues		
Interest income	28,195	29,075
Dividend income	18,991	16,500
Total investment revenues	47,186	45,575
Finance costs		
Interest on bank and other loans	(28,195)	(29,075)
Total finance costs	(28,195)	(29,075)

5 INVESTMENTS IN SUBSIDIARIES

	Interest in subsidiary undertaking		Total
	Equity £'000	Loan notes £'000	£'000
Cost at 31 March 2021	50	240,916	240,966
Additions in the year	-	29,075	29,075
Interest paid in the year	-	(29,816)	(29,816)
Redemptions in the year	-	(5,116)	(5,116)
Cost at 31 March 2022	50	235,059	235,109
Additions in the year	-	28,195	28,195
Interest paid in the year	-	(28,597)	(28,597)
Redemptions in the year	-	(6,200)	(6,200)
Cost at 31 March 2023	50	228,457	228,507

Details of the Company's subsidiary at 31 March 2023 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

5 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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 Copthall Avenue, London, United Kingdom, EC2R 7DA.

As at 31 March 2023 Agility Trains West (MidCo) Limited held £214.5m (2022: £220.7m) 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. These loan notes have been classified as an investment due to their long tenure, interest-bearing nature, and there being no intention to fully repay in the near future.

6 DIVIDEND

	2023 £'000	2022 £'000
Amounts recognised as distributions to equity holders in the period:		
Interim dividend for the year ended 31 March 2023 of £379.82 per ordinary share (2022: £330.00)	18,991	16,500
	<u>18,991</u>	<u>16,500</u>

7 BANK AND OTHER LOANS

	2023 £'000	2022 £'000
Bank and other loans falling due after more than one year	(228,457)	(235,059)

As at 31 March 2023, Apple BidCo 2 Limited held £96.5m (2022: £99.3m) of A loan notes, InfraEquity UK Holdings (ATW) Limited held £32.1m (2022: £33.1m) A loan notes, JLIF Holdings (ATW) Limited held £32.1m (2022: £33.1m) A loan notes and Hitachi Rail Limited held £53.6m (2022: £55.2m) 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. As at 31 March 2023 accrued interest totalled £13.9m (2022: £14.3m), loan note principal and interest is secured against assets and shares in Agility Trains West Limited.

8 SHARE CAPITAL

	2023 £'000	2022 £'000
Authorised, allotted, called up and fully paid:		
50,000 ordinary shares of £1 each	50	50

9 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 7 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 10 provides details of how to obtain a copy of the published financial statements of Agility Trains West (Holdings) Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

10 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 private limited company incorporated in the 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.