

Registered number 10260072

ROCK RAIL HOLDINGS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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# ROCK RAIL HOLDINGS LIMITED

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# ROCK RAIL HOLDINGS LIMITED

## COMPANY INFORMATION

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### Directors

M R Swindell  
J. Shepherd

### Company secretary

M E Grace-Swindell

### Registered number

10260072

### Registered office

Capital Tower  
91 Waterloo Road  
London  
SE1 8RT

### Independent auditor

KPMG LLP  
15 Canada Square  
London  
E14 5GL

# **ROCK RAIL HOLDINGS LIMITED**

## **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Review of Business**

The principal activities of Rock Rail Holdings Limited ("the Group" or "the Company") are the development and asset management of large scale greenfield rolling stock, rail and electric vehicle infrastructure projects, providing investible opportunities for institutional equity and debt, whilst ensuring the long term alignment of commercial and financial interests and value for government, operators and the end consumer.

### **Results and performance**

The results for the year are set out on pages 16 and 17 and show a profit on ordinary activities before tax of £2,028,984 (2021: £685,973). The shareholder funds of the Group total £26,573,524 (2021: £25,015,038). The Group's operation and performance has been especially encouraging in 2022. Successfully securing two new projects and management fees from providing asset management services to existing projects along with additional consulting work have ensured that the Group remained profitable in 2022.

In July 2022 the Group was awarded the financing deal for provision of new rolling stock assets deployed on the Main-Weser rail network in Germany. Circa €225m was raised from institutional investors to supply a fleet of 17 state of the art Coradia Stream HC trains manufactured by Alstom Transport Deutschland GmbH. In November 22 the Group continued its success raising further £12m of institutional funding and purchased 30 new Zero Emission battery electric 'Wrightbus Electroliners', which in turn leased to Abellio that operate Route 111 between Kingston and Heathrow.

### **Strategy**

The Group's success is dependent on the identification and delivery of investible greenfield infrastructure solutions with the right risk and return profiles that match the needs of Government, operator, manufacturer and end consumer. It does this through its innovative approach to funding and the specialist expertise of its staff, together with its understanding of the investment community's needs and its long term commitment to invest alongside them. It remains committed to ensuring that Government and the end consumer get best value.

The Group will continue to build its position in the rail sector whilst expanding equivalent services in other infrastructure markets that meet similar investment criteria. Concurrently it will continue to manage the long-term value of its assets through its sector expertise.

### **Future development**

Rock Rail has proven capabilities in delivering complex greenfield infrastructure financing solutions and is exceptionally well placed to expand both within and outside the rail sector. The pipeline for future infrastructure opportunities is strong and the Board is confident that it can deliver many projects over the coming years. It continues to hire exceptional talent with project finance and technical and commercial sector experience to enable it both to exploit these opportunities and to protect the assets that have been acquired.

## **ROCK RAIL HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Post balance sheet events**

The Group disposed of the 0.5% investment in Apple Bidco 1 Limited for a consideration of £2,050,000. As a result, the Group and the Company impaired the investment in respect of Apple Bidco 1 Limited and reclassified all related balances to receivable and/or repayable within one year as at 31 December 2022.

#### **Key performance indicators**

KPIs fall into three categories and reflect the strategic priorities of the business:

- **Financial**

Operating cash flow is a key focus. The nature of infrastructure is that revenues can be lumpy and as such, management focus is on ensuring that in the intervening periods between deals, sufficient working capital is in place to fund the business. Management regularly monitors future operational cash flow needs.

- **Origination**

Management conduct regular review of the pipeline of new business opportunities focusing on strategic rationale, value, timing, resource requirements and likelihood of closure.

- **Asset Management**

Construction risk is actively managed and reported to the individual boards of the project companies on a monthly basis applying a RAG framework and delivery timetables as regularly monitored against contractual obligations. An annual evaluation of residual value risk is undertaken reflecting projected future cashflows and a range of associated risk factors specific to the asset and franchise as well as other more general market factors.

#### **Principal risks and uncertainties**

The process of risk acceptance and risk management is addressed through a framework of delegated authority and board approvals in the projects in which the Group is involved. Every investment opportunity undergoes extensive due diligence before approval with a key focus on possible constructional, operational or technology risk that could in any way damage the long-term value of the investment. The Group hires sector experts to continually monitor and mitigate any identified risks on behalf of the investors. There are formal monthly meetings where any such risks are reviewed and actions agreed during the life-time of the asset. Rock contracts with specialist legal, financial and modelling experts to ensure that its interests are protected.

## ROCK RAIL HOLDINGS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Section 172(1) statement

As required by section 172(1) of the Companies Act 2006, the directors of the Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

1. the likely consequences of any decision in the long term;
2. the interests of the Company's employees;
3. the need to foster the Company's business relationships with suppliers, customers and others;
4. the impact of the Company's operations on the community and the environment;
5. the desirability of the Company maintaining a reputation for high standards of business conduct; and
6. the need to act fairly as between members of the Company.

The directors believe the following issues are relevant in complying with section 172(1) of the Companies Act 2006.

#### *1. The likely consequences of any decision in the long term*

The Company's principal activity is developing, owning and asset managing rolling stock and other rail infrastructure. This infrastructure typically has a life cycle of 35 years, and the pipeline of opportunities in which the Company is interested in bidding often take many years to come to fruition. Consequently, the directors' decision making is required to take a long-term view.

The Company's business model invests in the projects it develops and manages, which ensures a long-term alignment of interests with our institutional investor partners.

#### *2. The interests of the Company's employees*

Its employees are at the core of the Company. The team is made up of senior originators, asset managers and finance people with a wealth of rail industry experience and financing expertise.

The Company has a relatively small number of employees, and directors work hard to create a sense of purpose, vision and shared understanding across the Company through Company-wide briefings and one-to-one meetings.

The Company is committed to the health and wellbeing of employees, with a range of policies in place to ensure this. Such policies are set out in Company's employee handbook.

#### *3. The need to foster the Company's business relationships with suppliers, customers, and others*

Due to the nature of the Company's activity, fostering positive long-term relationships with its stakeholders is essential to the Company's success. The Company has worked hard to establish these relationships.

## ROCK RAIL HOLDINGS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Section 172(1) statement (continued)

##### *4. The impact of the Company's operations on the community and the environment*

The Company is committed to delivering sound, responsible investments with a focus on sustainable benefits for the environment, local communities, and wider society. Its investment decisions and asset management are underpinned by consideration of environmental, social and governance factors, strongly aligning with its institutional investors who have a core responsibility for ESG based investment. And its core focus is the delivery of better rail infrastructure for the benefit of the local communities who either use it directly or benefit from it in other ways.

The rolling stock in which the Company invests and asset manages contributes to a more sustainable railway. It is exclusively made up of electric and bi-mode trains and are set to replace many hundreds of diesel vehicles, helping to reduce harmful CO2 emissions as well as delivering significant energy efficiencies over the many old and life-expired trains they replace. Rail is recognised as one of the greenest forms of transport and is central to the UK Government's Net Zero by 2050 policy.

The Company also leads the way in 'cyber security by design' by engaging in research and assurance activity to ensure that cyber security threats and vulnerabilities are understood and minimised through all stages of a fleet's life.

##### *5. The desirability of the Company maintaining a reputation for high standards of business conduct*

The Company's mission is to be the most respected rail investor, developer and asset manager, and its values emphasise integrity, respect, and collaboration. These mission and values are reinforced by the Company's policies.

The Company's business is built on strong internal governance and following the governance processes required by its institutional investor partners.

The board of directors ensure its trains are asset managed in accordance with the relevant ESG factors identified by GRESB that are relevant to rail rolling stock owners. ESG performance is important to the Company and its board of directors. The board of directors regularly review ESG performance against a number of relevant factors. The board of directors has a particular focus on safety of the trains the Company asset manages.

##### *6. The need to act fairly as between members of the Company*

The Company has two main shareholders, with a long history of collaboration.

#### *Engagement with stakeholders*

The Company has identified the key stakeholders related to its business activities and regularly engages with them.

## ROCK RAIL HOLDINGS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Section 172(1) statement (continued)

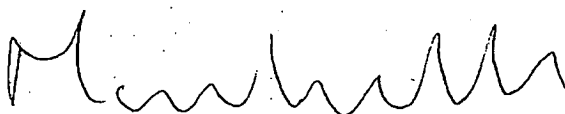
##### *Effect of the Company's decisions and strategies during the financial year*

The impact and effects of the Director's decisions and strategies are described in the Strategic Report, in particular the Results and performance section on page 3.

##### **Going concern**

The Statement of Comprehensive Income shows a profit after tax of £1,561,273 (2021: £520,006) and the Statement of Financial Position at 31 December 2022 shows net assets of £26,573,524 (2021: £25,015,038). The Directors have prepared the financial statements on a going concern basis which requires the Directors to have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and is considered in more detail in note 2.1 of the accounts.

This report was approved by the board and signed on its behalf.



M R Swindell  
Director

Date: 25.09.2023



# **ROCK RAIL HOLDINGS LIMITED**

## **GROUP DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors present their annual report and the audited consolidated financial statements of Rock Rail Holdings Limited for the year ended 31 December 2022.

### **Principal activity**

The principal activities of the Group are the development and asset management of large greenfield infrastructure projects, providing investible opportunities for institutional equity and debt ensuring the long-term alignment of commercial and financial interests and value for government, operators and the end consumer. The business focus includes rolling stock and bus and rail infrastructure projects.

### **Results and dividend**

The profit for the year, after taxation and minority interests, amounted to £1,546,602 (2021: £482,924).

During the financial year the Directors recommended an ordinary dividend of £8.26 per A and B shares. However, the A shareholders waived their entitlements in order for the Group to retain funds for working capital purposes. This resulted in a dividend paid of £38,000 (2021: £88,000).

### **Directors**

The Directors of the Company at 31 December 2022 and subsequent to the year end are listed on page 2.

### **Matters covered in the Strategic Report**

A review of the business and principal risks and uncertainties are not shown in the Directors' Report as this information is included within the Strategic Report under s.414c(11) of the Companies Act 2006.

### **Political contributions**

The Group made no political donations or incurred any political expenditure during the year (2021: £nil).

## ROCK RAIL HOLDINGS LIMITED

### GROUP DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

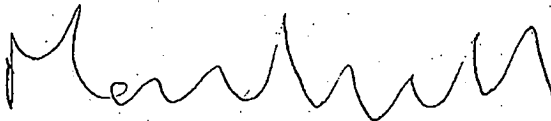
#### Post balance sheet events

The Group disposed of the 0.5% investment in Apple Bidco 1 Limited for a consideration of £2,050,000. As a result, the Group and the Company impaired the investment in respect of Apple Bidco 1 Limited and reclassified all related balances to receivable and/or repayable within one year as at 31 December 2022.

#### Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and will therefore continue in office.

This report was approved by the board and signed on its behalf.



M R Swindell  
Director

Date: 25.09.2023

Capital Tower  
91 Waterloo Road  
London  
SE1 8RT

## ROCK RAIL HOLDINGS LIMITED

### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors are responsible for preparing the Group Strategic Report, the Group Directors' Report and the Group and parent Company 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 they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCK RAIL HOLDINGS LIMITED

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### Opinion

We have audited the financial statements of Rock Rail Holdings Limited ("the Company") for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCK RAIL HOLDINGS LIMITED (CONTINUED)

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However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships over account balances at year end.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the entity's operations do not provide an opportunity to fraudulently recognise revenue. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCK RAIL HOLDINGS LIMITED (CONTINUED)

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Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic Report and Directors' Report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCK RAIL HOLDINGS LIMITED (CONTINUED)**

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### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCK RAIL HOLDINGS LIMITED (CONTINUED)

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### The purpose of our audit work and to whom we owe our responsibilities

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.

*M. Smith*

Mark Smith (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Date: 29th September 2023



# ROCK RAIL HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	4	7,284,125	4,872,035
Cost of sales	5	(1,179,367)	(764,786)
<b>Gross profit</b>		<b>6,104,758</b>	<b>4,107,249</b>
Administrative expenses		(5,338,794)	(4,779,279)
<b>Operating profit/(loss)</b>		<b>765,964</b>	<b>(672,030)</b>
Interest receivable and similar income	9	1,518,786	1,518,269
Interest payable and similar charges	10	(255,766)	(160,266)
<b>Profit before taxation</b>		<b>2,028,984</b>	<b>685,973</b>
Tax on profit	11	(467,711)	(165,967)
<b>Profit for the financial year</b>		<b>1,561,273</b>	<b>520,006</b>
<b>Other comprehensive income:</b>			
Foreign exchange income on revaluation, net of tax		35,213	-
<b>Total comprehensive income for the year</b>		<b>1,596,486</b>	<b>520,006</b>
<b>Profit for the year attributable to:</b>			
Non-controlling interests		49,884	37,082
Owners of the parent Company		1,546,602	482,924
		<b>1,596,486</b>	<b>520,006</b>

There were no recognised gains or losses during the year other than as recorded in the Statement of Comprehensive Income.

The notes on pages 22 to 42 form an integral part of these financial statements.

# ROCK RAIL HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
<b>Fixed Assets</b>			
Tangible assets	13	14,242,500	9,861
Investments	14	1,953,914	1,995,456
		<u>16,196,414</u>	<u>2,005,317</u>
<b>Current assets</b>			
Debtors: including £27,158,827 (2021: £26,489,369) falling due after more than one year	16	32,321,246	27,258,904
Cash at bank		2,359,231	1,959,197
		<u>34,680,477</u>	<u>29,218,101</u>
Creditors: amounts falling due within one year	17	(7,210,252)	(1,925,753)
<b>Net current assets</b>		<u>27,470,225</u>	<u>27,292,348</u>
<b>Total assets less current liabilities</b>		<u>43,666,639</u>	<u>29,297,665</u>
Creditors: amounts falling due after more than one year	18	(17,093,115)	(4,282,627)
<b>Net assets</b>		<u>26,573,524</u>	<u>25,015,038</u>
<b>Capital and reserves</b>			
Called up share capital	22	118	118
Share premium	22	27,717	27,717
Revaluation reserve		35,213	-
Retained earnings		25,679,865	24,206,476
<b>Equity attributable to owners of the parent Company</b>		<u>25,742,913</u>	<u>24,234,311</u>
Non-controlling interests		830,611	780,727
		<u>26,573,524</u>	<u>25,015,038</u>

The notes on pages 22 to 42 form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



M.R Swindell  
Director

Date: 25.09.2023.  
Registration number 10260072

# ROCK RAIL HOLDINGS LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Fixed Assets</b>			
Tangible assets	13	4,898	9,861
Investments	14	23,485	371,662
<b>Total fixed assets</b>		<u>28,383</u>	<u>381,523</u>
<b>Current assets</b>			
Debtors: including £nil (2021: £1,921,701) falling due after more than one year	16	6,072,027	5,002,864
Cash at bank and in hand		546,450	629,148
		<u>6,618,477</u>	<u>5,632,012</u>
Creditors: amounts falling due within one year	17	<u>(1,495,067)</u>	<u>(1,480,351)</u>
<b>Net current assets</b>		<u>5,123,410</u>	<u>4,151,661</u>
<b>Total assets less current liabilities</b>		<u>5,151,793</u>	<u>4,533,184</u>
Creditors: amounts falling due after more than one year	18	<u>(1,900,000)</u>	<u>(343,829)</u>
<b>Net assets</b>		<u>3,251,793</u>	<u>4,189,355</u>
<b>Capital and reserves</b>			
Called up share capital	22	118	118
Share premium	22	27,717	27,717
Retained earnings		3,223,958	4,161,520
<b>Shareholders' funds</b>		<u>3,251,793</u>	<u>4,189,355</u>

The notes on pages 22 to 42 form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Board on and were signed on its behalf by:



M R Swindell  
Director

Date: 25.09.2023

Registration number 10260072

# ROCK RAIL HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium	Revaluation reserve	Retained earnings	Non- controlling interests	Total equity
	£	£	£	£	£	£
Balance at 1 January 2022	118	27,717	-	24,206,476	780,727	25,015,038
Total comprehensive income for the year	-	-	35,213	1,511,389	49,884	1,596,486
Dividends paid	-	-	-	(38,000)	-	(38,000)
Balance at 31 December 2022	118	27,717	35,213	25,679,865	830,611	26,573,524

	Called up share capital	Share premium	Revaluation reserve	Retained earnings	Non- controlling interests	Total equity
	£	£	£	£	£	£
Balance at 1 January 2021	118	27,717	-	23,811,552	743,645	24,583,032
Total comprehensive income for the year	-	-	-	482,924	37,082	520,006
Dividends paid	-	-	-	(88,000)	-	(88,000)
Balance at 31 December 2021	118	27,717	-	24,206,476	780,727	25,015,038

The notes on pages 22 to 42 form an integral part of the financial statements.

# ROCK RAIL HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
Balances at 1 January 2022	118	27,717	4,161,520	4,189,355
Total comprehensive loss for the year	-	-	(899,562)	(899,562)
Dividends paid	-	-	(38,000)	(38,000)
Balances at 31 December 2022	118	27,717	3,223,958	3,251,793

	Called up share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
Balances at 1 January 2021	118	27,717	4,594,535	4,622,370
Total comprehensive loss for the year	-	-	(345,015)	(345,015)
Dividends paid	-	-	(88,000)	(88,000)
Balances at 31 December 2021	118	27,717	4,161,520	4,189,355

The notes on pages 22 to 42 form an integral part of the financial statements.

# ROCK RAIL HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		1,561,273	520,006
<b>Adjustments for:</b>			
Depreciation of tangible assets		150,972	10,454
Impairment loss on investment		210,000	-
Interest paid		255,766	160,266
Interest received		(1,518,786)	(1,518,269)
Taxation charge		467,711	165,967
Increase in debtors		(2,697,019)	(32,170)
Increase in creditors		3,987,524	311,704
Corporation tax paid		(170,485)	(791,408)
<b>Net cash generated by/(utilised) in operating activities</b>		<b>2,246,956</b>	<b>(1,173,450)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(14,383,611)	(2,959)
Purchase of unlisted and other investments		(168,458)	-
Increase in amounts owed by participating interests		(2,371,544)	(842,449)
Interest received		1,518,786	1,518,269
<b>Net cash (utilised in)/generated from investing activities</b>		<b>(15,404,827)</b>	<b>672,861</b>
<b>Cash flows from financing activities</b>			
Bank loan drawn/(paid)		(1,010,496)	(200,000)
Senior debt drawn/(paid)		11,385,836	-
Amounts due to related parties drawn/(paid)		3,418,406	-
Interest paid		(255,766)	(160,266)
Dividend paid		(38,000)	(88,000)
<b>Net cash generated from/(utilised in) financing activities</b>		<b>13,499,980</b>	<b>(448,266)</b>
<b>Foreign exchange rates on cash and cash equivalents</b>		<b>57,925</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>400,034</b>	<b>(948,855)</b>
Cash and cash equivalents at beginning of year		1,959,197	2,908,052
<b>Cash and cash equivalents at the end of the year</b>		<b>2,359,231</b>	<b>1,959,197</b>
<b>Cash and cash equivalents at the end of the year comprise:</b>			
Cash at bank and in hand	23	2,359,231	1,959,197
		<b>2,359,231</b>	<b>1,959,197</b>

The notes on pages 22 to 42 form an integral part of the financial statements.

# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1. General information and basis of preparation

#### 1.1 General information

Rock Rail Holdings Limited and its subsidiary companies are private companies limited by shares, incorporated and domiciled in England in the United Kingdom. Details of the Company's registered office and principal place of business can be found on the Company information page of these financial statements.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £1.

#### 1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The parent Company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent Company's financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS102.12 Other Financial Instrument Issue in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Group has also taken advantage of exemptions conferred by FRS 102 from the requirement to make disclosures concerning 100% owned group undertakings in connection with group transactions.

#### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 2. Accounting policies

#### 2.1 Going concern

The financial statements have been prepared on the going concern basis which the Directors consider appropriate for the reasons outlined below and where they have reviewed cash flow forecasts for a period of 12 months from the date of signing these financial statements. The Directors have reviewed the Group's operations and made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources available to continue its operations for the foreseeable future and at least 12 months from the date of approval of these financial statements.

In preparing these forecasts, the Directors considered the uncertainty of war in Ukraine and inflation, and their impact on short and medium-term cash liquidity. The Directors have also considered the Group's regular income stream earned from the provision of administrative and contract management services, and the credit worthiness of the entities to which these services are provided. The significant judgements, which have been explored through forecasting plausible downside scenarios, relate to the timing of the receipt of Development Fee income (which is only recognised on the successful financial close of the transaction to which it relates). These judgements also include the implementation of controllable cost mitigation strategies and plans to generate other forms of income.

Under both its base-case scenario and reasonably plausible downside scenarios, the Directors consider that the Group is well positioned to manage risk during this period of economic uncertainty. Consequently, the directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 2.2 Transactions denominated in foreign currencies

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

#### 2.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Management services income is recognised over a specified period of time based on the method that represents the stage of completion in delivery of the services.

Development fee income is only recognised on the successful financial close of the transaction to which it relates, as up to this point, there remains uncertainty to the deliverability of the contract.



## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.3 Turnover (continued)

Consultancy income arises on consultancy services, and is recognised either on a fixed fee, contingent fee or time basis. Revenue is recognised on work performed for a fixed or contingent fee once the work is complete or contingency is resolved. Revenue is recognised in time-based arrangements on the basis of time charged to date.

Operating lease income is recognised on a straight line basis over the lease term.

##### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	3 years
Computed and equipment	3 years
Assets in use – buses - shell	21 years
Assets in use – buses - batteries	9 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

##### 2.5 Investments

The Group and Company's investments meet the description of basic financial instruments. They are carried at historic cost less impairment.

##### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.7 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.8 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.10 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.11 Pensions

###### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

##### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

##### 2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.13 Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the year the Group did not apply any significant judgements or any uncertain estimates.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Management services	3,924,262	3,494,559
Development fees	2,424,101	699,960
Consultancy services	684,171	677,516
Operating lease income	251,591	-
	<u>7,284,125</u>	<u>4,872,035</u>

All turnover is generated within the United Kingdom.

#### 5. Cost of sales

	2022 £	2021 £
Consultancy and other fees	826,099	764,786
Depreciation of owned tangible fixed assets	143,268	-
Impairment loss on investment	210,000	-
	<u>1,179,367</u>	<u>764,786</u>

# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	47,008	27,049
Fees payable to the auditor of Rock Rail East Anglia Management Ltd	7,131	6,367
Fees payable to the auditor of Rock Rail Management Services Ltd	7,131	6,367
Fees payable to the auditor of Rock Rail Moorgate Management Ltd	7,131	6,367
Fees payable to the auditor of Rock Rail East Midlands Management Ltd	7,131	6,367
Fees payable to the auditor of Rock Rail West Coast Management Ltd	7,131	6,367
Fees payable to the auditor of Rock Rail Main-Weser Management Ltd	20,789	-
Fees payable to the auditor of Rolling Stock Investment No 1 Limited	6,174	5,513
	<u>109,626</u>	<u>64,397</u>

Included in Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements in the table above is £7,132 (2021: £6,367) in relation to the audit of the standalone financial statements of Rock Rail Apple Limited.

### 7. Employees

#### Group and Company

	2022 £	2021 £
Wages and salaries	3,513,856	3,343,539
Social security costs	400,551	322,777
Cost of defined contribution scheme	105,370	108,927
	<u>4,019,777</u>	<u>3,775,243</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No	2021 No
Directors	2	2
Employees	23	24
	<u>25</u>	<u>26</u>

## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	538,497	543,787
Company contributions to defined contribution pension schemes	18,803	18,986
	<u>557,300</u>	<u>562,773</u>

The highest paid director received remuneration of £358,250 (2021: £344,287).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,480 (2021: £11,892).

#### 9. Interest receivable

	2022 £	2021 £
Interest receivable from Rock Rail East Anglia (Holdings) 2 Limited	331,057	336,474
Interest receivable from Rock Rail Moorgate (Holdings) Limited	231,190	228,916
Interest receivable from Rock Rail South Western (Holdings) 2 Limited	432,443	439,820
Interest receivable from Rock Rail East Midlands (Holdings) 2 Limited	238,302	227,269
Interest receivable from Rock Rail West Coast (Holdings) 2 Limited	124,378	158,110
Interest receivable from Rock Rail Main-Weser Holdco Limited	41,238	-
Interest receivable from Apple Bidco 1 Limited	103,345	103,287
Other interest receivable	16,833	24,393
	<u>1,518,786</u>	<u>1,518,269</u>

#### 10. Interest payable and similar charges

	2022 £	2021 £
Interest on senior debt	58,130	-
Interest on subordinated loans	11,315	-
Interest payable to Rock Infrastructure Limited	137,597	139,666
Interest payable to related parties	31,479	-
Other loan interest payable	17,245	20,600
	<u>255,766</u>	<u>160,266</u>

# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 11. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	534,588	188,968
Adjustments in respect of previous periods	(61,360)	(29,972)
<b>Total current tax</b>	<b>473,228</b>	<b>158,996</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 21)	(1,840)	6,971
Change in tax rates	(352)	-
Adjustments in respect of previous periods	(3,325)	-
<b>Total deferred tax</b>	<b>(5,517)</b>	<b>6,971</b>
<b>Taxation on profit on ordinary activities</b>	<b>467,711</b>	<b>165,967</b>

### Factors affecting tax charge for the year

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

	2022 £	2021 £
Profit on ordinary activities before tax	2,028,984	685,973
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	385,507	130,335
<b>Effects of:</b>		
Expenses not deductible for tax purposes	147,241	65,604
Adjustment from previous years	(64,685)	(29,972)
Tax rate changes	(352)	-
<b>Total tax charge for the year</b>	<b>467,711</b>	<b>165,967</b>

### Factors that may affect future tax charges

Deferred tax is recognised at 25% (2021: 19%) on all temporary differences where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Deferred tax that arose on impairment of Apple sale investment in the amount of £52,500 (2021: £nil) has not been recognised at the balance sheet date. In addition to the amount charged to the Income statement, deferred tax relating to components of other comprehensive income has resulted in a loss of £11,738 recognised in other comprehensive income (2021 £nil).

## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11. Taxation (continued)

A budget resolution, passed on 17 March 2020, included provision for the main rate of corporation tax to remain at 19% from 1 April 2020, and not to reduce to 17% as previously legislated. In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023.

#### 12. Parent company loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £899,562 (2021: £345,015).

#### 13. Tangible fixed assets

Group	Assets in use - buses	Fixture and fittings	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2022	-	3,605	53,338	56,943
Additions	14,380,870	-	2,741	14,383,611
At 31 December 2022	14,380,870	3,605	56,079	14,440,554
<b>Depreciation</b>				
At 1 January 2022	-	3,605	43,477	47,082
Charge for the year	143,268	-	7,704	150,972
At 31 December 2022	143,268	3,605	51,181	198,054
<b>Net book value</b>				
At 31 December 2021	-	-	9,861	9,861
At 31 December 2022	14,237,602	-	4,898	14,242,500



# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 14. Fixed asset investments

Group	Unlisted investments £
<b>Cost</b>	
At 1 January 2022	1,995,456
Additions	168,458
Impairment	(210,000)
At 31 December 2022	1,953,914
<b>Net book value</b>	
At 31 December 2021	1,995,456
At 31 December 2022	1,953,914

The Group owns 6.1% of Rock Rail Moorgate (Holdings) Limited, 6.1% of Rock Rail East Anglia (Holdings) 1 Limited, 6.1% of Rock Rail South Western (Holdings) 1 Limited, 6.3% of Rock Rail West Coast (Holdings) 1 Limited, 6.2% of Rock Rail Main-Weser Parent Limited, and 51% of Rock Road London Limited. The Group also owns 4.0% of Rock Rail East Midlands (Holdings) 1 Limited by virtue of its 6.8% shareholding of Rolling Stock Investment No1 Limited. All companies are incorporated in England.

Additions in the year represents investment of 6.2% of Rock Rail Main-Weser Parent Limited and of 51% of Rock Road London Limited.

On 1st March 2023 the Group disposed of the 0.5% investment in Apple Bidco 1 Limited for a consideration of £2,050,000 resulting in the impairment of the investment of £210,000 as at 31 December 2022.

Company	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2022	371,662
Additions	185
Impairment	(348,362)
At 31 December 2022	23,485
<b>Net book value</b>	
At 31 December 2021	371,662
At 31 December 2022	23,485

## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 15. Subsidiary undertakings

The following companies are subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Rock Rail Moorgate Management Limited	A	90%	Infrastructure projects
Rock Rail East Anglia Management Limited	A	90%	Infrastructure projects
Rock Rail Management Services Limited	A	100%	Infrastructure projects
Rock Rail East Midlands Management Limited	A	100%	Infrastructure projects
Rock Rail West Coast Management Limited	A	100%	Infrastructure projects
Rock Rail Main-Weser Management Limited	A	100%	Infrastructure projects
Rock Rail Europe Limited	A	100%	Infrastructure projects
Rock Rail Apple Limited	A	100%	Infrastructure projects
Apple Holdco (R) Limited*	A	100%	Infrastructure projects
Apple Finco (R) Limited*	A	100%	Infrastructure projects
Rock Rail GmbH	A	100%	Infrastructure projects
Rock Rail Australia Pty. Limited	A	100%	Infrastructure projects
Rock Road Holdings Limited	A	100%	Infrastructure projects
Rock Road London Limited	A	51%	Electric bus vehicles owner

*\*sold post balance sheet date*

The registered office of all the subsidiary undertakings is Capital Tower, 91 Waterloo Road, London, SE1 8RT, United Kingdom, except for the companies listed below.

The registered office of Rock Rail GmbH is Markgrafenstraße 42, 10117 Berlin, Germany.

The registered office of Rock Rail Australia Pty. Limited is 12 Nalaura Close, Beecroft, New South Wales 2119, Australia.

# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	188,712	31,741	10,299	3,744
Amounts owed by Group undertakings	-	-	5,321,563	4,435,231
Loan notes	29,080,901	26,709,357	-	-
Other debtors	363,793	335,285	414,307	334,696
Prepayments and accrued income	161,150	171,992	133,091	144,658
Other taxation and social security	2,522,382	-	-	-
Corporation taxation	-	-	177,447	74,006
Deferred taxation (see note 21)	4,308	10,529	15,320	10,529
	32,321,246	27,258,904	6,072,027	5,002,864

Amounts owed by Group undertakings are interest bearing and repayable on demand. Included within amounts owed by Group undertakings is a loan of £1,921,701 (2021: £1,921,701) due from Rock Rail Apple Limited with interest at 7%. The repayment of this loan has been received on 2nd March 2023 as a result of Group's sale of investment in Apple Bidco 1 Limited completed on 1st March 2023, as a result this loan has been included within debtors receivable within one year as at 31 December 2022.

### Loan notes: Amounts due after more than one year

	Nominal interest rate	Year of maturity	Repayment schedule	2022 £	2021 £
Rock Rail Moorgate (Holdings) Limited	2.0% rising to 9.25%	2047	30 instalments commencing March 2019	2,927,954	2,939,841
Rock Rail East Anglia (Holdings) 2 Limited	2.0% rising to 7.00%	2037	21 instalments commencing March 2027	5,826,418	5,875,143
Rock Rail South Western (Holdings) 2 Limited	2.0% rising to 7.00%	2035	23 instalments commencing March 2024	9,500,625	9,068,182
Rock Rail East Midlands (Holdings) 2 Limited	7%	2051	15 instalments commencing March 2044	4,404,061	4,165,759
Rock Rail West Coast (Holdings) 2 Limited	2.0% rising to 7.00%	2042	16 instalments commencing March 2035	2,975,415	2,947,007
Rock Rail Main-Weser Holdco Limited	5.0% rising to 7.00%	2044	56 instalments commencing December 2028	1,524,354	-
Apple Bidco 1 Limited	7.00%	2044	Repayable on 9 November 2044	-	1,493,437
				27,158,827	26,489,369

# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 16. Debtors (continued)

#### Loan notes: Amounts due within one year

	2022 £	2021 £
Rock Rail East Anglia (Holdings) 2 Limited	174,780	115,904
Rock Rail Moorgate Holdings Limited	175,472	104,084
Rock Rail West Coast (Holdings) 2 Limited	95,970	-
Rock Rail Main-Weser Holdco Limited	18,796	-
Apple Bidco 1 Limited	1,457,056	-
	<u>1,922,074</u>	<u>219,988</u>
Total loan notes	<u>29,080,901</u>	<u>26,709,357</u>

The loan due from Apple Bidco 1 Limited of £1,457,056 (2021: £1,493,437) is included within loan notes amounts due within one year at 31 December 2022 following Group's sale of investment in Apple Bidco 1 Limited completed on 1st March 2023.

### 17. Creditors: amounts falling due within one year

	Notes	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors		3,722,118	177,217	242,620	174,469
Corporation tax		492,338	178,621	-	-
Other taxation and social security		-	427,905	135,659	231,032
Other creditors		-	-	5,235	3,876
Bank loan	19	-	666,667	-	666,667
Senior Debt	19	1,649,924	-	-	-
Accruals and deferred income		1,324,801	475,343	1,111,553	404,307
Amounts due to related parties	20	21,071	-	-	-
		<u>7,210,252</u>	<u>1,925,753</u>	<u>1,495,067</u>	<u>1,480,351</u>

Amounts owed to Group undertakings are interest bearing at 3% and repayable on demand.

# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 18. Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts due to related parties	20	6,139,560	2,721,154	1,900,000	-
Senior Debt	19	10,953,555	1,217,644	-	-
Bank loan	19	-	343,829	-	343,829
		17,093,115	4,282,627	1,900,000	343,829

### 19. Interest bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings which are measured at amortised cost.

	Nominal interest rate	Year of maturity	Repayment schedule	2022 £	2021 £
Senior Debt - Apple	RPI Index	2044	6- monthly instalments commencing March 2019	1,194,812	1,217,644
Senior Debt – Rock Road	5.885%	2036	Monthly instalments commencing November 2022	11,408,667	-
CBIL loan – Barclays	2.9%	2022	Quarterly instalments commencing September 2021	-	1,010,496

The senior debt - Apple is secured by a fixed and floating charge over the assets of Apple Finco (R) Limited.

The senior debt – Rock Road is secured by a fixed and floating charge over the assets of Rock Road London Limited.

The CBIL loan was secured by a fixed and floating charge over the assets of Rock Rail Holdings Limited.

## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 20. Amounts due to related parties

This note provides information about the contractual terms of the Group's related parties loans which are measured at amortised cost.

	Nominal interest rate	Year of maturity	Repayment schedule	2022 £	2021 £
Rock Infrastructure Limited	2% rising to 10%	2026	Repayable in full 17 <sup>th</sup> February 2026	2,585,799	2,721,154
AMBER MEEF 2 LLP	8%	2040	Monthly instalments commencing May 2037	1,653,761	-
Karen Stringer	10%	2023	Repayable in full January 2024	400,000	-
Margaret Swindell	10%	2023	Repayable in full January 2024	1,500,000	-

# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 21. Deferred tax asset

Group	2022 £	2021 £
At beginning of year	10,529	17,500
Credited/(charged) to profit and loss	5,517	(6,971)
Charged to other comprehensive income	(11,738)	-
At end of year	4,308	10,529

	2022 £	2021 £
Short term timing differences	4,308	10,529
	4,308	10,529

Company	2022 £	2021 £
At beginning of year	10,529	17,500
Credited/(charged) to profit and loss	4,791	(6,971)
Charged to other comprehensive income	-	-
At end of year	15,320	10,529

	Group 2022 £	Group 2021 £
Short term timing differences	15,320	10,529
	15,320	10,529

# ROCK RAIL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 22. Share capital and share premium

	2022 £	2021 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
5,400 A Ordinary shares of £0.01 each	54	54
4,600 B Ordinary shares of £0.01 each	46	46
1,502 D Ordinary shares of £0.01 each	15	15
330 E Ordinary shares of £0.01 each	3	3
	<u>118</u>	<u>118</u>
	2022 £	2021 £
<b>Share premium</b>		
Premium on 330 E Ordinary shares paid at £84 each	27,717	27,717
	<u>27,717</u>	<u>27,717</u>

Dividends and income - Ordinary shares are entitled to receive dividends as approved by the Board of directors.

Voting rights - Ordinary shares are entitled to one vote per share at General Meetings.

Distribution - Upon the liquidation of the company, once all liabilities have been met, ordinary shareholders will receive the value paid up per share. Any remaining funds will be shared amongst ordinary shareholders.

### 23. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Other non-cash changes £	At 31 December 2022 £
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	1,959,197	400,034	-	2,359,231
<b>Borrowings</b>				
Debt falling due within one year	(666,667)	726,470	(1,709,727)	(1,649,924)
Debt falling due after more than one year	(4,282,627)	(14,675,085)	1,864,597	(17,093,115)
	<u>(4,949,294)</u>	<u>(13,948,615)</u>	<u>154,870</u>	<u>(18,743,039)</u>
	<u>(2,990,097)</u>	<u>(13,548,581)</u>	<u>154,870</u>	<u>(16,383,808)</u>



## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 24. Contingent liabilities

The Company operates a deferred incentive scheme for senior members of staff who are actively involved in originating and executing qualifying contacts. The deferred incentive payments are contingent on the business selling its minority interests in the related Special Purpose Vehicle. It has been estimated that in these circumstances, the liability would be £1,927,000 (2021: £1,967,000). Of this amount £125,000 was paid out in March 2023 when the Apple investment was sold. It is not possible to state the timing of any other possible payment, but the earliest next date that a partial payment could arise would be 2024.

#### 25. Operating lease commitments

The Group leases office space under non-cancellable operating lease agreements.

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
No Later than one year	373,442	329,745
Later than one year and no later than five years	12,811	11,424
Later than five years	-	-
Total	386,253	341,169

Buses fixed assets are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2022 £	2021 £
No Later than one year	1,588,995	-
Later than one year and no later than five years	6,355,981	-
Later than five years	24,801,033	-
Total	32,746,009	-

During the year operating lease rentals of £251,591 (2021: £nil) was recognised as income by the Company. Current lease matures in November 2036.

#### 26. Related party transactions

As at 31 December 2022, Apple Finco (R) Limited was owed £1,457,056 (2021: £1,493,437) from Apple Bidco 1 Limited. During the year, interest of £103,345 (2021: £103,287) was charged on this loan and it is payable on demand.

During the year, Rock Rail Holdings Limited received £nil (2021: £220,356) consultancy fees from Agility Trains West Limited.

## ROCK RAIL HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 26. Related party transactions (continued)

During the year, Rock Rail Holdings Limited received £27,471 (2021: £26,671) director fees from Apple Bidco 2 Limited.

As at 31 December 2022, Rock Rail Holdings Limited owed £400,000 (2021: £nil) to Karen Stringer, a related party. During the year, interest of £7,233 (2021: £nil) was charged on this loan and it is payable on demand.

As at 31 December 2022, Rock Rail Holdings Limited owed £1,500,000 (2021: £nil) to Margaret Swindell, a related party. During the year, interest of £24,246 (2021: £nil) was charged on this loan and it is payable on demand.

During the year, Rock Rail Holdings Limited received £4,494 (2021: £5,550) from Rock Infrastructure Limited, £5,015 (2021: £11,948) from Rock Rail South Western Plc, £43,028 (2021: nil) from Rock Rail West Coast Plc and £35,100 (2021: nil) from Rock Rail East Anglia Plc in respect of consultancy fees.

As at 31 December 2022, Rock Rail Moorgate Management Limited was owed £3,103,426 (2021: £3,043,925) and received £231,190 (2021: £228,916) in interest receivable from Rock Rail Moorgate (Holdings) Limited a related party due to key management personnel.

As at 31 December 2022, Rock Rail Moorgate Management Limited owed £2,682,356 (2021: £2,721,154) to Rock Infrastructure Limited, a company under common control. During the year, interest of £137,796 (2021: £139,666) was paid in respect of this loan.

As at 31 December 2022, Rock Infrastructure Limited, a company under common control, owed £96,557 (2021: £nil) to Rock Rail Holdings Limited. During the year, interest of £199 (2021: £nil) was received in respect of this loan.

During the year, Rock Rail Moorgate Management Limited received £314,513 (2021: £296,281) management fees from Rock Rail Moorgate Plc.

As at 31 December 2022, Rock Rail East Anglia Management Limited was owed £6,001,198 (2021: £5,991,048) and received £331,057 (2021: £336,474) interest receivable from Rock Rail East Anglia (Holdings) 2 Limited a related party due to key management personnel.

During the year, Rock Rail East Anglia Management Limited received £575,140 (2021: £548,000) management fees from Rock Rail East Anglia Plc.

As at 31 December 2022, Rock Rail Management Service Limited was owed £9,500,625 (2021: £9,068,182) from Rock Rail South Western (Holdings) 2 Limited. During the year, interest of £432,443 (2021: £439,820) was paid in respect of this loan and it is repayable on demand.

During the year, Rock Rail Management Services Limited received £1,005,806 (2021: £939,058) management fees from Rock Rail South Western Plc.

As at 31 December 2022, Rock Rail East Midlands Management Limited was owed £4,404,061 (2021: £4,165,759) from Rock Rail East Midlands (Holdings) 2 Limited. During the year, interest of £238,302 (2021: £227,269) was paid in respect of this loan and it is repayable on demand.

## **ROCK RAIL HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **26. Related party transactions (continued)**

During the year, Rock Rail East Midlands Management Limited received £1,007,656 (2021: £937,330) management fees from Rock Rail East Midlands Plc.

During the year, Rock Rail East Midlands Management Limited received £16,261 (2021: £15,621) management fees from Rolling Stock Investment No 1 Limited.

At the balance sheet date, Rock Rail East Midlands Management Limited was owed £19,514 (2021: £18,745) from Rolling Stock Investment No 1 Limited. The amount is repayable on demand.

As at 31 December 2022, Rolling Stock Investment No 1 Limited owed £600 (2021: £600) to Rock Rail Holdings Limited. During the year, interest of £nil (2021: £nil) was paid in respect of this loan and it is repayable on demand.

As at 31 December 2022, Rock Rail West Coast Management Limited was owed £3,071,385 (2021: £2,906,181) from Rock Rail West Coast (Holdings) 2 Limited. During the year, interest of £124,378 (2021: £158,110) was paid in respect of this loan and it is repayable on demand.

During the year, Rock Rail West Coast Management Limited received £812,166 (2021: £758,269) management fees from Rock Rail West Coast Plc.

As at 31 December 2022, Rock Rail Main-Weser Management Limited was owed £1,543,150 (2021: £nil) from Rock Rail Main-Weser Holdco Limited. During the year, interest of £41,238 (2021: £nil) was paid in respect of this loan and it is repayable on demand.

During the year, Rock Rail Main-Weser Management Limited received £192,720 (2021: £nil) management fees and £2,424,101 (2021: £nil) development fees from Rock Rail Main-Weser GmbH & Co. KG.

As at 31 December 2022, Rock Road London Limited owed £1,674,832 (2021: £nil) to AMBER MEEF 2 LLP. During the year, interest of £11,315 (2021: £nil) was paid in respect of this loan and it is repayable in February 2040.

All transactions were made on terms equivalent to those that prevail in arm's length transactions.

#### **27. Controlling party**

The ultimate controlling party is M R Swindell by virtue of his majority shareholding in Rock Rail Holdings Limited.

#### **28. Subsequent events**

Since the balance sheet date, on 1st March 2023 the Group disposed of the 0.5% investment in Apple Bidco 1 Limited for a consideration of £2,050,000. As a result, the Group and the Company impaired the investment in respect of Apple Bidco 1 Limited and reclassified all related balances to receivable and/or repayable within one year as at 31 December 2022.