

Engineering Support Group Limited
Annual report and financial statements
for the year ended 31 December 2015

Registered number: 03038421



Engineering Support Group Limited
Annual report and financial statements
for the year ended 31 December 2015
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Engineering Support Group Limited

Strategic report for the year ended 31 December 2015

The directors present their strategic report on Engineering Support Group Limited for the year ended 31 December 2015.

Principal activities and business review

The principal activity of the company is the provision of technical engineering consultancy and project management services to the rail industry in the UK and continental Europe. The company employs a highly skilled and experienced workforce capable of supporting many different types of railway engineering projects.

The results for the company show a loss after tax of £892,000 and revenue of £6,280,000 for the year ended 31 December 2015, (2014: loss after tax of £482,000 and revenue of £6,721,000).

Whilst many projects progressed satisfactorily, the losses were primarily due to delivery issues in a small number of major vehicle refurbishment projects, combined with the retention of staff capacity in excess of demand.

Financial results in 2015 have prompted a full and thorough business review carried out in the first quarter of 2016. The output of the review has resulted in the following actions:-

1. Restructuring of the company organisational structure. A redundancy process, which commenced in Q2 of 2016 and has now been completed. This will enable the introduction of a leaner organisation structure to allow more efficient management and support of direct billable staff.
2. More effective alignment within the DB AG group of companies to gain synergies in terms of company governance and processes optimisation, in addition to technical and strategic collaboration.

Future developments

Due to the increasing capital investment in the rail industry at a national level and the re-tendering of a significant number of train operating company franchises, the directors remain confident of securing future business as the reputation of the company is re-established. It is also anticipated that the broadened and unique product portfolio of DB Systemtechnik can be successfully introduced to the market, which is better suited to the UK that is increasingly focussed on new vehicle procurement. Additionally the improved organisational structure will enable efficiency benefits, together with an improved focus upon customer satisfaction and delivery performance, which will facilitate a return to profitable operation and future sales growth.

The 2015 closing balance sheet shows a £628,000 shortfall in shareholders' funds. The DB AG group have arranged for continuation of an intercompany credit facility throughout 2016. Following improved performance in 2016 it is expected that ESG will be included in a wider company restructuring during 2017 that will include DB AG group capital investment to address the shortfall in shareholders funds.

Access to finance is also considered a principle risk and is considered further in the directors' report. Further consideration of principle risks and uncertainties is provided overleaf.

Engineering Support Group Limited

Strategic report for the year ended 31 December 2015 (continued)

Key performance indicators

The key performance indicators monitored by the directors for the company include earnings before interest and taxation (EBIT), total revenue, headcount and direct staff utilisation.


Financial risk management

DB corporate process for the management of financial risk is being implemented within the company.


Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The company is at risk from delays to the national programmes for capital investment and the re-tendering of franchises, however, the strategy is to have a mixed portfolio of projects that utilise a flexible workforce. The company is at risk of losing key staff with experience that is not readily replaceable. To mitigate this, the management team are in regular communication with staff including review of employee engagement surveys.

By order of the board
23rd September 2016



H.P. Lang
Director



B. Aissen
Director

Engineering Support Group Limited

Directors' report for the year ended 31 December 2015

The directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

Dividends

The directors do not recommend the payment of a dividend (2014: £nil).

Directors

The directors of the company who held office during the year and up to the date of signing the financial statements were as follows:

H.P. Lang

B. Aissen

In accordance with the articles of association, no directors are required to retire by rotation.

Going Concern

The company has net liabilities of £628,000 (2014: net assets of £264,000) and net current liabilities of £971,000 (2014: £213,000). The company is reliant on the extension of an intercompany credit facility. The DB AG group have arranged for continuation of the existing credit facility to 31st January 2017.

In assessing the basis of preparation of the financial statements, the directors have had regard to the funding requirements of the company.

In particular the directors have had regard to the actions taken and the underlying performance of the business subsequent to the business review which was carried out in the first quarter of 2016. Further extension of the intercompany credit facility is subject to a review of the business' performance for 2016 and so the outcome remains uncertain.

Following improved performance in 2016 it is expected that ESG will be included in a wider company restructuring during 2017 that will include DB AG group capital investment to address the shortfall in shareholders funds.

Whilst there is uncertainty over the extension of the intercompany credit facility the directors have considered the track record of extensions to intercompany credit facilities being granted, the DB AG financing guidelines and discussions advancing on capital investment. The directors believe that appropriate access to finance will be available to take the business forward. Taken together with the improvements in the performance of the business in 2016 year to date following the actions taken as a result of the business review, the directors are confident the company will be able to meet its debts as they fall due and for a period of at least 12 months from the date of signing these financial statements.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Nevertheless after making enquiries and considering the matters described above, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Engineering Support Group Limited

Directors' report for the year ended 31 December 2015 (continued)

Employees

The directors recognise that the continued position of the company in its sector depends on the quality and motivation of its employees and as such the company is committed to pursue employment policies which will continue to attract, retain and motivate its employees.

Good and effective employee communications are particularly important, and throughout the business it is the directors' policy to promote the understanding by all employees of the company's business aims and performance. This is achieved through internal publications, presentations on company performance and developments and regular team meetings. Employees are consulted on issues through seeking their feedback informally and formally, one-to one discussions, working group meetings and through the Health and Safety Committee.

The directors believe that it is important to recruit and retain staff based upon their capabilities and personal attributes. In doing so, the directors are fully committed to ensuring equality legislation is adhered to and that there are no unnecessary barriers to employment, training or development.

Future developments

The future developments of the company are discussed in the strategic report.

Statement of directors' responsibilities

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

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

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;
- State whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; 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.

Engineering Support Group Limited

Directors' report for the year ended 31 December 2015 (continued)

Independent auditors


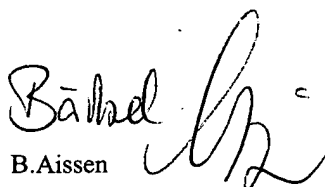
The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Provision of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

By order of the board
23rd September 2016


H.P. Lang
Director
B. Aissen
Director

Engineering Support Group Limited

Independent auditors' report to the members of Engineering Support Group Limited

Report on the financial statements

Our opinion

In our opinion, Engineering Support Group Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3.2 to the financial statements concerning the company's ability to continue as a going concern. As at 31 December 2015, the company's liabilities exceeded its total assets by £628,000 and it had net current liabilities of £971,000. The company is reliant on the extension of an intercompany credit facility which is in place until 31st January 2017. These conditions, along with the other matters explained in note 3.2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2015;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

Engineering Support Group Limited

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Kevin Strauther (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield

29 September 2016

Engineering Support Group Limited

Income statement for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Revenue	4	6,280	6,721
Cost of sales		(1,834)	(2,720)
Gross profit		4,446	4,001
Administrative expenses		(5,576)	(4,574)
Operating loss		(1,130)	(573)
Finance costs	8	(20)	(12)
Loss on ordinary activities before income tax		(1,150)	(585)
Tax expense on ordinary activities	9	258	103
Loss for the financial year		(892)	(482)

The results for the current and prior year derive from continuing activities.

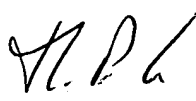
There is no other comprehensive income for the period.

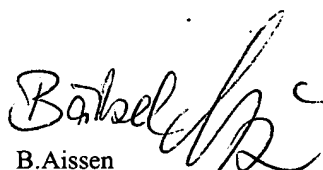
Engineering Support Group Limited

Statement of financial position as at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Property, plant and equipment	10	343	477
		343	477
Current assets			
Trade and other receivables	11	2,391	2,833
		2,391	2,833
Creditors: amounts falling due within one year	12	(3,362)	(3,046)
Net current liabilities		(971)	(213)
Total assets less current liabilities		(628)	264
Net (liabilities)/asset		(628)	264
Capital and reserves			
Called up share capital		-	-
Profit and loss account		(628)	264
Total shareholders' (deficit)/funds		(628)	264

The financial statements on pages 8 to 9 were approved by the board of directors on 23rd September 2016 and were signed on its behalf by:


H.P. Lang
Director


B. Aissen
Director

Registered number: 03038421

Engineering Support Group Limited

Statement of changes in equity for the year ended 31 December 2015

	Retained earnings £'000	Total £'000
At 1 January 2014	746	746
Profit for the financial year	(482)	(482)
At 31 December 2014	264	264
Profit for the financial year	(892)	(892)
At 31 December 2015	(628)	(628)

Engineering Support Group Limited

Notes to the financial statements

1 General information

The principal activity of the company during the year was the provision of technical engineering consultancy and project management services to the rail industry in the UK and continental Europe. This is expected to remain so for the foreseeable future. The company is a private company and is incorporated and domiciled in the UK. The address of its registered office is Carolina Way, Lakeside Business Park, Doncaster, DN4 5PN.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared on a going concern basis and under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below, and, unless otherwise stated, these policies have been consistently applied to all the periods presented.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 "Reduced Disclosure Framework (FRS 101) and, the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 17 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 January 2014. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements. The impact of the amendments to the Company's previously adopted accounting policies in accordance with UK GAAP (excluding FRS 101) is explained in Note 16.

The principle disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows;
- IAS 1 information on management of capital;
- IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 disclosure of key management personnel compensation;
- IAS 24 disclosures in respect of related party transactions entered into between fellow group companies (the company has no other related party transactions); and

Engineering Support Group Limited

Notes to the financial statements (continued)

- Roll-forward reconciliations in respect of share capital (IAS 1), property, plant and equipment (IAS 16).

2.2 Pensions and other post-retirement benefits

The Company's employees are members of the Rail Pension Scheme Defined Benefit Plan. For this scheme, in line with the multi-employer exemption in IAS19, defined benefit accounting is not used because the entity is unable to identify its share of the underlying assets and liabilities of the scheme. The directors consider that DB Cargo (UK) Holdings Limited employs or has employed a significant majority of both the active and pensionable members of the scheme, and that any exercise to identify the proportion of the scheme relating to active and pensionable employees of Engineering Support Group Limited would have negligible benefit to the financial statements. On this basis the directors believe that any future changes to the scheme, for example changes in contribution rates or in actuarial assumptions, will not result in any implications for the company. Therefore, as required by FRS17 the cash contributions are charged directly to the profit and loss account as if the scheme were a defined contribution scheme.

2.3 Deferred taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision is made for deferred tax assets (to the extent that they are recoverable) and liabilities arising from timing differences on accelerated capital allowances, accruals for pension costs, unrelieved tax losses and other short term timing differences.

No provision is made for timing differences on revaluation surpluses on fixed assets unless there is a firm commitment to sell the asset in question, nor is any provision raised on gains rolled over in replacement assets.

2.4 Fixed Assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives from the time assets come into service as follows:

Plant, machinery and equipment	3 to 5 years
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Fixtures and fittings	10 years
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2.5 Turnover

Turnover is stated net of value added tax and represents amounts recognised in respect of long term contracts and other direct sales to customers. Contracted revenue is recognised in accordance with the provisions of SSAP 9 Long Term Contracts with any excess of payments on account being classified as such within creditors.

Engineering Support Group Limited

Notes to the financial statements (continued)

3 Critical accounting estimates and judgements

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

3.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Cost to complete in long term projects

When goods and services are being supplied to customers under a long term contract, a proportionate amount of turnover, and associated costs, is recognised in the financial statements based on the stage of completion. Profit is recognised if the final outcome can be assessed with reasonable certainty. Losses are recognised in full when a contract is identified to be loss-making.

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

b) Trade Receivables

Trade receivables are disclosed net of provisions for bad and doubtful debts. The provision for bad and doubtful debts is based on specific risk assessments with reference to past default experience.

3.2 Critical judgements in applying the entity's accounting policies

Going Concern

The company has net liabilities of £628,000 (2014: net assets of £264,000) and net current liabilities of £971,000 (2014: £213,000). The company is reliant on the extension of an intercompany credit facility. The DB AG group have arranged for continuation of the existing credit facility to 31st January 2017.

In assessing the basis of preparation of the financial statements, the directors have had regard to the funding requirements of the company.

In particular the directors have had regard to the actions taken and the underlying performance of the business subsequent to the business review which was carried out in the first quarter of 2016. Further extension of the intercompany credit facility is subject to a review of the business' performance for 2016 and so the outcome remains uncertain.

Engineering Support Group Limited

Notes to the financial statements (continued)

Following improved performance in 2016 it is expected that ESG will be included in a wider company restructuring during 2017 that will include DB AG group capital investment to address the shortfall in shareholders funds.

Whilst there is uncertainty over the extension of the intercompany credit facility the directors have considered the track record of extensions to intercompany credit facilities being granted, the DB AG financing guidelines and discussions advancing on capital investment. The directors believe that appropriate access to finance will be available to take the business forward. Taken together with the improvements in the performance of the business in 2016 year to date following the actions taken as a result of the business review, the directors are confident the company will be able to meet its debts as they fall due and for a period of at least 12 months from the date of signing these financial statements.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Nevertheless after making enquiries and considering the matters described above, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

4 Revenue

The company's turnover and profit on ordinary activities before taxation arise primarily from its principal activity of the provision of technical engineering consultancy and project management services to the rail industry in the UK and continental Europe.

	2015	2014
	£'000	£'000
UK	5,977	6,293
EU	303	423
ROW	-	5
	6,280	6,721

Engineering Support Group Limited

Notes to the financial statements (continued)

5 Operating profit

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2015	2014
	£'000	£'000
Audit Fee	20	15
Depreciation of tangible assets	136	144
Rentals payable under operating leases:		
Other operating leases	59	57

6 Remuneration of directors

The directors received no emoluments (2014: £ Nil) for the benefits of their services to the company. Their total emoluments are included within the aggregate of directors emoluments disclosed within the financial statements of DB Systemtechnik GmbH in Germany.

Engineering Support Group Limited

Notes to the financial statements (continued)

7 Staff numbers and costs

The average monthly number of persons employed by the company during the year, analysed by category, was as follows:

	2015 Number	2014 Number
Management and operation of consultancy services	74	75
	74	75

The aggregate payroll costs of these persons were as follows:

	2015 £'000	2014 £'000
Wages and salaries	3,062	3,144
Social security costs	251	269
Other pension costs (note 15)	370	351
	3,683	3,764

8 Finance costs

	2015 £'000	2014 £'000
Interest payable to group undertakings	20	12
	20	12

Engineering Support Group Limited

Notes to the financial statements (continued)

9 Tax on profit on ordinary activities

	2015 £'000	2014 £'000
UK corporation tax:		
Current tax arising in the year	(233)	(125)
Adjustment in respect of prior years	(27)	20
Total current tax	(260)	(105)
Deferred tax:		
Origination and reversal of timing differences	2	2
Total deferred tax	2	2
Total tax	(258)	(103)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 20.25% (2014: 21.50%). The actual tax credit for the year is higher (2014: lower) than the standard rate for the reasons set out in the following reconciliation:

	2015 £'000	2014 £'000
Loss on ordinary activities before tax	(1,150)	(585)
Tax on loss on ordinary activities at standard rate	(233)	(126)
Adjustment in respect of prior years	(27)	21
Deferred Tax Adjustment	2	2
Total tax for the year	(258)	(103)

During the year as a result of changes in the UK corporation tax rate to 21% which were substantively enacted on 2 July 2013 and were effective from 1 April 2014, and to 20% which were substantively enacted on 2 July 2013 and were effective from 1 April 2015, the current tax rate decreased to a hybrid rate of 20.25% for the year ended 31 December 2015.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. A further reduction in the main corporation tax rate to 17% from 1 April 2020 was announced in the March 2016 Budget which has not yet been substantively enacted.

Engineering Support Group Limited

Notes to the financial statements (continued)

10 Property, plant and equipment

	Plant, Machinery and Equipment £'000	Total £'000
Cost		
At 1 January 2015	776	776
Additions	2	2
At 31 December 2015	778	778
Accumulated depreciation		
At 1 January 2015	(299)	(299)
Charge for the year	(136)	(136)
At 31 December 2015	(435)	(435)
Net book amount		
At 31 December 2015	343	343
At 31 December 2014	477	477

11 Trade and other receivables

	2015 £'000	2014 £'000
Trade receivables	1,395	1,871
Amounts due from group undertakings	160	10
Amounts recoverable on contracts	446	701
Corporation tax	283	141
Prepayments and accrued income	104	105
Deferred tax asset	3	5
	2,391	2,833

Amounts due from group undertakings are unsecured and are receivable on demand.

Engineering Support Group Limited

Notes to the financial statements (continued)

An analysis of deferred tax assets, included within debtors, is as follows:

	£'000
At 1 January 2015	5
Credit for the year	(2)
At 31 December 2015	3

Deferred tax arises on the following timing differences:

	2015 £'000	2014 £'000
Short term timing differences	3	5
	3	5

12 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	678	505
Amounts due to group undertakings	1,680	1,772
Payments on account	351	143
Other taxes and social security	224	263
Other creditors	52	46
Accruals and deferred income	377	317
	3,362	3,046

Amounts due to group undertakings are unsecured and repayable on demand.

Included in the amount owed to group undertakings is £1,628,000 (2014: £1,723,000) owed to DB Mobility Logistics as part of the central cash pooling arrangement. Interest is charged at LIBOR +0.75% on negative balances and paid at LIBOR -0.25% on positive balances

Engineering Support Group Limited

Notes to the financial statements (continued)

13 Share capital

	2015	2014
	£	£
Allotted and fully paid		
3 (2014: 3) ordinary shares of £1 each	3	3

There is one vote per share

14 Capital and other commitments

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings £'000	2015 Other £'000	Land and buildings £'000	2014 Other £'000
Within one year	84	25	76	51
In the second to fifth years inclusive	182	6	246	26
In over five years	-	-	-	-
	266	31	322	77

The company had no capital commitments at the year end (2014 : Nil)

Engineering Support Group Limited

Notes to the financial statements (continued)

15 Pension scheme

The company participates in a defined benefit pension scheme for its employees operated by DB Cargo (UK) Holdings Limited. The pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

The total contribution rate payable under the Railways Pension Scheme (RPS) is normally split in the proportion 60:40 between the company and the members. If a surplus or deficit arises, the provisions in the rules mean that the company and the members benefit from or pay for this respectively in the proportion 60:40.

The underlying assets of the scheme are £1,032.0m (2014: £1,006.3m) and liabilities are £1,259.0m (2014: £1343.0m). Further details are available in the financial statements of DB Cargo (UK) Holdings Limited.

The company is unable to identify its share of the underlying assets and liabilities of the group scheme and therefore the scheme will be accounted for by the company as a defined contribution scheme under IAS19.

The cost of contributions, on a defined contribution basis, was £370,000 (2014: £351,000).

Engineering Support Group Limited

Notes to the financial statements (continued)

16 Transition to FRS101

	UK GAAP 2014 £'000	Adjustments 2014 £'000	FRS 101 2014 £'000
Administrative expenses	(4,569)	(5)	(4,574)
Operating Loss	(568)	(5)	(573)
Loss on ordinary activities before income tax	(580)	(5)	(585)
Loss for the financial year	(477)	(5)	(482)
Creditors amounts falling due within one year	(3,041)	(5)	(3,046)
Net Assets	269	(5)	264
Profit and loss account	269	(5)	264
Total shareholders funds	269	(5)	264

The adjustment relates to a rent free period which had been reflected in the 2014 comparative.

17 Ultimate parent company and controlling party

The immediate parent company is DB Cargo (UK) Holdings Limited (formerly DB Schenker Rail (UK) Holdings Limited).

The directors' consider that the ultimate controlling party, the smallest and the largest group in which the results of the company are consolidated is that headed by Deutsche Bahn AG, which is incorporated in the Federal Republic of Germany. The financial statements of Deutsche Bahn AG can be viewed at www.db.de. There are no transitional adjustments.