Registration number: 03831229

Freightliner Heavy Haul Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Freightliner Heavy Haul Limited

Contents

Freightliner Heavy Haul Limited

Company Information

Directors	Mr William Thomas Wright
	Mr Blake Jones
Company secretary	Mr Geraint Rhys Harries
Registered office	6th Floor The Lewis Building 35 Bull Street Birmingham B4 6EQ
Bankers	Barclays Bank PLC 1 Churchill Place London United Kingdom E14 5HP
Independent auditors	Deloitte LLP Four Brindleyplace Birmingham United Kingdom B1 2HZ

Freightliner Heavy Haul Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their report for the year ended 31 December 2021.

Fair review of the business

Despite an ongoing impact from the COVID-19 pandemic, business performance improved during the year 2021. The pandemic continued to heavily impact society as a whole and brought a continuation of challenges to the Transport and Logistics sector.

Steps taken by the business during 2020, at the outset of the pandemic, ensured we were well placed to protect our people, customers and suppliers across all our working environments with key liquidity measures retained to conserve cash and allow continued investment in innovation and growth.

The portfolio of services offered across the group provided a level of resilience to results through the pandemic and subsequent global supply chain congestion. Performance was further supported by key improvements made to operating effectiveness.

Turnover has increased marginally during the year 2021, however an adverse margin movement in the mix of activity and a net increase to costs due to other cost offsets, led to a deterioration in the gross margin and net loss before tax of the business. This is expected to improve as the business strategy continues to be delivered, however it has resulted in loss before tax increasing by £13,201k to -£29,265k for the year 2021.

Net assets excluding pension liabilities has decreased during the year driven by the increase in creditor amounts owed in more than one year. This increase is solely driven by the increase in lease liabilities. Net liabilities have also increased due to the increase in cost of sales in 2021 compared to 2020.

A strategic review was conducted during the year, leading to the creation of a clear set of workstreams to drive customer focused, end to end solutions. This strategic plan will focus on both the enhancement and growth of existing customer relationships as well as expansion to new customers and markets. Progress against this strategy during 2022 has been highly encouraging, despite the backdrop of a highly competitive environment and macro-economic uncertainty in the UK economy as a whole.

Further progress in delivering the business strategy, along with a proven resilience of performing in difficult economic circumstances, result in a confidence that the business will continue to maximise market opportunities to drive further growth during 2022.

The Company's principal key financial performance indicators are noted below and these have been discussed as part of the Business review. There are no non-financial key performance indicators upon which business performance is measured.

	Unit	2021	2020
Turnover	£'000	91,234	91,128
Gross margin	%	(19)	2
Net Loss before tax	£'000	(29,265)	(16,064)
Net Assets excluding pension liabilities	£'000	(1,701)	24,885
Net Liabilities	£'000	(31,711)	(21,593)

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk. The Company aims to minimise these risks through its forward looking strategy. These are detailed further within the principal risks and uncertainties section of the Strategic Report.

Principal risks and uncertainties
The principal risks and uncertainties of the business are detailed below:

Future economy
The Company has considered the impact of wider macro-economic issues that will be impacting the wider transport industry and the general economy. It is not considered that there are any factors that will affect the business other than those which will affect the wider economy such as inflationary pressures including to energy and cost of living. Management will continue to actively manage its cost base and pricing accordingly in order to mitigate this risk.

Health and Safety:
The company is required, by statute, to hold a current Safety Certificate. To secure a Safety Certificate the company must submit to the Office of Rail and Road a Railway Safety Case (RSC), a document defining the safety management system. Management actively monitors risks in the business and strive for a zero injuries workplace.

Credit risk:
The company's credit risk is attributable to its receivables, which are presented in the statement of financial position net of any provision for bad debts. The company only enters into material transactions with reputable and established businesses. Credit risk is controlled by the regular review and setting of customer payment terms. Compliance with these limits is regularly monitored.

Liquidity risk:
Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation through its operations and through funding facilities available from its parent entity, Genesee & Wyoming Inc.

Strategic and commercial risks:

During the year 2021, group trading and operations continued to be affected to an extent by the COVID-19 Pandemic. We continued to operate in working environments that had been adjusted in 2020 in line with government guidelines, to safeguard our staff and our customers.

The portfolio of business activities across the group helped to mitigate the impact of global supply chain congestion post Brexit and the pandemic, and we continue to grow activity further as we move into the post pandemic era. Looking forward, the business is mindful of the low growth economic environment, coupled with the current high level of industrial relations activity.

We continue to work extremely closely with all our colleagues, customers and suppliers, to ensure appropriate action is being taken to mitigate any business risk and ensure we can continue to deliver business growth. We remain confident that our strategy, people and organisational resilience, position us well to make continued progress.

Section 172(1) statement

The Directors must act in a way they consider would be most likely to promote the success of the Company for the benefit of its stakeholders. These stakeholders and actions taken by the Company are detailed below:

Long-term consequences of decisions - The Company aims to secure its long-term prospects and viability by seeking out strategies that provide mutual long-term benefits to its stakeholders and members. These are considered through regular meetings of the senior management team, periodic engagement with its shareholders and the formal preparation and adoption of a 5-year Strategic Plan. This includes determining the capital investment required to meet growth, customer, and safety needs. The annual review of the Company's strategy encompasses the long-term implications for stakeholders and members.

Interest of employees - Our employees reflect our culture and values and are essential to delivering on our mission of developing long-term customer relationships and business growth. The Company has several means of communicating with its employees in terms of business performance and other important decisions. These communication methods include quarterly business updates from the CEO, regular Hotliners on new business wins and other topics of interest to colleagues, quarterly meetings of the Senior Leadership Team (SLT) with union reps from all four unions to discuss quarterly business performance. Pre-COVID, the SLT also held regular townhall forums at our various operational sites to inform employees of important developments and decisions. These were replaced in 2020 by online teams and continued to remain in place during 2021. The Company has a strong culture of Health & Safety and strives for zero injuries, every day. In support of our health and safety culture, the business has a comprehensive health and safety training plan that it delivers across platform and grades according to need. A freely accessible internal information hub is maintained of all policies and relevant employee information.

Need to foster the Company's business relationships - Our customers include large international shipping lines through to small local businesses. Our customers rely on us to fulfil their obligations and our suppliers allow us to meet their needs.

The Company actively works towards the acquisition of new customers through a range of existing industry relationships and tendering processes. The supply of services is dependent on the continuing collaboration with a range of third-party suppliers on a long-term basis. Commercial and operational teams have regular and timely communication with key customers and suppliers to understand their needs to assist us in fulfilling their objectives. To maintain and enhance the customer relationships, the Company engages in frequent surveys and interactions. The Company collaborates with customers to deliver a high quality services whilst maintaining key performance indicators such as on-time delivery, utilisation and customer satisfactory ratings.

Impact on communities - We believe supporting our communities strengthens our community ties and fosters an awareness of our long-term goals.

Our staff charity nomination scheme sees our employees' nominating charities, which they have a personal connection, to which donations are made. The Company, further, sponsors local sports clubs across the UK that our staff have a connection with. Through these activities we have frequent engagement with the local communities to assess the Company's impact and align our corporate social responsibility goals for the future

Impact on the environment - As one of the UK's leading transportation service providers, we take our environmental responsibilities seriously and recognise the importance of our environmental performance as part of our overall business success. G&W UK has an ongoing focus on increasing the sustainability of our operations and will continue to play a pivotal role in ensuring that the UK economy can fully decarbonise by 2050.

G&W UK's Environment and Sustainability Group (ESG) coordinates our environmental and sustainability workstreams to ensure that the business is positioned to further enhance our environmental and sustainable credentials. As part of our Integrated Management System (IMS), we will develop, maintain and continually improve an Environmental Management System (EMS) in line with the requirements of ISO 14001 and seek external accreditation for relevant operations to ensure we achieve all our compliance objectives and that our operational activities prevent pollution and embrace environmental opportunities.

High standard of business conduct - The Company and its employees are subject to the Code of Ethics of Genesee & Wyoming Inc ("Code"). The Code sets forth general guidelines of business practice and is intended to help educate our staff about the laws that affect our business; help our employees understand the type of behaviour that is expected, and to serve as a guide when we face legal or ethical questions.

The Company's internal and external policies are reviewed by the Directors and senior management to ensure compliance with anti-bribery, modern slavery, environmental, safety standards, tax and financial standards. The Company operates an internal audit program overseeing the financial and non-financial policies and procedures put in place.

To act fairly between members of the company – The Company and its employees are subject to the Code of Ethics of Genesee & Wyoming Inc ("Code"). The Code sets forth general guidelines of business practice and is intended to help ensure fairness between members of the company. This Code is aligned with the principles provided by the ultimate parent entity and assessed alongside the company's strategic update

During the period the directors continued to monitor progress against the company's strategy, as highlighted in the principal activities section of the strategic report of the company, and decisions made by the directors were in respect of operational matters

Future developments

The directors expect to continue providing bulk rail haulage across the country at similar levels as in 2020.

The following matters have been covered in the Directors' Report:

- Directors of the company;
- Principal activity;
- Employment of disabled persons;
- Employee involvement;
- Dividends;
- Social and community issues;
- Streamlined energy and carbon reporting;
- Going concern;
- Directors' liabilities;
- Disclosure of information to the independent auditors.

Approved by the Board on 9 March 2023 and signed on its behalf by:

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Mr William Thomas Wright

Director

Freightliner Heavy Haul Limited

Directors' Report for the Year Ended 31 December 2021

The directors presents their report and the financial statements for the year ended 31 December 2021.

Directors' of the company
The directors, who held office during the year, were as follows:

Mr Gary Long (resigned 13 April 2021)

Mr Timothy Michael Shakerley (resigned 10 December 2021)

Mr Edward Aston (appointed 13 April 2021 and resigned 2 September 2022)

The following directors were appointed after the year end:

Mr William Thomas Wright (appointed 15 September 2022)

Mr Blake Jones (appointed 15 September 2022)

Principal activity
The principal activity of the company is bulk rail haulage.

Financial risk management objectives and policies
The principal risks and uncertainties of the business are disclosed in the Strategic Report.

Dividends
The directors do not propose a dividend for the year ended 31 December 2021 (2020: nil), and no dividends were paid during the year nor any paid or proposed up to the date of signing.

Post balance sheet events
Post balance sheet events are disclosed in Note 24.

Employment of disabled persons
The company is committed to equal opportunities for disabled people in recruitment and employment and aims to create an environment which enables them to work effectively as part of the company. The directors believe in the value of a diverse and inclusive workforce and this includes the representation of staff with disabilities. The directors aim to ensure that applications for employment are assessed on the basis of objective and relevant criteria that do not discriminate in any way and reasonable adjustments are considered and made, where practicable.

Employee involvement
Consultation with employees or their representatives is maintained, with the aim of ensuring that their views are taken into account when decisions are made that are likely to impact their interests and ensuring that all employees are aware of the financial and economic performance of their business units and the company as a whole. Communication with all employees continues through the intranet, newsletters, and team briefings. The company also encourages employees' engagement in company performance through its bonus schemes.

Social and community issues
Consistent with Genesee & Wyoming Inc., the company's intermediate controlling entity, core values which relate to respect and integrity, the company is committed to implementing and enforcing effective policies, systems and controls to ensure that slavery and human trafficking is not taking place anywhere in our business operations or our supply chains. We will continually review our systems and controls to assess how effective we have been in meeting this commitment.

In the United Kingdom, our operations have over 1,600 suppliers across a wide range of sectors, including the rail infrastructure operator (Network Rail), engineering suppliers, fuel suppliers, road transport suppliers, port companies, asset lessors, information technology service providers, insurance and facilities management companies. In addition, the firm works with a number of professionals, consultants and contractors.

G&W procure material globally, with the majority based either within the UK, USA or the EU and a limited amount sourced from the Far East. Of these estimated 1,600 suppliers, 161 represent 90% of our total supplier expense with an annual spend of at least £250,000. A review of their corporate websites confirmed that 91 published modern slavery/human trafficking statements.

Our supplier terms & conditions, used for all major suppliers of goods, now clearly state the firm's intention to step away (without penalty) if any occurrences of non-compliance with modern slavery is found.

Streamlined Energy and Carbon Reporting
It is not possible to separate the energy usage and carbon emissions of the group of companies owned by GWI UK Holding Ltd. This report covers the energy usage and carbon emissions of all companies within the group.

This section has been prepared in compliance to the SECR Framework as implemented in the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

GHG emissions and energy use data for period 1 January 2021 - 31st December 2021

	Units	1st January to 31st December 2021
Emissions from combustion of gas (Scope 1)	tCO2e	(349)
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO2e	(169,794)
Emissions from purchased electricity (Scope 2) for transport purposes	tCO2e	(6,285)
Emissions from purchased electricity (Scope 2)	tCO2e	(2,060)
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3)	tCO2e	(739)
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	tO2e	(63)
Total Gross emissions	tO2e	(179,290)
Energy consumption used to calculate above emissions	kWh	755,874,146

The intensity ratios have been calculated for the different activities carried out within the Organisation and include all energy usage and emissions stated within the above emissions figures and the methodology.

Source	Carbon Emissions (tCO_2e)	Intensity Ratio	Intensity Ratio Metric	Intensity Metric
Traction	143,477	0.01785	tCO2/KGTMs	8,037,927
Road Haulage and Vehicles	25,572	0.00100	tCO2e/mile	25,572,000
Terminal/Site Usage	10,242	0.00629	tCO2e/m2	1,628,299

Quantification and reporting methodology

GWI UK Holding Ltd have followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol, Corporate Standard. We have used the 2021 UK Government's Conversion Factors for Company Reporting. We have used an operational approach to define our boundary and scopes.

Scope 1 emissions relate to on-site gas usage and emissions from transport. Scope 2 relates to Electric Traction and on-site electricity usage, Electricity transmission and distribution loss associated emissions are set out in Scope 3. Further Scope 3 emissions relate to grey fleet.

Transport usage has been obtained from fuel purchasing records, fuel card usage and mileage data. Electric traction usage and emissions are calculated from metering data (EnergyX system). Mileage records for the traction comes from Network Rail Trackaccess data for the intensity metric, Company car mileage for the intensity metric is estimated based on litres used. Company car and grey fleet emissions have been calculated on an assumed split of 70% diesel and 30% petrol. Fuelcard data has had a pro rata applied wherever there is not a full 12 month's data.

The primary source for on-site electricity and gas consumption data is supplier invoices and supplier consumption data. The Landlord supplies have been calculated from invoice costs and usage and also estimated based on historical consumption where not available.

Energy Efficiency Commentary

As one of the UK's leading transportation service providers, here at G&W UK we take our environmental responsibilities seriously and recognise the importance of our environmental performance as part of our overall business success. G&W UK has an ongoing focus on increasing the sustainability of our operations and will continue to play a pivotal role in ensuring that the UK economy can fully decarbonise by 2050. G&W UK's HSSE team coordinated our environmental and sustainability workstreams to ensure that the business is positioned to further enhance our environmental and sustainable performance. The SECR report will act as an evidence base, on which to set regular, achievable and effective carbon emission reduction which will lead to decarbonisation of our operations by 2050.

There was a small increase in traction identified in 2021 compared with 2020. This is for a number of reasons. Due to COVID-19, driver training programmes in 2020 were delayed due to the inability to adequately socially distance in the locomotive cab. The global economy also destabilised with less goods being delivered from abroad, this reduced the amount of goods being transported by rail, and increased the amount being stored in terminals waiting to be transported by ship. One factor that kept traction from being lower in 2020, was that passenger services were largely cancelled in 2020, this freed up the rail network for freight services to run more frequently, for the transport of essential supplies during the pandemic. 2021 saw a gradual return to normality particularly in the second half of the year although volumes had not yet returned to normal, so traction is expected to be higher in 2022. However there will be more services running on biofuel so this should offset the increase in traction.

GWI UK Holding Ltd. engaged in a number of energy efficiency projects during 2021 focusing on alternative biofuels for the diesel traction locomotives, including Hydrotreated Vegetable Oil (HVO), GD45, dual fuel project, reducing idling, fitting of auto start/stop technology and further research in emulsification and steam.

The 2021 data sets the foundation to continue to reduce our carbon emissions along with environment, and sustainability improvement initiatives being set in 2022. The 2021 data is more reliable to use because operations generally returned to normality following the effect the COVID-19 pandemic had on our business in 2020.

Going concern

The directors have a reasonable expectation that the company, through group borrowing facility and the support of Genesee & Wyoming Inc., has adequate resources to continue in operational existence for the 12 months following the signing of the accounts. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The UK Group's base cash forecast shows that as a result of operations, discretionary capital expenditure and reasonable expected downside scenarios, the UK Group would require funding in the 12 months from signing of the financial statements. Cash flow needs for the company are managed on a UK Group basis rather than at the individual company level. The company plans to meet its day-to-day cash flow requirements through its cash reserves and the group borrowing facility. The group borrowing facility secured by US assets, which the UK Group can access through G&W Acquisition Limited, one of the named entities to the borrowing facility.

Genesee & Wyoming Inc., the immediate parent entity of the UK Group, has demonstrated to management there is significant headroom in the group borrowing facility to support the UK Group, should the need arise. Furthermore, Genesee & Wyoming Inc. has provided management a support letter confirming their intentions to provide financial assistance to the UK Group for the period of 12 months from the date of authorising the company's financial statements.

The directors have a reasonable expectation that the parent company, through group borrowing facility has enough liquidity to support the company financially for the next 12 months from approving the accounts for issuance. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The following matters have been covered in the Strategic Report:

- Financial risk management objectives and policies
- Future developments
- Engagement with employees
- Engagement with suppliers, customers and others

Directors' liabilities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Disclosure of information to the independent auditors

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

• so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware;

• and the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Deloitte LLP were re-appointed as auditor during the year and have expressed willingness to continue in office. A resolution to re-appoint them as auditor will be proposed at a forthcoming Board Meeting.

Approved by the Board on 9 March 2023 and signed on its behalf by:

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Mr William Thomas Wright
Director

Freightliner Heavy Haul Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Freightliner Heavy Haul Limited

Independent Auditor's Report to the Members of Freightliner Heavy Haul Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Freightliner Heavy Haul Limited (the 'company'):

• give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101"Reduced Disclosure Framework"; and

• have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

• the profit and loss account;

• the statement of comprehensive income;

• the balance sheet;

• the statement of changes in equity; and

• the related notes 1 to 24.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of Freightliner Heavy Haul Limited (continued)

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Freightliner Heavy Haul Limited

Independent Auditor's Report to the Members of Freightliner Heavy Haul Limited (continued)

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities .

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:
• had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, Pension Act and tax legislation; and
• do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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

As a result of performing the above, we identified the greatest potential for fraud was related to the occurrence of revenue regarding manual journal entries associated to revenue recognition which requires a degree of estimation due to the timing of the goods or service delivered. In response to this risk we performed procedures to check the appropriateness of underlying revenue transactions combined with other manual journal entry postings which reflected managements estimates of revenue earned . We performed substantive testing through inspecting the supporting evidence on the timing of transactions and audited the source data which formed the basis of managements estimate. We further assessed the design and implementation of the internal control activities associated to the manual journal entry posting process.

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
• the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Independent Auditor's Report to the Members of Freightliner Heavy Haul Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Peter Gallimore FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

Four Brindleyplace
Birmingham
United Kingdom
B1 2HZ

9 March 2023

Freightliner Heavy Haul Limited

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	(As restated) 2020 £ 000
Turnover	5	91,234	91,128
Cost of sales		(108,810)	(89,587)
Gross (loss)/profit		(17,576)	1,541
Administrative expenses		(8,925)	(18,005)
Other operating income	6	3,152	985
Operating loss	7	(23,349)	(15,479)
Interest receivable and similar income		(12)	58
Interest payable and similar expenses	8	(5,904)	(643)
		(5,916)	(585)
Loss before taxation		(29,265)	(16,064)
Tax on loss	13	(219)	-
Loss for the financial year attributable to the owners of the company		(29,484)	(16,064)

Turnover and operating profit are all derived from continuing operations.

Freightliner Heavy Haul Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £ 000	(As restated) 2020 £ 000
Loss for the year		(29,484)	(16,064)
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post employment benefit obligations (net)	21	19,365	(25,282)
Total comprehensive expense for the year		(10,119)	(41,346)

The notes on pages 21 to 48 form an integral part of these financial statements.

Freightliner Heavy Haul Limited

(Registration number: 03831229)
Balance Sheet as at 31 December 2021

	Note	31 December 2021 £ 000	(As restated) 31 December 2020 £ 000
Fixed assets			
Tangible assets	14	32,258	31,988
Right of use assets	18	113,631	64,997
		145,889	96,985
Current assets			
Debtors	15	88,736	115,063
Cash at bank and in hand	16	2,174	4,289
		90,910	119,352
Creditors: Amounts falling due within one year	20, 18	(118,472)	(125,295)
Net current liabilities		(27,562)	(5,943)
Total assets less current liabilities		118,327	91,042
Creditors: Amounts falling due after more than one year	18	(108,057)	(59,667)
Provisions for liabilities	19	(11,971)	(6,490)
Net (liabilities)/assets excluding pension asset		(1,701)	24,885
Net pension liability	21	(30,010)	(46,478)
Net liabilities		(31,711)	(21,593)
Capital and reserves			
Revaluation reserve		6,679	6,679
Profit and loss account		(38,390)	(28,272)
Shareholders' deficit		(31,711)	(21,593)

Approved by the Board on 9 March 2023 and signed on its behalf by:

....
Mr William Thomas Wright
Director

The notes on pages 21 to 48 form an integral part of these financial statements.

Freightliner Heavy Haul Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Called up share capital £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	-	6,679	22,705	29,384
Prior period adjustment	-	-	(10,123)	(10,123)
At 1 January 2020 (As restated)	-	6,679	12,582	19,261
Loss for the year	-	-	(16,064)	(16,064)
Other comprehensive expense	-	-	(25,282)	(25,282)
Total comprehensive expense	-	-	(41,346)	(41,346)
Capital contributions for equity settled share based payments	-	-	492	492
At 31 December 2020	-	6,679	(28,272)	(21,593)

	Called up share capital £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	-	6,679	(28,271)	(21,592)
Loss for the year	-	-	(29,484)	(29,484)
Other comprehensive income	-	-	19,365	19,365
Total comprehensive expense	-	-	(10,119)	(10,119)
At 31 December 2021	-	6,679	(38,390)	(31,711)

The notes on pages 21 to 48 form an integral part of these financial statements.

Freightliner Heavy Haul Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales and domiciled in United Kingdom.

The address of its registered office is:
6th Floor
The Lewis Building
35 Bull Street
Birmingham
B4 6EQ
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
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.

Basis of preparation
The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared under the historical cost convention in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2006.

The financial statements are presented in pounds sterling which is the company's presentation and functional currency. All amounts presented have been rounded to the thousand (£000s), unless otherwise stated.

The principal activity of the company is a provider of bulk rail haulage services within the United Kingdom.

Summary of disclosure exemptions
As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets, certain related party transactions, and certain disclosure requirements in respect of leases. Where relevant, equivalent disclosures have been given in the group accounts of Genesee & Wyoming Inc.

2 Accounting policies (continued)

New standards, amendments and IFRIC interpretations

Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the Company has continued to apply a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Effective date of IBOR reform Phase 2 amendments from Jan 01 2021

On 27 August 2020, the IASB issued 'Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021.

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021 Amendment to IFRS 16

On 31 March 2021, the IASB published 'Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)'; that extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after 1 April 2021.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due in on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Company has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

Impact on accounting for changes in lease payments applying the exemption

The Company has applied the practical expedient retrospectively to all rent concessions that meet the conditions in IFRS 16:46B, and has not restated prior period figures.

2 Accounting policies (continued)

Going concern

The UK Group's base cash forecast show that as a result of operations, discretionary capital expenditure and reasonable expected downside scenarios, the UK Group would require funding in the 12 months from signing of the financial statements. Cash flow needs for the company are managed on a UK Group basis rather than at the individual company level.

The company plans to meet its day-to-day cash flow requirements through its cash reserves and the group borrowing facility. The group borrowing facility secured by US assets, which the UK Group can access through G&W Acquisition Limited, one of the named entities to the borrowing facility.

Genesee & Wyoming Inc., the immediate parent entity of the UK Group, has demonstrated to management there is significant headroom in the group borrowing facility to support the UK Group, should the need arise. Furthermore, Genesee & Wyoming Inc. has provided management a support letter confirming their intentions to provide financial assistance to the UK Group for the period of 12 months from the date of authorising the company's financial statements.

The directors have a reasonable expectation that the parent company, through group borrowing facility has enough liquidity to support the company financially for the next 12 months from approving the accounts for issuance. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Revenue recognition

Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services performed, stated net of discounts and, value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the services have transferred to the customer and the customer has control of these. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers. Revenue does not include variable considerations. The nature of the business does not include obligations for returns, refunds, warranties or other similar types of obligations and the Company does not have any long term revenue contracts with customers.

2 Accounting policies (continued)

Activities

Below are details of revenue activities performed by the company the provision of services:

• For Freight Revenue - The company generates freight turnover from the haulage of freight by rail based on a per car, per container or per ton basis. Freight turnover is recognised at the point that the rail service is complete.

• For Freight-related revenues - The company generates freight-related turnover from port terminal railroad operations and industrial switching (where the company operates trains on a contract basis in facilities it does not own), as well as demurrage, storage, car hire, trucking haulage services, track access rights, trans-loading, crewing services, traction service (or hook and pull service that requires the company to provide locomotives and drivers to move a customer's train between specified points) and other ancillary services related to the movement of freight. Freight-related turnover is recognised as services are performed or as contractual obligations are fulfilled.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and that the company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

2 Accounting policies (continued)

Defined contribution pension obligation
The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Defined benefit pension obligation
The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 101 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in the Income Statement as 'employee costs', except where included in the cost of an asset, comprises:
a) the increase in net pension benefit liability arising from employee service during the period; and,
b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

Finance costs
Finance costs are charged to the Income Statement 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.

All other finance costs are recognised in the Income Statement in the period in which they are incurred.

2 Accounting policies (continued)

Tangible assets
Tangible 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

Impairment of tangible assets
At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation
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. The estimated useful lives range as follows:

Asset class	Depreciation method and rate
Land and building	Shorter of lease term or 40 years
Plant and machinery	3 to 25 years
Vehicles	2 to 10 years
Traction and rolling stock	20 to 25 years
Construction in progress	Not depreciated

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 Income Statement.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Financial assets and liabilities
The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

2 Accounting policies (continued)

Financial assets

The company classifies its financial assets at amortised cost. Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Financial liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost using the effective interest method or at fair value through profit and loss (FVTPL).

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

Provisions

Provisions for maintenance obligations, and legal claims are recognised where the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2 Accounting policies (continued)

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, 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 operates and generates taxable 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; and,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Share-based payments

Where the Company's parent Company has granted rights to its equity instruments to employees of the Company, such arrangements are accounted for as equity-settled share-based payment arrangements. In such instances a capital contribution is recognised to the extent that the Company is not recharged by its parent. Where the Company grants to its employees rights to equity instruments of its parent, the Company accounts for such arrangements as cash-settled share-based payment arrangements.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

2 Accounting policies (continued)

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

· Obtain substantially all the economic benefits from the use of the underlying asset, and;
· Direct the use of the underlying asset (eg direct how and for what purpose the asset is used)

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e., non-lease components), the company has made an accounting policy election, by class of underlying asset, to account for both components as a single lease component.

Initial recognition and measurement

The company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term, discounted at the incremental borrowing rate (IBR). The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the company measures the lease liability by:
(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

2 Accounting policies (continued)

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:
(a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
(b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

Sub leases

If an underlying asset is re-leased by the company to a third party and the company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease.

Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease). After classification lessor accounting is applied to the sublease.

3 Critical accounting judgements and key sources of estimation uncertainty

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

In applying the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Defined benefit pension scheme - accounting judgement
The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Leased Assets - accounting judgement
Under certain lease agreements the company makes payments to a maintenance deposit for agreed significant future maintenance events. Where the company performs these maintenance the costs of work done is released by the lessor from the maintenance deposit. The company forecasts the maintenance obligation for estimated future maintenance costs based on the planned usage with the obligation being built over time.

Defined benefit pension scheme - estimation uncertainty
The cost of the benefits and the present value of the defined benefit pension obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet using an independent actuary specialist. The assumptions reflect historical experience and current trends. The pension asset is managed as part of a pooled assets scheme by the Railpen as the administrator of the scheme and on which they provide an annual independent valuation that is provided to the actuary specialist to consider in the calculation of the net benefit plan position.

Unbilled revenue - estimation uncertainty
On a timely basis, estimates are made to determine the amount of revenue that has been earned but not yet billed by the Company. Key factors within this calculation are the average rate to charge the customer based on historical revenue rates, expected revenue that is expected to be earned during the days when ledgers have been closed, this is based off management's experience with previous trading months.

4 Prior period adjustment

During the year it was identified that a number of balances had been incorrectly accounted for within the financial statements in the prior year. The impact of restating the comparatives has been disclosed below:

Notes to the Financial Statements (continued)

	As previously stated £ 000	Adjustment £ 000	As restated £ 000
Profit and loss account			
Cost of sales (1)	(89,398)	(190)	(89,587)
Balance sheet			
2020 opening Profit & loss account (1)	22,705	10,123	12,582
Tangible fixed assets (1)	41,808	(9,819)	31,989
Provision for liabilities (1)	(5,997)	(493)	(6,490)
2020 closing Profit & loss account (1)	(15,874)	(190)	(16,064)

(1) The financial statements were restated to correct the following misstatements that occurred in prior years:
- Erroneous capitalisation of maintenance events on leased assets of £9,595k for prior years before 1st January 2020 and £3,907k for the year ended 31 December 2020. Thus, the associated depreciation of £2,785k before 1st January 2020 and £898k for the year ended 31 December 2020 were also reversed to correct the accounting treatment. Thus the net impact on tangible assets is £9,819k as of 31st December 2020.
- Missing the recording of the utilisation of the maintenance events that occurred prior to 1st January 2020 of £9,595k and £3,907k for the year ended 31 December 2020.
- Understatement of maintenance provision expense of £10,122k in prior years before 1st January 2020 and £1,088k for the year ended 31 December 2020. The impact on the closing provision for liabilities as of 31st December 2020 is £493k.

5 Turnover

The analysis of the company's turnover for the year by market is as follows:

	2021 £ 000	2020 £ 000
UK	91,234	91,128

Revenue includes £902k (2020: £908k) for which services are provided by UK Bulk Handling Services Limited.

Notes to the Financial Statements (continued)

6 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2021 £ 000	2020 £ 000
Government grants	176	985
Sub lease rental income	2,976	-
	3,152	985

In 2021, government grants of £176k (2020:£985k) were received as part of a Government initiative to provide immediate financial support because of COVID-19 furlough scheme. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year. This is classed under the accounting policy Government grants. There are no unfulfilled conditions or other contingencies attached to government assistance.

7 Operating loss

Arrived at after charging/(crediting)

	2021 £ 000	(As restated) 2020 £ 000
Depreciation expense	2,744	2,561
Depreciation on right of use assets	11,869	10,576
Inventory recognised as an expense	16,782	11,771
Foreign exchange gains	(213)	(60)
Reversal of impairment loss on right of use assets	-	(1,103)
Impairment loss on trade receivables	(406)	406

8 Interest payable and similar expenses

	2021 £ 000	2020 £ 000
Interest on defined benefit pension obligation	610	412
COVID-19 pandemic related rent concession	908	(3,415)
Interest expense on leases	4,195	3,479
Interest expense on Maintenance provision	191	167
	5,904	643

Notes to the Financial Statements (continued)

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	43,906	41,546
Social security costs	4,858	4,529
Pension costs, defined contribution scheme	332	277
Pension costs, defined benefit scheme	6,158	6,161
Redundancy costs	11	231
	55,265	52,744

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

	2021 No.	2020 No.
Administration and support	159	113
Distribution	540	583
	699	696

Notes to the Financial Statements (continued)

10 Share-based payments

Certain employees are granted restricted stock units, which provide the employees the right to acquire a specified number of shares of Class A Common Stock in Genesee & Wyoming Inc., the ultimate parent entity of the company, once certain time-based restrictions are met. These restricted share units are generally granted once per year and vest in three annual instalments (34%-33%-33%) of the units on the first, second and third anniversaries of the grant dates respectively, and each unit upon such vesting entitles for one share of G&W's class A common stock. The grant date fair value of the restricted stock units is recognised in the statement of comprehensive income on a straight-line basis over the vesting period.

On 28th February 2019, the Company granted 526 shares of Restricted Stock Unit Awards ("RSU's") with a grant date fair value of $82.00. The shares vest over the service period in accordance with the Plan and the grant agreement (typically 3-years).
On March 15 2019, the Company granted 504 shares of Performance-Based Restricted Stock Unit Awards ("PBRSU's") with a grant date fair value of $85.46. These were performance -based grant options and no similar options were granted in the previous years.

Following the acquisition of Genesee & Wyoming Inc. by Brookfield Infrastructure Partners on 30th December 2019, all the employee share options crystalized and vested including the performance-based share options. In January 2020, payments were made to all employees who participated in the share option scheme by the issuer (the parent company) through the company with respect to all outstanding options as at 30th December 2019 at $112.00 per unit, the transaction price of the acquisition. No share options were issued in 2020 or 2021.

Per the conditions of the Grant document, in the event of termination of employment or service with G&W or any Subsidiary prior to the complete vesting of the Award, the unvested portion of the Award shall be forfeited as of the date of such termination.

11 Directors' remuneration

During the year and in prior year, no directors received any emoluments for their services to the company.

12 Auditors' remuneration

	2021 £ 000	2020 £ 000
Allocation of audit fees for the auditing of financial statements	52	46

Notes to the Financial Statements (continued)

13 Income tax

Tax charged/(credited) in the profit and loss account

	2021 £ 000	2020 £ 000
Current taxation		
Foreign withholding tax	219	-

The tax on loss before tax of £219k credit (2020: £0) for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	(As restated) 2020 £ 000
Loss before tax	(29,265)	(16,064)
Corporation tax at standard rate	(5,560)	(3,052)
Increase from effect of expenses not deductible in determining taxable profit	46	56
Group relief for zero consideration	2,230	2,060
Withholding tax expensed	219	-
Timing differences not recognised for deferred tax	3,284	936
Total tax charge	219	-

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. Any deferred tax balances on temporary differences as at 31 December 2021 have been measured at 25% where these are expected to unwind post 1 April 2023.

Amounts recognised in other comprehensive income:

	2021			2020	
	Before tax £ 000	Tax benefit £ 000	Net of tax £ 000	Before tax £ 000	Net of tax £ 000
Remeasurements of post employment benefit obligations (net)	19,365	-	19,365	(25,282)	(25,282)

Notes to the Financial Statements (continued)

13 Income tax (continued)

Deferred tax

There are unrecognised deferred tax assets of £10,052,638 (2020 - £8,663,739) for which no deferred tax asset is recognised in the statement of financial position. The company is in a loss position and therefore it is probable that deferred tax asset would not be reversed if recognised. The deferred tax asset has no expiry date.

14 Tangible Assets

	Land and building £ 000	Plant and machinery £ 000	Traction and rolling stock £ 000	Construction in progress £ 000	Total £ 000
Cost or valuation					
At 1 January 2021 - As restated	10,107	662	32,130	214	43,113
Additions	-	-	-	6,288	6,288
Disposals	-	(7)	(3,294)	-	(3,301)
Transfers	405	280	5,812	(6,497)	-
At 31 December 2021	10,512	935	34,648	5	46,100
Depreciation					
At 1 January 2021 - As restated	1,931	488	8,706	-	11,125
Charge for the year	358	150	2,237	-	2,745
Eliminated on disposal	18	(7)	(39)	-	(28)
At 31 December 2021	2,307	631	10,904	-	13,842
Carrying amount					
At 31 December 2021	8,205	304	23,744	5	32,258
At 31 December 2020 (As restated)	8,175	174	23,425	214	31,988

Notes to the Financial Statements (continued)

15 Debtors

	31 December 2021 £ 000	31 December 2020 £ 000
Trade receivables	12,967	18,074
Provision for impairment of trade receivables	-	(406)
Net trade receivables	12,967	17,668
Other receivables	8,331	7,912
Amounts receivable from group undertakings	67,322	88,407
Income tax receivables	-	129
Prepayments	116	947
Trade and other receivables	88,736	115,063

Amounts receivable from related parties are interest free and repayable on demand. The related party transactions entered into are between two or more members of a group of which any subsidiary party to the transaction is a wholly owned member. All related subsidiaries are covered by a letter of support from Genesee & Wyoming Inc.

The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note.

16 Cash at bank and in hand

	31 December 2021 £ 000	31 December 2020 £ 000
Cash at bank	2,174	4,289

17 Called up share capital

Allotted, called up and fully paid shares

	31 December 2021 No.	31 December 2021 £	31 December 2020 No.	31 December 2020 £
Ordinary shares of £1 each	1	1	1	1

All shares are treated as ordinary shares and rank equally in respect of shareholder rights.

Issued share capital is 1 Ordinary share. Authorised share capital is 1,000 Ordinary shares at £1 each .

Notes to the Financial Statements (continued)

18 Right of use assets

The company has lease contracts for various properties, traction and rolling stock, fleet vehicles and equipment used in the operations. The amount recognised in the financial statements in relation to the leases are as follows:

	Leasehold land and buildings £ 000	Vehicles £ 000	Traction and rolling stock £ 000	Total £ 000
Cost				
At 1 January 2021	2,291	1,479	106,091	109,861
Additions/Remeasurements	1,018	(276)	64,492	65,234
Disposals/Remeasurements	-	(26)	(29,393)	(29,419)
At 31 December 2021	3,309	1,177	141,190	145,676
Depreciation				
At 1 January 2021	(529)	(660)	(39,739)	(40,928)
Charge for year	(327)	(247)	(11,294)	(11,869)
Remeasurements	2	481	5,985	6,468
Disposals	-	25	18,194	18,219
At 31 December 2021	(854)	(401)	(26,854)	(28,109)
Provision for impairment				
At 1 January 2021	-	-	(3,936)	(3,936)
At 31 December 2021	-	-	(3,936)	(3,936)
NBV				
At 31 December 2021	2,455	776	110,400	113,631
At 31 December 2020	1,762	819	62,416	64,997

The amount recognised in profit or loss for the reporting period to reflect changes in lease payments that arise from rent concessions was £908k debit (2020: £3,415k credit). The amount earned through sub-lease income was £2,976k.

Notes to the Financial Statements (continued)

18 Right of use assets (continued)

	Minimum lease payments £ 000	Interest £ 000	Present value £ 000
31 December 2021			
Within one year	16,420	(3,636)	12,783
In one to five years	51,578	(10,680)	40,898
In over five years	74,643	(7,485)	67,158
Total	142,641	(21,801)	120,840

	Minimum lease payments £ 000	Interest £ 000	Present value £ 000
31 December 2020			
Within one year	13,899	(2,413)	11,486
In one to five years	39,426	(5,295)	34,131
In over five years	28,209	(2,673)	25,536
Total	81,534	(10,381)	71,153

Leases included in creditors

	31 December 2021 £ 000	31 December 2020 £ 000
Current portion of long term lease liabilities	12,783	11,486
Long term lease liabilities	108,057	59,667
	120,840	71,153

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	31 December 2021 £ 000	31 December 2020 £ 000
Principal payment	10,968	10,978
Interest	4,195	231
Rent concessions	191	167
Low value and short term leases	29	81
Total cash outflow	15,383	11,457

Freightliner Heavy Haul Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

Notes to the Financial Statements (continued)

19 Provisions for liabilities

	Insurance claims £ 000	Maintenance obligations £ 000	Total £ 000
At 1 January 2021 - As restated	716	5,774	6,490
Increase (decrease) in existing provisions	(34)	8,625	8,591
Utilisation	-	(3,301)	(3,301)
Interest accretion	-	191	191
At 31 December 2021	682	11,289	11,971
Non-current liabilities	-	7,855	7,855
Current liabilities	682	3,434	4,116

Insurance claims

The provision for insurance claims relates to amounts provided in respect of open and potential claims against the company. The provision represents the net liability and any amounts recoverable from insurance companies are shown within receivables, if applicable.

Maintenance provisions

The provision for maintenance costs relates to amounts provided in respect of maintenance associated with the company's obligation under its rolling stock lease commitments.

Freightliner Heavy Haul Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

Notes to the Financial Statements (continued)

20 Creditors: Amounts falling due within one year

	31 December 2021 £ 000	31 December 2020 £ 000
Trade payables	2,199	1,718
Accrued expenses	6,397	10,257
Amounts payable to group undertakings	93,208	97,073
Social security and other taxes	3,314	4,594
Deferred income	18	44
Other payables	553	123
	105,689	113,809

Amounts payable to related parties are interest free, unsecured and repayable on demand. The related party transactions entered into are between two or more members of a group of which any subsidiary party to the transaction is a wholly owned member. All related subsidiaries are covered by a letter of support from Genesee & Wyoming Inc.

Notes to the Financial Statements (continued)

21 Pension and other schemes

Defined benefit pension schemes
Railway pension scheme

The company participates in a standalone shared cost final salary defined benefit pension plan (the "Plan"). The Plan is managed and administered by the Railways Pension Scheme and is overseen by trustees with professional advice from independent actuaries and other advisers. The Plan is a shared cost arrangement with required contributions shared between the company and its employees with the company contributing 60% and the remaining 40% contributed by active employees. The company engages independent actuaries to compute the amounts of liabilities and expenses relating to the Plan subject to the assumptions that the company selects.

The Plan's assets and liabilities are subject to fluctuation arising from market returns, future salary increases, inflation rates, mortality rates and creditworthiness of the company. The Plan is subject to a triennial valuation. The figures presented are based on the latest valuation as updated by the company's independent actuaries, XPS Pension Group.

Risks

Investment risk
A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Asset risk
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a greater deficit.

Inflation risk
The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (in the case of fixed interest bonds) or loosely correlated with (in the case of equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy risk
The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Notes to the Financial Statements (continued)

21 Pension and other schemes (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	31 December 2021 £ 000	31 December 2020 £ 000
Fair value of scheme assets	110,943	96,638
Present value of scheme liabilities	(140,953)	(143,116)
Defined benefit pension scheme deficit	(30,010)	(46,478)

Scheme assets

Changes in the fair value of scheme assets are as follows:

	31 December 2021 £ 000	31 December 2020 £ 000
Fair value at start of year	96,638	88,760
Interest income	1,227	1,886
Actuarial gains arising from changes in financial assumptions	13,932	8,597
Contributions by scheme participants	3,874	2,632
Benefits paid	(4,244)	(3,718)
Administrative expenses paid	(484)	(1,519)
Fair value at end of year	110,943	96,638

Analysis of assets

The major categories of scheme assets are as follows:

	31 December 2021 £ 000	31 December 2020 £ 000
Return on seeking assets	71,874	76,905
Government bond pooled fund	39,069	19,733
	110,943	96,638

Notes to the Financial Statements (continued)

21 Pension and other schemes (continued)

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	31 December 2021 £ 000	31 December 2020 £ 000
Present value at start of year	143,116	106,040
Current service cost	5,677	4,617
Actuarial losses arising from changes in financial assumptions	(5,432)	33,879
Interest cost	1,837	2,298
Benefits paid	(4,245)	(3,718)
Present value at end of year	140,953	143,116

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

	31 December 2021 %	31 December 2020 %
Discount rate	1.80	1.30
Future salary increases	2.60	3.60
Future pension increases	2.80	2.40
Inflation	2.80	2.40

Post retirement mortality assumptions

	31 December 2021 Years	31 December 2020 Years
Current UK pensioners at retirement age - male	20.50	20.50
Current UK pensioners at retirement age - female	22.60	22.50
Future UK pensioners at retirement age - male	21.50	21.50
Future UK pensioners at retirement age - female	23.80	23.80

Notes to the Financial Statements (continued)

21 Pension and other schemes (continued)

Amounts recognised in the income statement

	31 December 2021 £ 000	31 December 2020 £ 000
Amounts recognised in operating loss		
Current service cost	5,677	4,617
Administrative expenses paid	481	1,519
Recognised in arriving at operating loss	6,158	6,136
Amounts recognised in finance income or costs		
Net interest	610	412
Total recognised in the income statement	6,768	6,548

Amounts taken to the Statement of Comprehensive Income

	31 December 2021 £ 000	31 December 2020 £ 000
Actuarial gains/(losses) arising from changes in financial assumptions (gross)	19,365	(25,282)

21 Pension and other schemes (continued)

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	31 December 2021		31 December 2020	
	+ 0.1%	**- 0.1%**	**+ 0.1%**	**- 0.1%**
Adjustment to discount rate	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Impact on total obligation	38,440	38,440	39,475	39,475

	31 December 2021		31 December 2020	
	+ 0.1%	**- 0.1%**	**+ 0.1%**	**- 0.1%**
Adjustment to rate of inflation	**£ 000**	**£ 000**	**£ 000**	**£ 000**
Impact on total obligation	35,995	35,995	37,288	37,288

	31 December 2021		31 December 2020	
Adjustment to mortality age rating assumption	**+ 1 Year**	**- 1 Year**	**+ 1 Year**	**- 1 Year**
	£ 000	**£ 000**	**£ 000**	**£ 000**
Impact on total obligation	6,622	6,622	6,780	6,780

An increase of 0.1% to the discount rate would result in a reduction of liability whereas a decrease of 0.1% to the discount rate would result in increase of liability. An increase of 0.1% to the inflation rate would increase the liability whereas a decrease in inflation rate results in a reduction in liability. Increasing the mortality age by 1 year would lead to an increase in liability whereas a decrease in mortality age would lead to a reduction in liability.

22 Commitments

Capital commitments

The total amount of tangible assets contracted for but not provided in the financial statements was £16,606 (2020 - £149,178).

Notes to the Financial Statements (continued)

23 Parent and ultimate parent undertaking

On 30 December 2019, Genesee & Wyoming Inc., the previous ultimate parent entity, was acquired by Brookfield Infrastructure Partnership

The company's immediate parent is Management Consortium Bid Limited.

The ultimate parent is Brookfield Corporation. These financial statements are available upon request from Suite 300, Brookfield Place, 181 Bay Street, Toronto, Canada.

The ultimate controlling party is Brookfield Corporation.

Relationship between entity and parents
The parent of the largest group in which these financial statements are consolidated is Brookfield Corporation, incorporated in Canada.

The address of Brookfield Corporation is:
Suite 300, Brookfield Place, 181 Bay Street, Toronto, Canada.

The parent of the smallest group in which these financial statements are consolidated is Genesee & Wyoming Inc., incorporated in USA.
The address of Genesee & Wyoming Inc. is:
20 West Avenue, Darien, Connecticut, USA.

24 Post balance sheet events

There were no adjusting events or non-adjusting events after the balance sheet date. We would look to offset any impact from the cost of living increases through relevant price increases. Regarding the movement in the financial markets through H2 2022 this may reduce the pension liability and we are in ongoing discussions on this with the pension trustees.