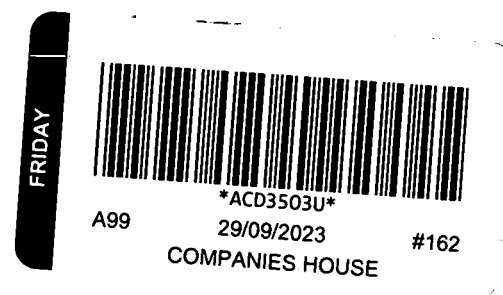


West Coast Trains Limited

**Annual report and financial statements
For the year ended 31 December 2022
Registered number 03007940**



West Coast Trains Limited

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West Coast Trains Limited

Strategic report For the year ended 31 December 2022

Introduction

We are pleased to present our report and financial statements for West Coast Trains Limited (the "Company") for the year ended 31 December 2022.

The principal activity of the Company was the operation of passenger rail services between London (Euston) and Birmingham, Wolverhampton, Holyhead, Chester, Liverpool, Manchester, Preston, Carlisle and Glasgow. The Company ceased to trade as a train operating company on 8 December 2019.

As a result of the cessation of the Company's trade these accounts have been prepared on a basis other than going concern, in line with the prior year. The effect of this is explained in note 1 to the accounts. In addition, the key performance indicators included in previous years reports are no longer applicable, and are therefore not included in this report.

The Directors have considered the balance sheet position, and forecasted cash movements of the Company and are of the view that the Company has, and will continue to have, sufficient funds to meet external liabilities as they fall due.

Business review

Although not trading the Company was able to finalise settlements in respect of certain assets and liabilities, related to the expiry of the franchise agreement. Mainly as a consequence of differences between the agreed settlement values and carrying values of these assets and liabilities, the Company reported an operating profit for the year.

Principal risks and uncertainties

The key risk faced by the Company in the wind down of residual assets and liabilities is that the Company has insufficient funds to meet its external liabilities as they fall due. In respect of this risk the Directors have considered and continue to consider the balance sheet and cash flow forecasts of the Company and are confident that the Company has sufficient funding to meet external liabilities.

Key Performance Indicators

Since the Company is no longer trading it is not possible to produce key performance indicators. Similarly, since the Company no longer consumes energy the Directors consider it to be exempt from any of the UK Governments Streamlined Energy and Carbon Reporting requirements.

Future Developments


The Company continues to be engaged in the winding down of the remaining residual assets and liabilities. The Directors continue to monitor this process and remain confident that the Company has sufficient resources to meet the remaining liabilities as they fall due.

West Coast Trains Limited

Strategic report

For the year ended 31 December 2022

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

DocuSigned by:

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Bruce Dingwall

Director

Date: 9 August 2023

West Coast Trains Limited

Directors' report

For the year ended 31 December 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £370,000 (2021: £5,873,000).

Dividends paid during the year totalled £5,800,000 (2021: £30,500,000).

Directors

The Directors who served during the year ended 31 December 2022 and up to the end of the Directors' report were:

Neil Micklethwaite (resigned 5 July 2022)
Timothy Kavanagh (resigned 27 April 2023)
Robert Blok
Andrew Gibbs
Bruce Dingwall (appointed 30 May 2023)

The Company maintains Directors' and Officers' liability insurance in respect of legal action that might be brought against its directors and senior officers.

Political contributions

The Company made no political contributions during the year (2021: £Nil).

Disclosure of information to auditor

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

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

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic report on page 1.

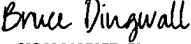
Auditor

Pursuant to Section 485 of the Companies Act 2006 Milsted Langdon LLP have been appointed auditors during the year.

West Coast Trains Limited

**Directors' report
For the year ended 31 December 2022**

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

DocuSigned by:

52D69C09F27E4F3...

Bruce Dingwall
Director

Date: 9 August 2023

66 Porchester Road
London
W2 6ET

West Coast Trains Limited

Directors' responsibilities

For the year ended 31 December 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

West Coast Trains Limited

**Independent auditor's report
For the year ended 31 December 2022**

Opinion

We have audited the financial statements of West Coast Trains Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Profit and Loss, Balance Sheet, Statement of Changes in Equity, and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- the Company financial statements have been prepared in accordance with UK Accounting Standards, including FRS 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 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.

Other information

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

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

We have nothing to report in this regard.

West Coast Trains Limited

**Independent auditor's report
For the year ended 31 December 2022**

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in their statement set out on page 5, 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.

West Coast Trains Limited

**Independent auditor's report
For the year ended 31 December 2022**

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. In carrying out these procedures, the audit team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operates in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

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.



Nigel Fry (Senior Statutory Auditor)
for and on behalf of
Milsted Langdon LLP, Statutory Auditor

Freshford House
Redcliffe Way
Redcliffe
Bristol
BS1 6NL

Date: 10 August 2023

West Coast Trains Limited**Profit and loss account****For the year ended 31 December 2022**

		Year Ended 31 December 2022	Year Ended 31 December 2021
	Note	£000	£000
Revenue	3	233	520
Other operating income	4	-	464
Train operating expense	5	(77)	2,492
Staff costs	7	144	-
Other operating charges		<u>133</u>	<u>2,996</u>
Operating profit		433	6,472
Finance (cost)/income	8	<u>(10)</u>	<u>40</u>
Profit before tax	6	423	6,512
Tax on profit	9	<u>(53)</u>	<u>(639)</u>
Profit for the year		<u>370</u>	<u>5,873</u>

The Company had no other comprehensive income that was not dealt with in the profit and loss account, and accordingly, a statement of other comprehensive income has not been presented.


The accompanying notes form an integral part of this profit and loss account.

West Coast Trains Limited**Balance sheet****As at 31 December 2022**

		As at 31		As at 31	
		December 2022		December 2021	
	Note	£000	£000	£000	£000
Current assets					
Debtors	10	182		593	
Cash at bank and in hand	11	2,970		10,755	
		3,152		11,348	
Creditors: amounts falling due within one year	12	(1,223)		(3,239)	
Net current assets			1,929		8,109
Total assets less current liabilities			1,929		8,109
Provisions for liabilities	13		(840)		(1,590)
Net assets			1,089		6,519
Capital and reserves					
Called up share capital	15		-		-
Profit and loss account	15		1,089		6,519
Total equity			1,089		6,519

The accompanying notes form an integral part of this balance sheet.

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

DocuSigned by:

 52D69C09F27E4F3...

Bruce Dingwall
 Director

Date: 9 August 2023

Registered number: 03007940

West Coast Trains Limited**Statement of changes in equity
For the year ended 31 December 2022**

	Called up share capital £000	Profit and loss account £000	Cash flow hedging reserve £000	Total £000
At 31 December 2020	-	31,146	-	31,146
Total comprehensive income for the period				
Profit for the period	-	5,873	-	5,873
Total profit and comprehensive income for the period	-	5,873	-	5,873
Transactions with owners, recorded directly in equity				
Dividends paid on ordinary shares	-	(30,500)	-	(30,500)
Total contributions by, and distributions to, owners	-	(30,500)	-	(30,500)
At 31 December 2021	-	6,519	-	6,519
At 1 January 2022	-	6,519	-	6,519
Total comprehensive income for the year				
Profit for the year	-	370	-	370
Total profit and comprehensive income for the year	-	370	-	370
Transactions with owners, recorded directly in equity				
Dividends paid on ordinary shares	-	(5,800)	-	(5,800)
Total contributions by, and distributions to, owners	-	(5,800)	-	(5,800)
At 31 December 2022	-	1,089	-	1,089

The accompanying notes form an integral part of this statement of changes in equity.

West Coast Trains Limited

Notes to the financial statements For the year ended 31 December 2022

1 Accounting policies

West Coast Trains Limited (the "Company") is a private company, limited by shares, incorporated and domiciled in the UK and registered in England and Wales.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006.

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

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are recorded at fair value.

In these financial statements, the Company has applied the exemptions under FRS 101 in respect of the following disclosures:

- Cash flow statement and related notes;
- Comparative period reconciliation for share capital;
- Related party disclosures in respect of wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Going concern

The financial statements have not been prepared on a going concern basis as explained below.

Following the expiry of the previous franchise on 8 December 2019, the Company ceased to trade. As the Directors do not intend to acquire a replacement trade for the Company, they have not prepared the financial statements on a going concern basis, consistent with the prior year.

No adjustments were necessary to the amounts at which the net assets are included in these financial statements compared with the values at which they would have been stated had the going concern basis of accounting been adopted.

Based on industry practice certain contracts, assets, rights, commitments and liabilities of the Company associated with the operations of the franchise transferred to the new franchise operator on the termination date of the franchise.

West Coast Trains Limited

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (*continued*)

1.2 New accounting standards adopted during the year ended 31 December 2022

There were no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2022 which have had a material impact on the Company's financial statements.

1.3 Revenue

The finalisation of certain agreements relating to the transfer of assets and liabilities at the end of the franchise has resulted in differences between the agreed settlement values and previous estimates of these items. As a consequence of these differences the Company is reporting revenue during the year relating to one-off income amounts and settlement gains, although it was no longer trading as a train operating company. In addition, the continuing wind down of the company, and settlement of certain items has made possible the release of residual provisions and creditor balances.

1.4 Franchise expense/income

Under the contractual terms of its franchise agreement, the Company had revenue sharing arrangements with the DfT. As a result of these arrangements, the Company may have been liable to make payments to the DfT or receive amounts from the DfT. The Company recognised revenue share amounts payable or receivable in the profit and loss account in the same period in which it recognised the related revenue. Revenue share amounts payable or receivable were treated as other operating charges or other operating income.

1.5 Research and development costs

Research and development costs are written off as incurred. The Directors do not currently expect research and development costs to generate future economic benefits.

1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and it is the intention to settle these on a net basis.

West Coast Trains Limited

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (*continued*)

1.7 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that the Company will be required to settle that obligation. The amounts recognised are the best estimate of the expenditure that will be required to meet the Company's obligation.

1.8 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument. In accordance with IFRS 9, financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Company determines the classification at initial recognition and re-evaluates this designation at each balance sheet date except for those financial instruments measured at fair value through profit or loss.

Non-derivative financial assets

Non-derivative financial assets are deemed to be assets which have no fixed or determinable payments that are not quoted in an active market and would therefore be classified as "loans and receivables". Such non-derivative financial assets are measured at amortised cost using the effective interest method, less any impairment and include trade and other receivables.

Cash and cash equivalents

For the purposes of the balance sheet, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities at the balance sheet date of twelve months or less.

Impairment of non-derivative financial assets

The Company assesses at each balance sheet date whether a non-derivative financial asset or group of financial assets is impaired. The "expected credit loss" approach is taken when calculating impairments on financial assets. All financial assets are reviewed for historic write offs and this proportion is applied to its class of financial assets to calculate the required provision.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recorded at fair value less directly attributable transaction costs, and subsequently at amortised cost, and include trade and other payables.

1.9 Dividends

Dividends are recorded in the Company's financial statements in the period in which they are declared and are approved by the Company's shareholders.

West Coast Trains Limited

Notes to the financial statements

For the year ended 31 December 2022

2 Significant judgements, estimates and accounting policies

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates calculated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The items discussed below are considered to be the most significant judgements and sources of estimation uncertainty.

Estimates:

Costs of winding down residual assets and liabilities

The Company has made estimates of the amounts likely to be incurred in winding down the remaining assets and liabilities. Although good progress has been made on this, there does remain some uncertainty as to the eventual timing and value of costs incurred. Actual outcomes may therefore differ from the estimates made by the Company.

Judgements:

Historic liabilities

The Company has recorded certain historic liabilities which have not yet crystallised, and may ultimately not do so. It is a matter of judgement as to when, or whether, such liabilities should be assumed not to crystallise, and the actual outcome may differ from the judgement made.

West Coast Trains Limited**Notes to the financial statements****For the year ended 31 December 2022**

3 Revenue	31 December 2022	31 December 2021
	£000	£000
Passenger revenue	224	1,064
Other trading income	9	(544)
	<u>233</u>	<u>520</u>

All revenue arose within the UK. Passenger revenue reported in the prior period was primarily the result of releasing certain provisions relating to obligations in respect of the transfer to the successor operator, primarily related to the sale of discount cards for rail travel. Revenue in the current year relates to the wind down of balances.

Other trading income consisted primarily of the provision of station facilities to other train operators, retail commissions receivable and car parking. Balances in the year relate to wind down activity, most notably in respect of ticket issuing fees. The negative balance in the prior year is the result of a dispute relating to ticket issuing fees. This has been provided for in revenue, reflecting the classification of the original receipts.

4 Other operating income	31 December 2022	31 December 2021
	£000	£000
Network change compensation and performance regime	-	453
Property income	-	11
	<u>-</u>	<u>464</u>

Network change compensation was receivable in respect of lost revenue and incremental costs incurred due to Network Rail's alterations of the track and infrastructure.

Net performance regime income/expense was in respect of service disruption under the performance regime provisions of the track access agreement with Network Rail.

All balances in the prior period reflect the finalisation of positions relating to these items with Network Rail.

West Coast Trains Limited**Notes to the financial statements****For the year ended 31 December 2022**

5 Train operating expense	31 December 2022	31 December 2021
	£000	£000
Rolling stock costs	-	(541)
Track access costs	-	(3)
Station and depot access costs	-	(17)
Power costs	-	242
Other operating costs	77	(2,173)
	<u>77</u>	<u>(2,492)</u>

Other operating costs consisted primarily of retail commissions payable, catering supplies and British Transport Police charges. Balances in the year relate to wind down activity, and the release of certain items following the settlement of positions.

West Coast Trains Limited

Notes to the financial statements

For the year ended 31 December 2022

6 Expenses and auditor's remuneration

Included in profit/loss are the following:

	31 December 2022	31 December 2021
	£000	£000
Rental income received on properties	<u>-</u>	<u>(11)</u>

Auditor's remuneration

Remuneration of the auditor and its associates:

- Audit of these financial statements

<u>8</u>	<u>39</u>
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West Coast Trains Limited**Notes to the financial statements****For the year ended 31 December 2022****7 Staff costs****Headcount and total remuneration**

There were no persons including Directors directly employed by the Company in the year.

The aggregate payroll costs of these persons were as follows:

	31 December 2022 £000	31 December 2021 £000
Wages and salaries	<u>(144)</u>	<u>-</u>
	<u>(144)</u>	<u>-</u>

Staff costs in the year relate to unwinding of the prior year, due to actual outcomes being different to previous estimates.

The Company has no employees in the year (2021: Nil).

Directors' remuneration

	31 December 2022 £000	31 December 2021 £000
Total remuneration		
Amounts paid to third parties for Directors' services	<u>279</u>	<u>297</u>
Highest paid director		
Amounts paid to third parties for Directors' services	<u>74</u>	<u>74</u>

There were no Directors paid in the year that were employed by the Company. Amounts paid to third parties for Directors' services had been previously accrued as wind down costs.

West Coast Trains Limited

**Notes to the financial statements
For the year ended 31 December 2022**

8 Finance income and expense

	31 December 2022	31 December 2021
	£000	£000
Finance income		
Bank interest receivable	9	2
Other interest (payable)/receivable	(19)	38
	<u>(10)</u>	<u>40</u>

West Coast Trains Limited**Notes to the financial statements****For the year ended 31 December 2022****9 Taxation**

Recognised in the profit and loss account:	31 December 2022	31 December 2021
	£000	£000
Current tax		
Current tax on income for the year	53	691
Adjustments in respect of prior years	-	(52)
Total current tax	53	639
Tax on profit	53	639

Factors affecting tax charge for the financial period

The actual tax charge for the financial period differs from that computed by applying the standard tax rate to the profit before tax as reconciled below:

	31 December 2022	31 December 2021
	£000	£000
Profit before tax	423	6,512
Tax at UK corporation tax rate of 19% (31 December 2021: 19%)	80	1,237
Effects of:		
Non-taxable items	-	-
Non deductible pension expenses	-	-
Adjustments in respect of prior years	-	(52)
Deductible temporary differences not recognised	(27)	(546)
Tax on profit	53	639

Factors that may affect future tax charges

Following legislation substantively enacted on 24 May 2021, the expected UK corporation tax rate increases from 19% to 25% from 01 April 2023. The deferred tax balance as at 31 December 2022 has therefore been calculated with reference to the enacted expected UK corporation tax rate of 25%.

West Coast Trains Limited

**Notes to the financial statements
For the year ended 31 December 2022**

10 Debtors

	31 December 2022 £000	31 December 2021 £000
Note		
Due within one year		
Trade debtors	78	596
Provision for doubtful debtors	(78)	(95)
Net trade debtors	-	501
Amount owed by related undertakings	-	-
Other debtors	182	92
	182	593

11 Cash at bank and in hand

	31 December 2022 £000	31 December 2021 £000
Cash at bank and in hand	2,970	10,755

West Coast Trains Limited**Notes to the financial statements
For the year ended 31 December 2022****12 Creditors: Amounts falling due within one year**

	31 December 2022	31 December 2021 (Restated)
	£000	£000
Trade creditors	286	636
Amount owed to related undertakings	-	-
Corporation tax	53	640
Other creditors	825	1,557
Accruals and other deferred income	59	406
	<u>1,223</u>	<u>3,239</u>

13 Provisions

	31 December 2022	31 December 2021
	£000	£000
Opening	1,590	2,542
Transfer from Accruals	-	57
Amounts provided in the year	-	-
Amounts utilised in the year	(750)	(878)
Amounts released in the year	-	(131)
Closing	<u>840</u>	<u>1,590</u>

The provisions brought forward related to obligations in respect of winding down the company following the end of the franchise. The wind down costs are expected to be incurred through to expected insolvency, the timing of which is currently uncertain.

West Coast Trains Limited**Notes to the financial statements
For the year ended 31 December 2022****14 Financial instruments****(a) Carrying values of financial instruments**

	31 December 2022 £000	31 December 2021 £000
Financial assets		
Current assets		
- Trade debtors	-	501
- Other debtors	182	92
Cash at bank and in hand	2,970	10,755
	<u>3,152</u>	<u>11,348</u>
Financial liabilities		
Creditors: amounts falling due within one year		
- Trade creditors	(286)	(636)
- Other creditors	(825)	(1,557)
	<u>(1,111)</u>	<u>(2,193)</u>
Net financial assets	<u>2,041</u>	<u>9,155</u>

The carrying values of financial assets and liabilities are deemed to approximate their fair values.

Fair value estimation

For all financial instruments that are not measured at fair value on a recurring basis, the directors consider that the carrying amounts of financial assets and financial liabilities approximate their fair values.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to amounts due from outstanding receivables.

The Company's objective is to minimise credit risk to an acceptable level whilst not overly restricting the Company's ability to generate revenue and profit. It is the Company's policy to invest cash assets safely and profitably. To control credit risk, counterparty credit limits are set by reference to published credit limits.

West Coast Trains Limited**Notes to the financial statements****For the year ended 31 December 2022****14 Financial instruments (continued)****(b) Credit risk (continued)**

The maximum exposure to credit risk is limited to the carrying value of each class of asset as summarised in the table at the beginning of this note. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer or counterparty. The Company's largest credit exposures are to financial institutions with short-term credit ratings of A2 (or equivalent) or better, the Department for Transport and Rail Settlement Plan Limited, all of which the Company considers unlikely to default on their respective liabilities to the Company.

The provision for impairment for trade and other receivables is shown in note 11.

There are no financial assets past due, but not impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its cash requirements on an ongoing basis. The Company ensures that it has sufficient cash on demand to meet expected operational expenses and impending capital calls and investment funding over the franchise term. This includes the servicing of financial obligations but excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

The maturity profile of financial liabilities based on undiscounted gross cash flows and contractual maturities is as follows:

		31 December 2022			
	Carrying amount £000	Contractual cash flows £000	Within 1 year £000	1-2 years £000	2-5 years £000
Non-derivative financial liabilities					
Trade and other payables	<u>(1,111)</u>	<u>(1,111)</u>	<u>(1,111)</u>	<u>-</u>	<u>-</u>
		31 December 2021			
	Carrying amount £000	Contractual cash flows £000	Within 1 year £000	1-2 years £000	2-5 years £000
Non-derivative financial liabilities					
Trade and other payables	<u>(2,193)</u>	<u>(2,193)</u>	<u>(2,193)</u>	<u>-</u>	<u>-</u>

West Coast Trains Limited

Notes to the financial statements

For the year ended 31 December 2022

14 Financial instruments (*continued*)

(d) Capital management

The Company regards its capital as comprising its equity and cash. The Company's objective when managing capital is to safeguard the Company's ability to maintain adequate resources to continue in operational existence for the current franchise term in order to provide returns for shareholders and benefits for other stakeholders. The capital structure of the Company is kept under regular review.

West Coast Trains Limited

**Notes to the financial statements
For the year ended 31 December 2022**

15 Capital and reserves

(a) Share capital

Allotted, called up and fully paid
1 ordinary shares of £1

31 December	31 December
2022	2021
£	£
1	1

West Coast Trains Limited**Notes to the financial statements****For the year ended 31 December 2022****16 Related parties**

At 31 December 2022 and 31 December 2021, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose sole shareholder is Sir Richard Branson.

The shareholder of Virgin Group Holdings Limited has interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under International Accounting Standard 24: Related Party Disclosures.

During the year, the Company entered into the following transactions with related parties:

	31 December 2022 £000	31 December 2021 £000
Companies related by virtue of common control or ownership		
Purchases	<u>(337)</u>	<u>(1,034)</u>
Companies related by virtue of direct/indirect ownership		
Revenue	-	-
Purchases	(195)	(574)
Receivables outstanding	<u>-</u>	<u>-</u>

Related party revenue was principally in respect of work undertaken on rail franchise bids and staff
Related party purchases are principally in respect of management services, royalty fees and commission.

17 Ultimate parent company and parent undertaking of larger group

The parent undertaking of the smallest group of undertakings, including the Company, for which consolidated financial statements are drawn up is WCT Group Holdings Limited. The parent undertaking of the largest group of undertakings, including the Company, for which consolidated financial statements are drawn up is Virgin Holdings Limited.

Copies of the WCT Holdings Limited and Virgin Holdings Limited consolidated financial statements are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

As at 31 December 2022 the ultimate parent company is Virgin Group Holdings Limited, a company registered in the British Virgin Islands.