

DB Cargo (UK) Holdings Limited
(formerly DB Schenker Rail (UK) Holdings Limited)

Annual Report

For the year ended 31 December 2015

Registered number 03116322



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Annual Report

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Strategic Report for the year ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

Review of the business and future developments

The company is an intermediate holding company for investments in subsidiaries whose principal activities are the haulage of freight by rail and other related services within Great Britain and Europe. The company will remain as an intermediate holding company in the future. Whilst the external commercial environment is expected to remain competitive in the year ahead, there is no expectation that this will have a significant impact on the financial position of the company.

On 1 March 2016, the company changed its name from DB Schenker Rail (UK) Holdings Limited to DB Cargo (UK) Holdings Limited.

The company's result on ordinary activities before taxation for the year ended 31 December 2015 is £nil (2014: £nil). The balance sheet of the company is presented on page 8. Total shareholders' funds at the year ended 31 December 2015 was £138 million (2014: £138 million).

Post balance sheet events

On 14 January 2016 the company sold its investment in Locomotives 6667 Limited to DB Cargo (UK) Limited for the nominal value of £2.00. This transaction generated neither a profit nor a loss.

On 14 July 2016, the company acquired a 5% share in the Locomotive Operating Leasing Partnership for a consideration of £7,282,174. Locomotive Operating Leasing Partnership is a limited partnership formed under the Limited Partnerships Act 1907.

Principal risks and uncertainties

The most significant risks to the profitability of DB Cargo (UK) Holdings Limited and all its subsidiary undertakings (the 'DBC UK group') are:

- (i) Loss of significant customer contracts;
- (ii) Increased employee costs;
- (iii) Exposure to foreign exchange rate movements;
- (iv) Increased track access and diesel fuel costs;
- (v) Loss of access to Network Rail infrastructure; and
- (vi) Increased Government regulation.

The directors have strategies to manage and mitigate these risks and remain confident of the continued success of the DBC UK group.

Management of financial risk

The major financial exposures faced by the company are to exchange rate and interest rate movements. The directors review these risks and approve guidelines covering the use of financial instruments to manage these risks and define the overall risk limits. All the company's financial instruments are arranged through the Deutsche Bahn group treasury function and are held for risk management purposes.

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

Key performance indicators (KPIs)

The directors of the DBC UK group manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of DB Cargo (UK) Holdings Limited.

The key performance indicators monitored by the directors for the DBC UK group include earnings before interest and taxation (EBIT), total revenue, net tonne kilometres, train path kilometres, tonnage and headcount.

The development, performance and position of all of the DBC UK group companies are reported within the consolidated results of Deutsche Bahn AG, the ultimate parent company. The financial statements of Deutsche Bahn AG can be viewed at www.db.de.

On behalf of the board



A. Rossi
Director

30 September 2016

Directors' report for the year ended 31 December 2015

Details of future developments and the management of financial risk are included in the Strategic report on page 1.

Adoption of Financial Reporting Standard 101 Reduced Disclosure Framework

During the year the company transitioned to Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The company's parent undertaking was formally notified of and did not object to the EU-adopted IFRS disclosure exemptions.

There were no changes to the reported values resulting from the transition.

Dividends

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

Directors

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

A. Thauvette (resigned 21 July 2016)
A. Rossi
H-G. Werner (appointed 21 July 2016)

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.

Statement of directors' responsibilities

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditors

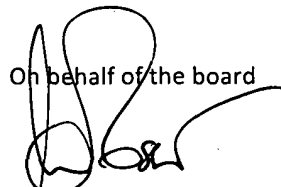
In the case of each director in office at the time of approval of this report:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

In accordance with section 487(2) of the Companies Act 2006, the independent auditors, PricewaterhouseCoopers LLP, will continue in office.

On behalf of the board



A. Rossi

Director

30 September 2016

Independent auditors' report to the members of DB Cargo (UK) Holdings Limited

Report on the financial statements

Our opinion

In our opinion, DB Cargo (UK) Holdings Limited's financial statements (the "financial statements"):

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

What we have audited

DB Cargo (UK) Holdings Limited's financial statements comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include the principle accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Independent auditors' report to the members of DB Cargo (UK) Holdings Limited (continued)

Responsibilities for the financial statements and audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

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

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

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

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

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



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

30 September 2016

Profit and loss account for the year ended 31 December 2015

	Note	Year to 31 December 2015 <i>£million</i>	Year to 31 December 2014 <i>£million</i>
Administrative expenses		-	-
Operating result	3	-	-
Interest receivable and similar income		-	-
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities		-	-
Result for the financial year		-	-

There is no other comprehensive income in the current year or prior year other than the result for the financial year, therefore no separate statement of other comprehensive income has been presented.

All of the company's activities are continuing.

There is no material difference between the result on ordinary activities before taxation and the result for the financial year stated above and their historical cost equivalent.

Balance Sheet as at 31 December 2015

Registered number: 03116322

	Note	2015 £ million	2014 £ million
Fixed assets			
Investments	5	<u>41</u>	<u>41</u>
Current assets			
Debtors	6	162	162
Creditors: amounts falling due within one year	7	<u>(65)</u>	<u>(65)</u>
Net current assets		<u>97</u>	<u>97</u>
Total assets less current liabilities		<u>138</u>	<u>138</u>
Net assets		<u>138</u>	<u>138</u>
Capital and reserves			
Called up share capital	8	44	44
Share premium account	9	1	1
Profit and loss account	9	<u>93</u>	<u>93</u>
Total shareholders' funds		<u>138</u>	<u>138</u>

The notes on pages 10 to 15 are an integral part of these financial statements.

The financial statements on pages 7 to 15 were approved by the board of directors on 30 September 2016 and were signed on its behalf by:


A. Rossi
Director

Statement of Changes in Equity for the year ended 31 December 2015

	Called up share capital	Share Premium account	Profit and loss account	Total shareholders' funds
	<i>£ million</i>	<i>£ million</i>	<i>£ million</i>	<i>£ million</i>
At 1 January 2014	44	1	93	138
Result for the financial year	-	-	-	-
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-
At 31 December 2014	<u>44</u>	<u>1</u>	<u>93</u>	<u>138</u>
Result for the financial year	-	-	-	-
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-
At 31 December 2015	<u>44</u>	<u>1</u>	<u>93</u>	<u>138</u>

Notes to the financial statements for the year ended 31 December 2015

1. General information

DB Cargo (UK) Holdings Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of the registered office is Lakeside Business Park, Carolina Way, Doncaster, South Yorkshire, DN4 5PN.

2. Accounting policies

Basis of preparation

These financial statements have been prepared on the going concern basis in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). They are prepared in accordance with applicable International Financial Reporting Standards, and under the historical cost convention.

These financial statements are presented in Sterling and all values are rounded to the nearest million pounds, except where otherwise stated.

The company has taken advantage of the exemption from the requirement to prepare group financial statements by virtue of Section 400 of the Companies Act 2006, as the company is a wholly owned subsidiary. These financial statements therefore present information about DB Cargo (UK) Holdings Limited as an individual undertaking and not about its Group.

During the year the company transitioned to Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and there were no changes to the reported values resulting from the transition.

FRS 101 requires that the statement of profit or loss and balance sheet are presented in the format requirements of the Companies Act 2006, rather than the requirements of International Accounting Standard (IAS) 1 - Presentation of Financial Statements.

A summary of the disclosure exemptions adopted for the year ended 31 December 2015 is presented below. Equivalent disclosures for financial instruments and fair value measurements are included in the group consolidated financial statements allowing the exemptions to be applied.

Area	Disclosure exemption
Cash flow statements	Complete exemption from preparing a cash flow statement.
Financial instrument disclosures	Exemption from the disclosure requirements of IFRS 7 (Financial Instruments) and related IFRS 13 disclosures. Disclosures in respect of management's objectives, policies and processes for managing capital (IAS1.134 to 136).
Related party disclosures	Exemption for related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to a transaction is wholly owned by such a member. Exemption from disclosure of key management personnel compensation.
Comparative information	Exemption from comparative for movements on share capital, tangible assets, intangible assets and investment property.
Presentation of Financial Statements	Exemption from statement of compliance with IFRS, cash flow information and capital management policy.

2. Accounting policies (continued)

New standards, amendments and IFRIC interpretations

As explained above, the company has adopted FRS 101 for the first time in the current year. As part of this adoption, the following new and revised Standards and Interpretations have been adopted in the current year.

The application of these specific Standards and Interpretations has not had a material effect on the Company.

Relevant standard	Details
Amendments to IAS 1 <i>Presentation of Financial Statements</i> (as part of the Annual Improvements to IFRSs 2009 - 2011 Cycle issued in May 2013)	The Annual Improvements to IFRSs 2009 - 2011 have made a number of amendments to IFRSs. The amendments that are relevant to the company are the amendments to IAS 1 regarding when a balance sheet as at the beginning of the preceding period (third balance sheet) and the related notes are required to be presented. The amendments specify that a third balance sheet is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third balance sheet. The amendments specify that related notes are not required to accompany the third balance sheet.

In the current year, the Company has applied a number of new and revised IFRSs (see the discussion above), however this has not resulted in material effects on the information in the balance sheet as at 1 January 2014, and therefore in accordance with the amendments to IAS 1, the Company has not presented a third balance sheet as at 1 January 2014.

Use of estimates and judgement

The application of the company's accounting policies requires management to make judgement, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made, however, the nature of estimation means that actual outcomes could differ from those estimates.

The following estimate is dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date.

Taxation

Management's judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Revenue recognition

Dividends

Dividend revenue is recognised when the company's right to receive payment is established.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

2. Accounting policies (continued)

Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the assets recoverable amount in order to determine the extent of the impairment loss.

Annual impairment tests for intangible assets with indefinite useful lives are based upon the future cash flows forecast by management for the following five years or other periods if it is considered appropriate.

Investments

Investments in associates, subsidiaries and joint ventures are stated at cost less any impairment. In accordance with International Accounting Standard No. 36, the directors consider the carrying value of investments for impairment. Any reductions in value arising from the impairment of investments are charged to the statement of profit or loss. When the directors consider that any impairment has been reversed this is credited to the statement of profit or loss.

Trade and other debtors

Trade debtors, which generally have 30 – 90 day terms, are recognised and carried at the lower of their original invoice value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise of cash at bank and short term deposits with original maturity of 3 months or less.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantially enacted on the balance sheet date.

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of profit or loss.

Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contract rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward exchange contract rate. All differences are taken to the profit and loss account except to the extent that they are recoverable from a third party in which case they are recorded as a debtor.

2. Accounting policies (continued)

Financial assets

Financial assets are recognised when the company becomes party to the contracts that give rise to them and are classified as financial assets at fair value through profit or loss; or as loans and receivables, as appropriate. The company determines the classification of its financial assets at initial recognition and re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, being the date that the company commits to purchase or sell the asset. Regular way transactions require delivery of assets within the timeframe generally established by regulation or convention in the market place.

Financial assets classified as held for trading and other assets designated as such on inception are included in this category. Financial assets are classified as held for trading if they are acquired for sale in the short term. Derivatives are also classified as held for trading unless they are designated as hedging instruments. Financial assets are carried in the balance sheet at fair value with gains or losses recognised in the statement of profit or loss.

Financial liabilities

Financial liabilities are recognised when the company becomes party to the contracts that give rise to them and are classified as financial liabilities at fair value through profit or loss.

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the amount is material and is expected that the settlement of the obligation is more than one year or after the normal operating cycle of the business, the expected future cash flows are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Exceptional items

The company presents as exceptional items those material items of income and expenditure which, because of their nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance.

3. Operating result

The audit fee for the company is borne by DB Cargo (UK) Limited, a fellow subsidiary of the DB Cargo (UK) Holdings Limited.

4. Remuneration of directors

The directors received no (2014: nil) emoluments for the benefits of their services to the company in the current year. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of DB Cargo International Limited.

The company has no employees (2014: nil).

5. Investments

			Value of shares in subsidiaries £ million
Cost and net book value			
At 1 January 2015 and 31 December 2015			41
Subsidiary undertakings	Country of registration or incorporation	Principal Activity	Class and percentage of shares held
Railway Investments Limited	England & Wales	Holding company	100% £1 Ordinary
*DB Cargo Services Limited	England & Wales	Provision of services to the rail industry	100% £1 Ordinary
*Axiom Rail Components Limited	England & Wales	Design and supply of advanced rail freight suspension	100% £1 Ordinary
*Marcroft Holdings Limited	England & Wales	Holding company	100% £1 Ordinary
*Axiom Rail (Stoke) Limited	England & Wales	Design, refurbishment and maintenance of rail wagons	100% £1 Ordinary
*Rail Terminal Services Limited	England & Wales	Haulage of freight by rail and other rail related services	100% £1 Ordinary
East & West Railway Limited	England & Wales	Dormant	100% £1 Ordinary
*DB Cargo International Limited	England & Wales	Haulage of freight by rail	100% £1 Ordinary
RES December Limited	England & Wales	Dormant	100% £1 Ordinary
*Rail Express Systems Limited	England & Wales	Provision of charter & passenger	100% £1 Ordinary
Boreal & Austral Railfreight	England & Wales	Dormant	100% £1 Ordinary
*Loadhaul Limited	England & Wales	Dormant	100% £1 Ordinary
*Mainline Freight Limited	England & Wales	Dormant	100% £1 Ordinary
*DB Cargo (UK) Limited	England & Wales	Haulage of freight	100% £1 Ordinary
Engineering Support Group Limited	England & Wales	Provision of technical engineering consultancy services to the rail	100% £1 Ordinary
Railway Approvals Limited	England & Wales	Inspection & certification of rolling stock	100% £1 Ordinary
DB Cargo Information Services Limited	England & Wales	Provision of information systems & services to the rail industry	100% £1 Ordinary
New Locomotive Finance Limited	England & Wales	Dormant	100% £1 Ordinary
Locomotive 6667 Limited (see note 11)	England & Wales	Dormant	100% £1 Ordinary

* Held through subsidiary undertaking

The directors believe that the carrying value of the investments is supported by their underlying assets and the expected future profits.

6. Debtors and other receivables

	2015	2014
	£ million	£ million
Amounts owed by group undertakings	162	162

Amounts owed by group undertakings are unsecured, interest free and payable in line with intercompany trading terms and conditions.

7. Creditors: amounts falling due within one year

	2015	2014
	<i>£ million</i>	<i>£ million</i>
Amounts owed to group undertakings	<u>65</u>	<u>65</u>

Amounts owed to group undertakings are unsecured, interest free and payable in line with intercompany trading terms and conditions.

8. Called up share capital

	2015		2014	
	No.	<i>£ million</i>	No.	<i>£ million</i>
Authorised				
Ordinary shares of £1 each	<u>43,815,277</u>	<u>44</u>	<u>43,815,277</u>	<u>44</u>
Allotted and fully paid:				
Ordinary shares of £1 each	<u>43,815,277</u>	<u>44</u>	<u>43,815,277</u>	<u>44</u>

9. Reserves

	Share premium account <i>£ million</i>	Profit and loss account <i>£ million</i>
At 1 January 2014 and at 31 December 2014	1	93
Result for the financial year	-	-
At 31 December 2015	<u>1</u>	<u>93</u>

10. Commitments and contingent liabilities

The company had no capital commitments or contingent liabilities at the year end (2014: £nil).

11. Post balance sheet events

On 14 January 2016 the company sold its investment in Locomotives 6667 Limited to DB Cargo (UK) Limited for the nominal value of £2.00. This transaction generated neither a profit nor a loss.

On 14 July 2016, the company acquired a 5% share in the Locomotive Operating Leasing Partnership for a consideration of £7,282,174. Locomotive Operating Leasing Partnership is a limited partnership formed under the Limited Partnerships Act 1907.

12. Parent company

The immediate parent company is DB (UK) Investments Limited, a company registered in England and Wales.

The directors consider that the ultimate controlling party and the smallest and largest group in which the results of the company are consolidated is that headed by Deutsche Bahn AG, which is incorporated in the Federal Republic of Germany. The financial statements of Deutsche Bahn AG can be viewed at www.db.de.

13. Adoption of FRS 101

The company has transitioned to FRS 101 effective for its annual financial statements beginning 1 January 2015.

There were no adjustments to the statement of profit or loss, other comprehensive income, the statement of changes in equity or balance sheet for the year ending 31 December 2014 resulting from the transition to IFRS and adoption of FRS 101.

The ultimate parent company, Deutsche Bahn AG, has transitioned to IFRS and its first annual reporting period under IFRS being 31 December 2004.