Registered number: 03166214

ARRIVA UK TRAINS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	A Furlong C J Brooks D Brown
Registered number	03166214
Registered office	1 Admiral Way Doxford International Business Park Sunderland Tyne and Wear SR3 3XP
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Strategic report for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an investment holding company.

REVIEW OF BUSINESS

The company is a holding company for a number of train operating companies.

The company's statement of comprehensive income on page 13 shows a profit before taxation of £5,795,000 (2021: loss of £2,495,000). The movement to a profit for the year is primarily due to the dividend received during the year.

As at the balance sheet date the company had net assets of £212,809,000 (2021: £207,515,000). The increase in net assets is primarily due to the profit for the year.

The directors consider the state of the company's affairs to be satisfactory.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to local and national competition and factors which would cause a decline in the market, adversely impacting the company's operating subsidiaries. Further discussion of these risks and uncertainties in the context of the group as a whole, is provided in the annual report of the UK intermediate parent company, Arriva plc, which does not form part of this report.

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard to (amongst other matters):

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The role of the company's Board of Directors (the Board) is to be collectively responsible for the company's long-term sustainable success, providing strategic leadership, direction and governance within a framework of effective controls. In giving due regard to their duties as directors, the Board are mindful of the principal activities and purpose of the company and its interaction with the wider Arriva group. The directors are particularly focussed on the need to foster business relationships with suppliers, customers, and others and the impact of the company's operations on the community and environment. The Board recognises that it is accountable to its stakeholders for ensuring that the company is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. The issues and factors which have guided the directors' decisions are outlined in the 'Principal Risks and Uncertainties' section of this report.

SECTION 172 STATEMENT (continued)

The key stakeholders which are most relevant to the decision making of the Board, include, but are not limited to:

- Suppliers
- Deutsche Bahn AG
- Arriva plc
- The company's subsidiaries
- Local communities in which the company is based.

During the financial year ended 31 December 2022 the directors did not make any principal decisions that impacted the company or its ability to meet the expectations of the company's key stakeholders.

Throughout the last two years, the Arriva group has worked on facilitating a comprehensive review of the Arriva group, called Project Revitalise; a series of programmes aimed at building a stronger, more competitive Arriva group. The object of the project was to ensure that the purpose of the business was clearly promoted, and that the Arriva group's values, strategy and culture were all aligned, and that the Arriva group continued to meet the needs of its customers, clients and society as a whole.

As part of Project Revitalise, the Arriva group embarked on a review of its vision, mission, purpose and strategic plan, which also included a review of the organisational values. This process included using support from an external business partner, and employees from all parts of the Arriva group were engaged. The aim of the process was to build a strategic plan that would provide the Arriva group with both objectives and direction for the next three to five years. This included developing a new set of Values and Behaviours that could be used to help the company effectively execute the Arriva group's strategy.

The directors aim to align with the above values of the Arriva group, and maintain effective relationships with all stakeholders who are critical to the long-term success of the company. The directors consider the Arriva group values when making decisions.

The company is part of the Arriva group, and its ultimate parent company is Deutsche Bahn AG. As a holding company for a number of train operating companies, the implementation of the strategy and policies of the company, including those relating to its relationships with key stakeholders, are managed locally by the Board of the company, who also form the Arriva UK Trains Leadership team. Any major matters of interest are then communicated to the Arriva Management Board (the "AMB"), a subcommittee of the board of Arriva plc. The membership of the AMB includes the Managing Director of the UK Trains division and also a director of the company which facilitates effective two-way engagement between the Board and the AMB and allows for the broader operational implications of any principal decisions to be properly considered by the Board in accordance with Section 172. The directors of the company aim to meet at least once in each financial year.

The company takes payment practice commitments to suppliers seriously and seeks to ensure prompt payment of invoices (in line with Arriva group's defined policies) and a clear process in event of any invoice dispute. The company believes that prompt payment of invoices is key to facilitating a good relationship with suppliers.

Sustainability
The Board considers the impact of the company's operations on the community and environment and the long-term sustainability of the company in their decision making to ensure that it is aligned with the Arriva group's mission to become the leading passenger transport partner across Europe and to accelerate the company's journey to becoming a climate neutral company.

Further information on how the directors have had regard to their duties as a director of the company can be found in the Employee engagement and employee initiatives – pages 5 to 7.

KEY PERFORMANCE INDICATORS

The Management Board of Deutsche Bahn AG 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 Arriva UK Trains Limited. The development performance and position of the group, including this company, is discussed in the Deutsche Bahn AG group's Integrated Report which does not form part of this report.

FUTURE DEVELOPMENTS

The company is a wholly owned subsidiary of Deutsche Bahn AG and part of the Arriva group which Deutsche Bahn AG heads.

The company is an investment company with investments in subsidiary companies which are operators of passenger transport services. As an investment company, the company is reliant on dividend income from subsidiaries to meet its operational funding requirements.

After the year end, in June 2023, Grand Central Railway Company Limited issued 100 ordinary A shares of £0.10 nominal value to Arriva UK Trains Limited. The cash consideration paid by Arriva UK Trains Limited in exchange for the shares was £49,999,910.

The company voluntarily participates in a group cash and credit facility pooling arrangement operated by its ultimate parent, Deutsche Bahn AG ('DB'). This is a long-standing arrangement operated by DB to manage the liquidity needs of DB group companies, and the company has been party to this arrangement for several years. The company has a positive cash pooling balance at the balance sheet date and the directors expect the company's pooled cash balance to remain positive over the going concern assessment period. Under the arrangement all of the company's cash and utilised credit facility balances are swept into the group cash pool at the end of each business day.

The company is currently dependent on daily access to its funds in the cash pool for daily access to the cash flows for day-to-day running of the company and to support the going concern assertion. As the provision of and amount of this facility is not formally committed for a specific period of time, and therefore could be withdrawn during the period of 12 months from the date of approval of the financial statements, the directors acknowledge that this indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. However, the directors consider this theoretical risk to be highly improbable, as such action would contradict internal group policies and be inconsistent with past practice. Since inception of the pooling arrangement, the company has never experienced any issue being able to draw upon its cash and available facility balances within the group cash pool to settle its liabilities as they fall due.

In completing their going concern assessment, the directors have also considered the expected impact on the company's financial position, based on severe but plausible downside scenarios, along with associated management actions, including management of planned dividend income from subsidiaries to mitigate those impacts on the company's cash position.

The directors have prepared the financial statements on a going concern basis as they have a reasonable expectation that the company will continue to have full and immediate access to its pooled credit facility balances with DB and that management actions over the assessment period will be sufficient to remain within its credit facility limit, such that adequate financing will remain in place and that the company will continue to operate for the foreseeable future.

FUTURE DEVELOPMENTS (continued)

As set out in the DB 31 December 2022 annual report, DB plans to divest the Arriva group which could result in a change in ownership of the company within 12 months of the date of approval of these financial statements. Should a change in ownership occur, the directors are unable to assess or control all scenarios for the company's future, including the intent and ability of any future owner to continue to provide funding to the company.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not contain the adjustments that would arise if the company were unable to continue as a going concern.

This report was approved by the board on 16 August 2023 and signed on behalf of the board.

A Furlong
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £5,294,000 *(2021 - loss of £2,999,000)*.

The company received a dividend of £9,500,000 from Arriva Rail London Limited in the current year (2021: £14,000 from At Seat Catering Limited).

DIRECTORS

The directors who served during the year, and up to the date of signing the financial statements were:

A Furlong
C J Brooks
D Brown

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of financial risk management objectives and policies are shown in the annual report of the UK intermediate parent company, Arriva plc, which does not form part of this report.

EMPLOYEE ENGAGEMENT

The Board recognises that its employees are key to its success, and it is committed to creating a working environment where everyone has the opportunity to learn, develop and contribute to the success of the company, whilst working within a common set of values. The Board is committed to assist the company in its aspirations to be an employer of choice and to employ a diverse workforce with the skills, abilities and attitudes to meet the company's business objectives and needs. The Board aim is to provide appropriate remuneration, benefits and conditions of employment which serve to attract, retain, motivate and reward its employees.

The Board is supportive of the company's promotion of employee involvement and inclusion and, subject to the restraints of commercial confidentiality, a policy of employee involvement and inclusion, by making information available to employees about recent and future developments and business activities of the company, including financial and economic factors that may have impacted on the company's performance.

Diversity and Inclusion
Arriva cares passionately about connecting people and communities, for work, education, leisure, and other needs. In order to achieve the Arriva groups mission of becoming the leading passenger transport partner across Europe, it requires a workforce that represents and understands the needs of the communities it serves. In September 2022 the Arriva group published its new Inclusion Strategy to ensure a co-ordinated approach across all its European businesses by setting ambitious targets, so that all parts of Arriva are aligned behind common goals.

Having a strong strategy with clear targets will help Arriva overcome societal challenges such as the ageing population, the skills gap in professions such as engineering and the technological age which has created a need for different skills and qualifications as the world transitions to net-zero. The group-wide strategy aims to mitigate these factors by focusing on early careers and increasing the representation of underrepresented groups to broaden the skills, perspectives and experiences of the workforce.

EMPLOYEE ENGAGEMENT (continued)

Employee feedback and communications

The Arriva group conducts both group wide and local employee surveys, the most recent survey taking place in September 2022, with almost 20,000 Arriva employees taking the opportunity to complete the survey and share their views. The feedback from the survey was shared with leaders and managers across the Arriva group who reviewed what employees had said. Managers were then required to share the results of the survey with their staff and inform them of the actions that had been taken as a result of what had been said.

The surveys are used to highlight areas of engagement and areas for improvement and action. The Arriva Management Board (the "AMB") oversees initiatives to develop any areas of improvement highlighted by the surveys, as well as maintaining those areas highlighted as working well. The results of the employee surveys for 2022 concluded that the key drivers of engagement for Arriva colleagues were working together, personal development, employees and customer focus.

There are a number of communication platforms that the Arriva group uses to inform and engage its employees and inform employees about the results of the employee surveys. Briefings are cascaded via line managers, bulletins are posted via email and notice boards, as well as the Arriva group's Yammer feed.

Other initiatives which have been implemented during the financial year include the 'Ideas Engine' initiative, Arriva's first group-wide innovation scheme, that allows each of its 40,000 colleagues to share their ideas and make Arriva even better. The new framework was designed to take innovation to the next level by providing everybody with the opportunity to have their ideas listened to, whether big or small. Generating ideas leads to innovation and the Arriva group is dedicated for innovation to be part of its everyday business.

Employee health and wellbeing

The Arriva group has provided employees with access to online training and assessments on topics such as emotional wellbeing, mental health and remote working. This is in addition to the Arriva group programme Global Arriva Inclusion Network (GAIN), which is aimed at promoting support for mental health and encouraging employees to share their stories in order to tackle mental health concerns. GAIN is a place for employees to celebrate and share their experience of working at the company. Open and honest feedback is vital to making the company a place where our employees can be themselves every day – regardless of their race, religion, disability, gender, sexual orientation, or any other characteristic.

The GAIN community is supported by members of the AMB, who act as executive sponsors, using their voices to influence change within the business. Five colleagues also lead the GAIN communities and act as a driving force, helping to plan events, collate feedback and coordinate the group's activity.

During 2022 the company has continued to build on the success of GAIN, which has over 560 members. GAIN for Gender, is a thriving group with around 250 members, and furthered the Arriva groups aim to support women within Arriva by coaching and providing the tools they need to progress their careers and to make a tangible difference to how gender equality is viewed in the workplace. Other GAIN networks include Gain for Well-being, GAIN for LGBT+, GAIN for Disability and GAIN for Culture & Ethnicity.

Equal opportunities

The Arriva group believes in equal opportunities regardless of gender, age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. This approach is underpinned by Arriva's commitment to providing equal opportunities to its current and potential employees and applying fair and equitable employment practices. The group gives full and fair consideration to job applications from people with disabilities, considering their skills and abilities.

Where an employee may become disabled, whether through accident, illness or injury, every reasonable and practicable consideration will be given to ensure that they may remain in employment. There may be some instances where there are no reasonable adjustments that can be made; where this occurs, the company will endeavour to find a suitable alternative position. The Arriva group's Diversity, Inclusion and Equality Policy forms part of the Arriva group policies and standards.

EMPLOYEE ENGAGEMENT (continued)

Leadership Schemes
Arriva group has a strategic objective to 'build the future generation of leaders' and building talent pools helps to achieve this. In addition to local initiatives, two group-wide programmes are in place to develop emerging and future leaders across Arriva.

The 'Emerging Leaders' programme is aimed at identifying and developing future leaders whose next step is a senior manager role, and who demonstrate the performance, potential and aspiration required to progress to this. As part of this programme candidates are required to complete an assessment for development which will give them the opportunity to discuss their career goals and experience in more detail and receive valuable feedback on their strengths and development areas against the Arriva Leadership Model. The assessment will result in a development plan, highlighting what steps they can take to help them achieve their career goals. Following the assessment certain candidates progress to the next phase, which includes leadership workshops and projects.

The 'Lift Off for Leadership' programme is for individuals who are still in the early stages of their career and who have demonstrated the potential to be a leader of the future. The programme focuses on improving readiness for broader roles. Participants join a 12-month programme of workshops and ongoing development activities, including coaching and job shadowing.

DISABLED EMPLOYEES

The company continues to give full and fair consideration to applications for employment by disabled persons, having regard to their respective aptitudes and abilities. The company's policy includes, where applicable, the continued employment of those who may become disabled during their employment.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has made qualifying third-party indemnity provisions for the benefit of its directors as part of a group wide insurance policy. The qualifying third-party indemnity provisions (as defined in Section 234 of the Companies Act 2006) were in force during the year ended 31 December 2022 and continue to remain in force at the reporting date.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are provided in Note 22 to the financial statements.

MATTERS COVERED IN THE STRATEGIC REPORT

Details of future developments and principal risks and uncertainties have been disclosed in the Strategic report.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual report and audited financial statements in accordance with applicable law and regulation.

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

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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 to enable them to ensure that the audited financial statements comply with the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date when this Directors' report is approved:

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

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

This report was approved by the board on 16 August 2023 and signed on its behalf.

A Furlong
Director

Independent auditors' report to the members of Arriva UK Trains Limited

Report on the audit of the financial statements

Opinion

In our opinion, Arriva UK Trains Limited's 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;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. The company is dependent on cash pooling arrangements with Deutsche Bahn AG ("DB") for access to cash for the day-to-day running of the company and to support the going concern assumption. As per the terms of the company's agreement with DB, the company does not have explicit rights for immediate access to these funds on request, which gives rise to a potential liquidity risk that funds may not be available as required to settle liabilities during the period of 12 months from the date of approval of the financial statements.

Furthermore, the company's ultimate parent, Deutsche Bahn AG, has announced plans to divest the Arriva group which could result in a change in ownership of the company within 12 months of the date of approval of these financial statements. Should a change in ownership occur, the directors are unable to assess or control all scenarios for the company's future, including the intent and ability of any future owner to continue to provide funding to the company. These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a 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.

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

Independent auditors' report to the members of Arriva UK Trains Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Auditors' 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 auditors' 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.

Independent auditors' report to the members of Arriva UK Trains Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK corporation tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to improve financial results and management bias in significant accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of board meeting minutes;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular, any journal entries posted with unusual account combinations;
- Challenging assumptions and judgements made by management in their significant accounting estimates, including the impairment of investments and the impairment of debtors;
- Consideration as to if there was any legal expenditure in the year to identify potential non-compliance with laws and regulations; and
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

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.

Independent auditors' report to the members of Arriva UK Trains Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Ian Morrison

Ian Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
16 August 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	*2021 £000*
Administrative expenses		**(42,880)**	*(33,561)*
Other operating income		**38,729**	*31,094*
Operating loss	4	**(4,151)**	*(2,467)*
Income from shares in group undertakings	8	**9,500**	*14*
Interest receivable and similar income	9	**488**	*13*
Interest payable and similar charges	10	**(42)**	*(55)*
Profit/(loss) on ordinary activities before taxation		**5,795**	*(2,495)*
Taxation on profit/(loss) on ordinary activities	11	**(501)**	*(504)*
Profit/(loss) for the financial year		**5,294**	*(2,999)*
Total comprehensive income for the year		**5,294**	*(2,999)*

The notes on pages 17 to 35 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £000		2021 £000
Fixed assets					
Intangible assets	12		**222**		*1,422*
Tangible assets	13		**69**		-
Investments	14		**151,229**		*151,229*
			151,520		*152,651*
Current assets					
Debtors: Amounts falling due after more than one year	15	**1,500**		*1,500*	
Debtors: Amounts falling due within one year	15	**81,034**		*76,334*	
		82,534		*77,834*	
Creditors: Amounts falling due within one year	16	**(17,762)**		*(22,970)*	
Net current assets			**64,772**		*54,864*
Total assets less current liabilities			**216,292**		*207,515*
Creditors: Amounts falling due after more than one year	17		**(50)**		-
Provisions for liabilities					
Provisions for liabilities	19	**(3,433)**		-	
			(3,433)		-
Net assets			**212,809**		*207,515*
Capital and reserves					
Called up share capital	20		**22,500**		*22,500*
Share premium account			**93,000**		*93,000*
Profit and loss account			**97,309**		*92,015*
			212,809		*207,515*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements on pages 13 to 35 were approved and authorised for issue by the board and were signed on its behalf on 16 August 2023.

A Furlong
Director

The notes on pages 17 to 35 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 DECEMBER 2022

	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000
At 1 January 2021	**22,500**	**93,000**	**95,014**	**210,514**
Comprehensive expense for the year				
Loss for the financial year	-	-	(2,999)	(2,999)
Total comprehensive expense for the year	-	-	(2,999)	(2,999)
At 31 December 2021 and at 1 January 2022	**22,500**	**93,000**	**92,015**	**207,515**
Comprehensive income for the year				
Profit for the financial year	-	-	5,294	5,294
Contributions by and distributions to shareholders	-	-	5,294	5,294
At 31 December 2022	**22,500**	**93,000**	**97,309**	**212,809**

The notes on pages 17 to 35 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied to all years, unless otherwise stated. The financial statements have been prepared on the going concern basis under the historic cost convention and in accordance with the Companies Act 2006.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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

GOING CONCERN

The company is a wholly owned subsidiary of Deutsche Bahn AG and part of the Arriva group which Deutsche Bahn AG heads.

The company is an investment company with investments in subsidiary companies which are operators of passenger transport services. As an investment company, the company is reliant on dividend income from subsidiaries to meet its operational funding requirements.

After the year end, in June 2023, Grand Central Railway Company Limited issued 100 ordinary A shares of £0.10 nominal value to Arriva UK Trains Limited. The cash consideration paid by Arriva UK Trains Limited in exchange for the shares was £49,999,910.

The company voluntarily participates in a group cash and credit facility pooling arrangement operated by its ultimate parent, Deutsche Bahn AG ('DB'). This is a long-standing arrangement operated by DB to manage the liquidity needs of DB group companies, and the company has been party to this arrangement for several years. The company has a positive cash pooling balance at the balance sheet date and the directors expect the company's pooled cash balance to remain positive over the going concern assessment period. Under the arrangement all of the company's cash and utilised credit facility balances are swept into the group cash pool at the end of each business day.

The company is currently dependent on daily access to its funds in the cash pool for daily access to the cash flows for day-to-day running of the company and to support the going concern assertion. As the provision of and amount of this facility is not formally committed for a specific period of time, and therefore could be withdrawn during the period of 12 months from the date of approval of the financial statements, the directors acknowledge that this indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. However, the directors consider this theoretical risk to be highly improbable, as such action would contradict internal group policies and be inconsistent with past practice. Since inception of the pooling arrangement, the company has never experienced any issue being able to draw upon its cash and available facility balances within the group cash pool to settle its liabilities as they fall due.

1. ACCOUNTING POLICIES (CONTINUED)

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

GOING CONCERN (continued)

In completing their going concern assessment, the directors have also considered the expected impact on the company's financial position, based on severe but plausible downside scenarios, along with associated management actions, including management of planned dividend income from subsidiaries to mitigate those impacts on the company's cash position.

The directors have prepared the financial statements on a going concern basis as they have a reasonable expectation that the company will continue to have full and immediate access to its *pooled credit facility balances with DB and that management actions over the assessment period will* be sufficient to remain within its credit facility limit, such that adequate financing will remain in place and that the company will continue to operate for the foreseeable future.

As set out in the DB 31 December 2022 annual report, DB plans to divest the Arriva group which could result in a change in ownership of the company within 12 months of the date of approval of these financial statements. Should a change in ownership occur, the directors are unable to assess or control all scenarios for the company's future, including the intent and ability of any future owner to continue to provide funding to the company.

These conditions indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not contain the adjustments that would arise if the company were unable to continue as a going concern.

1.2 TANGIBLE ASSETS

Tangible assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at rates calculated to write off the cost of the assets over their expected useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

Depreciation is provided on the following bases:

Motor vehicles	-	over the term of the lease

1.3 INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are included at cost less accumulated amortisation.

Intangible fixed assets relate to development costs incurred to establish a customer facing web portal.

The costs are capitalised at cost, when incurred, and amortised over 5 *years, that being the project* life. Amortisation charges are included within administration costs in the statement of comprehensive income.

1. ACCOUNTING POLICIES (CONTINUED)

1.4 INVESTMENTS

Investments are included at cost less impairment. Impairment reviews are carried out on an annual basis. Profits or losses arising from disposals of investments are treated as part of the result from ordinary activities.

1.5 DEBTORS

Trade and other debtors, including amounts owed by group undertakings, are held with the intention to collect the contractual cash flows and are initially measured at fair value and subsequently at amortised cost less any allowance for impairment (where such allowance is material).

The simplified approach is used to measure expected lifetime credit loss allowances under IFRS 9 for trade and other debtors on a collective basis for any assets that are not considered to be individually credit impaired.

Allowances for expected credit losses on trade and other debtors are recognised only where they are material.

1.6 CREDITORS

Trade creditors are obligations to pay for goods / services that have been acquired in the ordinary course of business. Trade and other creditors, including amounts owed to group undertakings, are initially stated at fair value and are measured subsequently at amortised cost using the effective interest method.

1.7 EMPLOYEE BENEFITS

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans. In some instances employees have contracts of service with another group company. Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received and relates to staff costs for all employees employed in fulfilling the company's operations. In some instances employees have contracts of service with another group company.

1.8 PROVISIONS FOR LIABILITIES

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

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

1. ACCOUNTING POLICIES (CONTINUED)

1.9 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The company is a qualifying entity for the purpose of FRS 101 and Note 23 gives details of the company's ultimate parent and from where its consolidated financial statements, prepared in accordance with IFRS, may be obtained.

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which permits a qualifying entity to apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards, as adopted by the UK, but makes amendments where necessary in order to comply with the Companies Act 2006.

The equivalent disclosures are included in the consolidated financial statements of the ultimate parent company, Deutsche Bahn AG, in accordance with the application guidance of FRS 100 "Application of financial reporting requirements".

1. ACCOUNTING POLICIES (CONTINUED)

1.10 CURRENT AND DEFERRED TAXATION

The tax charge or credit in the statement of comprehensive income represents the sum of the current tax charge or credit and the deferred tax charge or credit for the year. Tax is recognised within the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

The current tax charge or credit is based on the taxable profit for the year. Taxable profit can differ from the profit or loss before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, or that are never taxable or deductible. The company's liability or asset relating to current tax is calculated using rates prevailing during the year.

Where companies within the UK Group make payments for tax losses where the amount paid exceeds the tax value of the losses, any excess is reported as a movement through equity.

Deferred taxation is recognised on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary timing differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and when the deferred taxation assets and liabilities relate to taxation levied by the same taxation authority, and the company intends to settle its current taxation assets and liabilities on a net basis.

Deferred tax assets and liabilities are not discounted.

1.11 DIVIDEND INCOME

Dividends are recognised in the company's financial statements within income from shares in group undertakings in the period in which the dividends are received from subsidiaries.

1. ACCOUNTING POLICIES (CONTINUED)

1.12 OTHER OPERATING INCOME

Other operating income is primarily derived from management charges to fellow group undertakings and is recognised in the Statement of comprehensive income on an accruals basis, when the company has performed the service to which the charge relates.

1.13 SHARES AND SHARE PREMIUM

Proceeds from the issuance of shares are accounted as equity (forming part of Total shareholders' funds) only to the extent that they include no contractual obligation upon the company to deliver cash or other financial assets to another party (or exchange financial assets or financial liabilities with another party on unfavourable terms). Where this condition is not satisfied, the proceeds of issuance are accounted as financial liabilities, initially measured at fair value and subsequently at amortised cost.

Where shares are accounted as equity, any proceeds from issuance in excess of the nominal value of new shares issued is recognised within the Share premium account.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES 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.

Application of certain company accounting policies required management to make judgements, assumptions and estimates concerning the future as detailed below.

The preparation of financial statements in conformity with FRS 101 requires management to make estimates and judgements in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expense. Estimates and judgements are based on historical experience and management's best knowledge of the amount. Due to the inherent uncertainty in making estimates and judgements, actual results in future periods may be based on amounts which differ from those estimates.

Critical judgements in applying accounting policies

There were no judgments made in applying the company's accounting policies that had a significant effect on the financial statements.

Critical assumptions and key sources of estimation uncertainty

The following areas are the critical assumptions concerning the future and the key sources of estimation uncertainty in the reporting period. These areas may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of investments
The directors assess whether there are any impairment of the carrying value of investments in group undertakings on an annual basis. If there are any indicators of an impairment of the carrying value of the investment the directors will perform an impairment review of the investment, as well as an assessment of any impairment of amounts owed by the group undertaking. In performing the impairment review judgement is applied, in particular assessing future cash flows. If an impairment is identified the relevant adjustment is made to the carrying value of the investment or amounts owed by group undertakings.

No impairment to investments in subsidiaries was identified at 31 December 2022, as the value in use of each subsidiary was sufficient to cover the carrying value of the investment.

See Note 14 for the carrying value of investments in the year.

Impairment of debtors
The company makes an estimate of the recoverable value of debtors. When assessing impairment of debtors, management considers factors including the ageing profile of debtors and historical experience. See Note 15 for the carrying amount of debtors.

Provisions
The company makes provisions for future costs arising from existing obligations in note 19. The provisions are based on the director's best estimate of these future costs.

3. GENERAL INFORMATION

The company is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom.

The registered company number is 03166214 and the address of the registered office is 1 Admiral Way, Doxford International Business Park, Sunderland, Tyne and Wear, SR3 3XP.

4. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2022 £000	2021 £000
Depreciation of tangible fixed assets (Note 13)	20	4
Amortisation of intangible assets (Note 12)	1,037	1,184
Staff costs (Note 6)	8,201	8,577
Other operating income	(38,729)	(31,094)

Other operating income is primarily derived from management charges to fellow group undertakings

5. AUDITORS' REMUNERATION

The company paid the following amounts to its auditors in respect of the audit of the financial statements of the company:

	2022 £000	2021 £000
Fees for the audit of the company	44	24

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2022 £000	*2021 £000*
Wages and salaries	7,005	*7,345*
Social security costs	833	*841*
Other pension costs (Note 21)	363	*391*
	8,201	*8,577*

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

	2022 No.	*2021 No.*
Administration	109	*111*

7. DIRECTORS' EMOLUMENTS

	2022 £000	*2021 £000*
Directors' emoluments	1,087	*722*
Company contributions to defined benefit pension schemes	69	*68*
	1,156	*790*

During the year retirement benefits were accruing to 3 directors *(2021 - 2)* in respect of defined benefit pension schemes.

The highest paid director received remuneration of £567,000 *(2021 - £365,000)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL *(2021 - £NIL)*.

8. DIVIDEND INCOME

	2022 £000	*2021 £000*
Income from shares in group undertakings	9,500	*14*
	9,500	*14*

The company received a dividend of £9,500,000 from Arriva Rail London Limited in the current year (2021: £14,000 from At Seat Catering Limtied).

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £000	*2021 £000*
Interest receivable from group companies	488	*13*
	488	*13*

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £000	*2021 £000*
Interest on lease liabilities	42	*55*
	42	*55*

11. TAX ON PROFIT/(LOSS)

	2022 £000	2021 £000
Corporation tax		
Current tax on profit/(loss) for the year	-	(515)
Adjustments in respect of prior years	517	1,056
Total current tax charge	517	541
Deferred tax		
Origination and reversal of timing differences	56	22
Adjustments in respect of prior years	(72)	(59)
Total deferred tax credit (Note 18)	(16)	(37)
Taxation on profit on ordinary activities	501	504

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

	2022 £000	2021 £000
(Loss)/profit on ordinary activities before tax	5,795	(2,495)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,101	(474)
Effects of:		
Losses not available for group relief	746	-
Adjustments in respect of prior years	445	997
Dividends from UK companies	(1,805)	(3)
Impact of rate change on deferred tax	14	(16)
Total tax charge/(credit) for the year	501	504

11. TAX ON PROFIT/(LOSS) (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The proposal to increase the rate to 25% was substantively enacted before the balance sheet date, so its effects are included in these financial statements.

12. INTANGIBLE ASSETS

	Intangibles £000
COST	
At 1 January 2022	**5,985**
Disposals	**(391)**
At 31 December 2022	**5,594**
ACCUMULATED AMORTISATION	
At 1 January 2022	**4,563**
Charge for the year	**1,037**
Disposals	**(228)**
At 31 December 2022	**5,372**
Net book value	
At 31 December 2022	**222**
At 31 December 2021	*1,422*

13. TANGIBLE ASSETS

	Motor vehicles £000
COST	
At 1 January 2022	16
Additions	89
Disposals	(16)
At 31 December 2022	89
ACCUMULATED DEPRECIATION	
At 1 January 2022	16
Charge for the year	20
Disposals	(16)
At 31 December 2022	20
NET BOOK VALUE	
At 31 December 2022	69
At 31 December 2021	-

14. INVESTMENTS

	Investments in subsidiary companies £000
COST OR VALUATION	
At 1 January 2022	**190,623**
At 31 December 2022	**190,623**
ACCUMULATED IMPAIRMENT	
At 1 January 2022	**39,394**
At 31 December 2022	**39,394**
Net book value	
At 31 December 2022	**151,229**
At 31 December 2021	*151,229*

14. INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding %
Arriva Trains Wales / TrenauArriva Cymru Limited	14.1	Ordinary	100
At Seat Catering (2003) Limited	14.1	Ordinary	100
XC Trains Limited	14.1	Ordinary	100
London and North Western Railway Company Limited	14.1	Ordinary	100
Arriva Rail East Midlands Limited	14.1	Ordinary	100
Arriva Rail North Limited	14.1	Ordinary	100
Alliance Rail Holdings Limited*	14.1	Ordinary	100
Grand Central Railway Company Limited	14.1	Ordinary	100
Arriva Trains Holdings Limited	14.1	Ordinary	100
Arriva South Eastern Rail Limited	14.1	Ordinary	100
Great North Western Railway Company Limited*	14.1	Ordinary	100
Arriva Rail London Limited	14.1	Ordinary	100
M40 Trains Limited	14.1	Ordinary (indirectly held)	100
DB Regio Tyne and Wear Limited	14.1	Ordinary (indirectly held)	100
The Chiltern Railway Company Limited	14.1	Ordinary (indirectly held)	100
Arriva Rail XC Limited	14.1	Ordinary	100
WSMR (Holdings) Limited	14.1	Ordinary (indirectly held)	50
London Overground Rail Operations Limited*	14.2	Ordinary (indirectly held)	50
Wrexham Shropshire & Marleybone Railway Company Limited	14.1	Ordinary (indirectly held)	50

List of registered offices:

14.1 1 Admiral Way, Doxford International Business Park, Sunderland, Tyne and Wear, SR3 3XP
14.2 Overground House 125 Finchley Road, Swiss Cottage, London, NW3 6HY

* Alliance Rail Holdings Limited was dissolved 14 February 2023.
London Overground Rail Operations was dissolved 2 August 2022.
Great North Western Railway Company Limited was dissolved 31 January 2023.

15. DEBTORS

	2022 £000	2021 £000
Amounts falling due after more than one year		
Other debtors	**1,500**	*1,500*
	1,500	*1,500*

Amounts falling due within one year

	2022 £000	2021 £000
Trade debtors	**7,449**	*2,013*
Amounts owed by group undertakings	**68,309**	*71,224*
Other debtors	**1,106**	*544*
Prepayments and accrued income	**4,085**	*2,484*
Deferred tax asset (Note 18)	**85**	*69*
	81,034	*76,334*

Amounts owed by group undertakings includes £59,713,000 (2021: £56,914,000) of balances placed in a group wide cash pooling agreement with the ultimate parent company. The amounts placed are unsecured, incur interest at a rate of 2.67% and repayable on demand. In the prior year amounts placed were interest free.

All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

16. CREDITORS: Amounts falling due within one year

	2022 £000	*2021 £000*
Lease liabilities	**21**	*2,661*
Trade creditors	**472**	*522*
Amounts owed to group undertakings	**6,868**	*1,186*
Group relief repayable	**770**	*353*
Other creditors	**200**	*725*
Accruals and deferred income	**9,431**	*17,523*
	17,762	*22,970*

All amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17. CREDITORS: Amounts falling due after more than one year

	2022 £000	*2021 £000*
Lease liabilities	**50**	-
	50	-

The total cash outflow for leases was £640,000 (2021: £644,000).

18. DEFERRED TAX ASSET

	2022 £000	*2021 £000*
At 1 January	**69**	*32*
Credited to profit/(loss) for the financial year (Note 11)	**16**	*37*
At 31 December	**85**	*69*

18. DEFERRED TAX ASSET (CONTINUED)

The deferred tax asset is made up as follows:

	2022 £000	*2021 £000*
Excess of depreciation on fixed assets over capital allowances claimed	**85**	*69*
	85	*69*

19. PROVISIONS FOR LIABILITIES

	Other provisions £000
At 1 January 2022	-
Reclassification from accruals and deferred income	**3,416**
Additions	**17**
At 31 December 2022	**3,433**

Information on other provisions has not been disclosed as it is commercially sensitive.

20. CALLED UP SHARE CAPITAL

	2022 £	*2021 £*
Authorised		
25,000,000 Ordinary shares of £1 each	**25,000,000**	*25,000,000*
Allotted, called up and fully paid		
22,500,003 Ordinary shares of £1 each	**22,500,003**	*22,500,003*

21. PENSION COMMITMENTS

At 31 December 2022 the UK intermediate parent company, Arriva plc, operated a defined benefit pension scheme and a contract based retirement benefit scheme providing benefits to certain employees within Arriva UK Trains Limited.

The defined benefit pension scheme is the Arriva Passenger Services National Pension Scheme (APSNPS), financed through separate Trustee administered funds managed by independent professional fund managers on behalf of the Trustees.

During 2021, the APSNPS closed to future accrual, simultaneously closing to new entrants.

Contributions to the defined benefit scheme, the Arriva Passenger Services National Pension Scheme, are based upon actuarial advice following the most recent actuarial valuation of the fund. The latest actuarial valuation was performed as at 5 April 2022, using the Projected Unit Method.

The contract based pension scheme is the Arriva Workplace Pension Plan and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pensions charge for the year represents contributions payable by the company to both schemes and amounted to £363,000 (2021: £391,000).

International Accounting Standard 19 'Employee benefits' (revised 2011)

The company makes contributions to a defined benefit scheme, The Arriva Passenger Services National Pension Scheme, which is operated by the UK intermediate parent company, Arriva plc. Other companies within the Arriva Group make contributions to the Plan, therefore it is not possible for the company to identify its share of the underlying assets and liabilities as at 31 December 2022. As the company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme.

22. POST BALANCE SHEET EVENTS

On 7 June 2023, Grand Central Railway Company Limited issued 100 ordinary A shares of £0.10 nominal value to Arriva UK Trains Limited. The cash consideration paid by Arriva UK Trains Limited in exchange for the shares was £49,999,910.

This transaction resulted in an increase in investments held and a reduction in the cash pooling balances within intercompany debtors, of the same amount.

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is MTL Services Limited.

The ultimate parent company and ultimate controlling party is Deutsche Bahn AG, a company registered in Germany, which has prepared group financial statements incorporating the results of the company. Copies of these financial statements can be obtained from Potsdamer Platz 2, 10785 Berlin.

Deutsche Bahn AG is the largest and smallest group to consolidate the financial statements of the company.

Transactions and balances with other companies in the Deutsche Bahn group are not specifically disclosed as the company has taken advantage of the exemption available for wholly-owned subsidiaries.