
DB REGIO TYNE AND WEAR LIMITED

Annual report and financial statements
for the year ended 31 December 2014

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DB REGIO TYNE AND WEAR LIMITED

Company Information

Directors	R H McClean A Furlong S M Keith
Company secretary	L Edwards
Company number	6733214
Registered office	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

DB REGIO TYNE AND WEAR LIMITED

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DB REGIO TYNE AND WEAR LIMITED

Strategic report for the year ended 31 December 2014

The directors present their Strategic report for the year ended 31 December 2014.

Principal activities

The principal activity of the company during the year was the operation and maintenance of the Tyne and Wear Metro service on behalf of The Tyne and Wear Passenger Transport Executive (trading as Nexus).

Business review

The company's profit and loss account on page 7 shows a profit on ordinary activities before taxation of £69,000 (2013: £42,000). Although the profit on ordinary activities before taxation from 2013 to 2014 is broadly the same there are a number of variations between the two years. The main variations are primarily due to a reduction in the number of Concession Services procured during the year, phasing of the ¾ life refurbishment project, an increased number of third party and employee claims offset by a reduction in the performance regimes penalties and other operational costs.

The company had net assets of £2.3m (2013: £0.8m net liabilities), as at the balance sheet date of 31st December 2014. The main reason for the significant year on year movement in net assets/liabilities is due to the £3.0m share equity injection received in February 2014.

The company's funding position is provided by an intermediate parent company, DB Mobility Logisitcs AG. This is provided in the form of a long term loan with a value of £3.3m at 31st December 2014 and a credit line to the value of £2.0m. The loan is repayable over the life of the Concession and the credit line has not been drawn down.

DB Mobility Logistics AG acts as a financial guarantor on both performance and pension bonds to the Tyne and Wear Passenger Transport Executive (trading as Nexus).

The directors consider the state of its affairs to be satisfactory.

This is the fifth year of the Tyne and Wear Metro Concession which commenced on 1 April 2010. The company is responsible for the operation and maintenance of the Metrocars and stations of the Tyne and Wear Metro, on behalf of the Tyne and Wear Passenger Transport Executive (trading as Nexus). As part of the concession agreement, a programme for the 3/4 Life Refurbishment of Metrocars commenced with a third party contractor. The Concession Agreement is for a period of seven years with an option for a two year extension.

Principal risks and uncertainties

The management of the business and the executive of the company's strategy are subject to a number of risks. These risks are managed through a risk management process and are reported to the DB Regio Tyne and Wear (DBTW) Board and the group periodically.

The key risk that is currently being managed is the delivery of the ¾ life refurbishment project which has two strands. Firstly the risk around unknown defects identified on the metrocar during refurbishment which fall within DBTW's liability under the train lease and secondly the element of the project which is being undertaken in-house. However both of these risks are regularly monitored in terms of progress against budget, resource and timetable by the DBTW Executive. In addition the project manager liaises regularly with the contractor which includes progress against plan and inspecting the quality of work. The 3/4 life project is due for completion in 2015.

Future developments

There have not been any significant changes in the company's principal activities in the year and the directors are not aware, at the date of this report, of any significant changes in the company's activities expected in the next year.

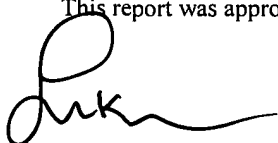
DB REGIO TYNE AND WEAR LIMITED

**Strategic report
for the year ended 31 December 2014**

Key performance indicators

The directors of DB Regio Tyne and Wear review and report performance against KPIs and delivery of the Committed Obligations each period internally, to the client Nexus and to the wider group. A range of performance indicators are used, both financial and operational, to measure the delivery of the Company's strategic objectives, comparison with the wider group and to manage the business.

This report was approved by the board on 9 April 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'S M Keith', with a long horizontal flourish extending to the right.

S M Keith
Director

DB REGIO TYNE AND WEAR LIMITED

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the financial year, after taxation, amounted to £27,000 (2013 - £25,000).

The directors do not recommend the payment of a dividend (2013 - £NIL).

Directors

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

R H McClean
D H Baker (resigned 11 April 2014)
A Furlong
S J Murphy (resigned 24 March 2014)
S M Keith (appointed 9 December 2014)
R H Baldwin (appointed 25 April 2014, resigned 3 February 2015)

Financial risk management objectives and policies

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

Employee involvement

The company recognises that its employees are key to its success and is committed to creating a working environment where everyone has the opportunity to learn, develop and contribute to the success of the company, working within a common set of values.

The company continues to aim to be an employer of choice and to employ a diverse workforce with the skills, abilities and attitudes to meet business objectives and needs. The company's aim is to provide appropriate remuneration, benefits and conditions of employment which will serve to attract, retain, motivate and reward such employees.

The company has, subject to the restraints of commercial confidentiality, continued its policy of employee involvement, by making information available to employees on a regular basis regarding recent and probable future developments and business activities.

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.

DB REGIO TYNE AND WEAR LIMITED

**Directors' report
for the year ended 31 December 2014**

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

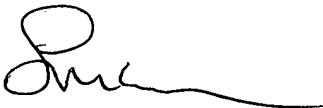
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Disclosure of information to auditors

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

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

This report was approved by the board on 9 April 2015 and signed on its behalf.



S M Keith
Director

DB REGIO TYNE AND WEAR LIMITED

Independent auditors' report to the members of DB Regio Tyne and Wear Limited

Report on the financial statements

Our opinion

In our opinion, DB Regio Tyne and Wear 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 2014 and of its profit 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 Regio Tyne and Wear Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

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.

DB REGIO TYNE AND WEAR LIMITED

Independent auditors' report to the members of DB Regio Tyne and Wear Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & 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.



Bill MacLeod (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
9 April 2015

DB REGIO TYNE AND WEAR LIMITED

**Profit and loss account
for the year ended 31 December 2014**

	Note	2014 £000	2013 £000
TURNOVER	1,2	39,714	38,236
Cost of sales		(14,294)	(13,918)
GROSS PROFIT		25,420	24,318
Administrative expenses		(25,223)	(24,098)
OPERATING PROFIT	3	197	220
Interest receivable and similar income		21	1
Interest payable and similar charges	7	(149)	(179)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		69	42
Tax on profit on ordinary activities	8	(42)	(17)
PROFIT FOR THE FINANCIAL YEAR	17	27	25

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account. Therefore, no statement of total recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

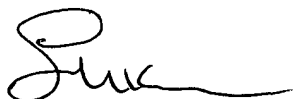
The notes on pages 9 to 17 form part of these financial statements.

DB REGIO TYNE AND WEAR LIMITED
Registered number: 6733214

Balance sheet
as at 31 December 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Intangible assets	9		1,225		1,514
Tangible assets	10		1,470		1,910
			<u>2,695</u>		<u>3,424</u>
CURRENT ASSETS					
Stocks	11	1,741		1,738	
Debtors	12	10,026		5,517	
Cash at bank and in hand		2		1	
		<u>11,769</u>		<u>7,256</u>	
CREDITORS: amounts falling due within one year	13	<u>(9,398)</u>		<u>(7,937)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>2,371</u>		<u>(681)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,066</u>		<u>2,743</u>
CREDITORS: amounts falling due after more than one year	14		<u>(2,795)</u>		<u>(3,499)</u>
NET ASSETS/(LIABILITIES)			<u><u>2,271</u></u>		<u><u>(756)</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		1,300		1,300
Share premium account	17		3,000		-
Profit and loss account	17		<u>(2,029)</u>		<u>(2,056)</u>
TOTAL SHAREHOLDERS' FUNDS/(DEFICIT)	18		<u><u>2,271</u></u>		<u><u>(756)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 April 2015.



S M Keith
Director

The notes on pages 9 to 17 form part of these financial statements.

DB REGIO TYNE AND WEAR LIMITED

Notes to the financial statements for the year ended 31 December 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 applicable to companies reporting under UK GAAP, and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Cash flow statement

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover consists of the gross revenue for operation and maintenance of the Tyne and Wear Metro service together with the aggregate amounts receivable for other goods and services supplied in the ordinary course of the business, excluding value added tax. Income is accrued where it is earned in an earlier period to that in which it is billed or received in cash. Income is deferred where it is received in an earlier period than that to which it relates.

1.4 Intangible fixed assets and amortisation

Development and mobilisation costs in relation to securing new concessions are expensed in the period in which they are incurred until 'preferred bidder' status is achieved, whereupon the costs are capitalised and charged to the profit and loss account over the 9 year term of the concession on a straight line basis.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short Term Leasehold Property	-	straight line over the remaining period of the lease
Plant, Machinery and Computer Equipment	-	3 to 9 years on a straight line basis

1.6 Stocks

Stocks are valued at the lower of average cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

DB REGIO TYNE AND WEAR LIMITED

Notes to the financial statements for the year ended 31 December 2014

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Pensions

The company is an Admitted Body of the Local Government Pension Scheme administered by South Tyneside Council, which is a defined benefit pension scheme and covers employees of the company. The assets of the defined benefit scheme are held separately from those of the company in independently administered funds. Independent qualified actuaries complete valuations periodically and, in accordance with their recommendations, annual contributions from employees and employer are paid to the scheme so as to secure the benefits set out in the rules.

Under the Concession Agreement, the company bears no commercial risk with any surplus or deficit arising from the performance of the scheme falling to Nexus at the end of the concession. During the life of the concession, the employer contribution rates vary in line with actuarial valuations. As a result the company does not believe the accounting treatment for a defined benefit scheme is appropriate to this scheme and is therefore accounting for it in line with that required for a defined contribution scheme. The cost of the employer contributions charged to the profit and loss account is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. TURNOVER

The whole of the turnover is attributable to the company's principal activity during the current year.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £000	2013 £000
Amortisation - intangible fixed assets	289	286
Depreciation of tangible fixed assets:		
- owned by the company	462	421

DB REGIO TYNE AND WEAR LIMITED

**Notes to the financial statements
for the year ended 31 December 2014**

4. AUDITORS' REMUNERATION

	2014	2013
	£000	£000
Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	16	6

5. STAFF COSTS

Staff costs, including directors' remuneration and intercompany recharges, were as follows:

	2014	2013
	£000	£000
Wages and salaries	16,790	16,728
Social security costs	1,240	1,288
Other pension costs (note 19)	2,999	2,199
	21,029	20,215

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

	2014	2013
	No.	No.
Drivers	161	160
Engineering	119	114
Administration	231	233
	511	507

6. DIRECTORS' EMOLUMENTS

	2014	2013
	£000	£000
Remuneration	146	155
Company pension contributions to defined benefit pension schemes	18	20

During the year retirement benefits were accruing to 2 directors (2013 - 1) in respect of defined benefit pension schemes.

DB REGIO TYNE AND WEAR LIMITED

**Notes to the financial statements
for the year ended 31 December 2014**

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
On amounts due to group undertakings	149	179

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £000	2013 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax credit on profit for the year	(31)	(41)
Adjustments in respect of prior years	-	(41)
Total current tax	(31)	(82)
Deferred tax		
Origination and reversal of timing differences	45	119
Adjustments in respect of prior years	28	(20)
Total deferred tax (see note 15)	73	99
Tax on profit on ordinary activities	42	17

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before taxation	69	42
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%)	15	10
Effects of:		
Expenses not deductible for tax purposes	2	-
Capital allowances for year less than depreciation	79	80
Utilisation of tax losses	(127)	(133)
Depreciation in respect of ineligible assets	-	2
Adjustments in respect of prior years	-	(41)
Current tax credit for the year (see note above)	(31)	(82)

DB REGIO TYNE AND WEAR LIMITED

**Notes to the financial statements
for the year ended 31 December 2014**

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors that may affect future tax charges

During 2012 the Chancellor announced that the UK Corporation Tax rate applicable from 1 April 2013 would be 23%, and that the UK Corporation Tax rate applicable from 1 April 2014 would be 21%.

On 20 March 2013 the Chancellor made a further announcement that the UK Corporation Tax rate applicable from 1 April 2015 would be 20%.

9. INTANGIBLE ASSETS

	Development and mobilisation costs £000
Cost	
At 1 January 2014 and 31 December 2014	2,600
Accumulated amortisation	
At 1 January 2014	1,086
Charge for the year	289
At 31 December 2014	1,375
Net book value	
At 31 December 2014	1,225
At 31 December 2013	1,514

DB REGIO TYNE AND WEAR LIMITED

**Notes to the financial statements
for the year ended 31 December 2014**

10. TANGIBLE ASSETS

	Short term leasehold property £000	Plant, Machinery and Computer Equipment £000	Total £000
Cost			
At 1 January 2014	1,265	1,691	2,956
Additions	-	24	24
Disposals	-	(8)	(8)
At 31 December 2014	1,265	1,707	2,972
Accumulated depreciation			
At 1 January 2014	312	734	1,046
Charge for the year	261	201	462
Disposals	-	(6)	(6)
At 31 December 2014	573	929	1,502
Net book value			
At 31 December 2014	692	778	1,470
At 31 December 2013	953	957	1,910

11. STOCKS

	2014 £000	2013 £000
Raw materials	1,741	1,738

12. DEBTORS

	2014 £000	2013 £000
Trade debtors	235	345
Amounts owed by group undertakings	8,338	3,723
Group relief receivable	31	41
Other debtors	6	6
Prepayments and accrued income	1,015	928
Deferred tax asset (see note 15)	401	474
	10,026	5,517

DB REGIO TYNE AND WEAR LIMITED

**Notes to the financial statements
for the year ended 31 December 2014**

13. CREDITORS:

Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	2,487	731
Amounts owed to group undertakings	682	888
Other taxation and social security	885	957
Other creditors	1,048	855
Accruals and deferred income	4,296	4,506
	<u>9,398</u>	<u>7,937</u>

14. CREDITORS:

Amounts falling due after more than one year

	2014 £000	2013 £000
Amounts owed to group undertakings	2,667	3,334
Accruals and deferred income	128	165
	<u>2,795</u>	<u>3,499</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £000	2013 £000
Repayable by instalments	-	667

The company has a loan facility agreement with DB Mobility Logistics AG. The amount owed by the company at 31 December 2014 was £667,000 (2013 - £667,000) due within one year and £2,667,000 (2013 - £3,334,000) due after more than one year. The loan is to be paid back in seven equal instalments and one final instalment. Interest on the loan is charged at 4.27%.

15. DEFERRED TAX ASSET

	2014 £000	2013 £000
At 1 January	474	573
Charge to the profit and loss account during the year	(73)	(99)
	<u>401</u>	<u>474</u>
At 31 December	401	474

DB REGIO TYNE AND WEAR LIMITED

**Notes to the financial statements
for the year ended 31 December 2014**

15. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows:

	2014 £000	2013 £000
Accounting depreciation in excess of capital allowances	182	112
Tax losses carried forward	219	362
	<u>401</u>	<u>474</u>

16. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Authorised, allotted and fully paid		
1,300,001 (2013 - 1,300,000) Ordinary shares of £1 each	<u>1,300,001</u>	<u>1,300,000</u>

In February 2014 the company issued 1 ordinary share of £1 to the immediate parent company, Arriva Trains Holdings Limited (formerly DB Regio UK Limited), in exchange for £3 million cash.

17. RESERVES

	Share premium account £000	Profit and loss account £000
At 1 January 2014	-	(2,056)
Profit for the financial year	-	27
Share premium on shares issued	3,000	-
	<u>3,000</u>	<u>(2,029)</u>
At 31 December 2014		

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2014 £000	2013 £000
Opening shareholders' deficit	(756)	(781)
Profit for the financial year	27	25
Share premium on shares issued	3,000	-
	<u>2,271</u>	<u>(756)</u>
Closing shareholders' funds/(deficit)		

DB REGIO TYNE AND WEAR LIMITED

Notes to the financial statements for the year ended 31 December 2014

19. PENSION COMMITMENTS

At 31 December 2014 DB Regio Tyne and Wear Limited was an Admitted Body of the Local Government Pension Scheme administered by South Tyneside Metropolitan Borough Council, whose assets are held in a separately administered fund. As explained in the accounting policy note 1.8, the company is accounting for this scheme in line with that required of a defined contribution scheme. The employer contributions are made at a rate consistent with the latest actuarial valuation of the scheme.

The pension cost for the year represents contributions payable by the company to the scheme amounting to £2,999,000 (2013 - £2,199,000).

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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 DB Regio Tyne and Wear Limited. Copies of these financial statements can be obtained from Potsdamer Platz 2, 10785 Berlin.

Deutsche Bahn AG is the largest group to consolidate the financial statements of DB Regio Tyne and Wear Limited and DB Mobility Logistics AG is the smallest.

Information on DB Regio Tyne and Wear Limited can be found at their registered office Admiral Way, Doxford International Business Park, Sunderland, Tyne and Wear, SR3 3XP.

Transactions with other companies in the Deutsche Bahn Group are not specifically disclosed as the company has taken advantage of the exemption available under FRS 8 'Related party disclosures' for wholly-owned subsidiaries.