Angel Infrastructure Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

Angel Infrastructure Limited
Registered in England and Wales Number 7441397
Registered Office c/o Angel Trains Limited, Portland House, Bressenden Place, London, SW1E 5BH

Angel Infrastructure Limited

CONTENTS

Angel Infrastructure Limited

Officers and Professional Advisers

Directors:	M Brown A Lowe K Tribley M Hicks
Company secretary:	C Smith
Registered office:	c/o Angel Trains Limited Portland House Bressenden Place London SW1E 5BH
Independent auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

Registered in England and Wales Number 7441397

The directors present their strategic report on the Company for the year ended 31 December 2013

REVIEW OF THE BUSINESS

The principal activity of Angel Infrastructure Limited (the 'Company') is to provide finance to other group companies, including the use of financial derivatives where appropriate

The directors are satisfied with the Company's performance in the year The Company will be guided by its ultimate parent company in seeking further opportunities for growth A comprehensive business review is carried out at a group level by the ultimate parent company, Willow Topco Limited

The Company's financial performance is presented in the Income Statement on page 8 The profit attributable to the owners was £2,173,000 (2012 £59,502,000) and this was transferred to reserves

The directors do not anticipate any material change in either the type or level of activities of the Company

KEY PERFORMANCE INDICATORS

The directors provide the Company with direction and access to central resources it needs and determine policies in all key areas such as finance, risk, human resources and environment Given the straightforward nature of the Company's activities, the directors believe that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business

STRATEGY

The strategy of the Company is to ensure the Group's objectives are executed, which are primarily to manage its asset risk profile and maintain long term profitability of the Group

LOOKING FORWARD

The Company's role is to support the critical objective of the Group in the short to medium term of successfully re-leasing all the vehicles that are coming towards the end of their current lease and/or franchise at rates that meet the expectations of the shareholders

PRINCIPAL RISKS, UNCERTAINTIES AND USE OF FINANCIAL INSTRUMENTS

The Company's portfolios of financial instruments principally comprise of loans, deposits and payables Applying International Financial Reporting Standards, all portfolios are considered to be held for non-trading purposes The directors are responsible for considering risk management issues that arise across the Company's financial instrument portfolios Risk management policies are detailed in note 13

From the perspective of the Company, except for the above, the principal risks and uncertainties are integrated with the principal risks of the Group, and are not managed separately The Group has an Internal Control Framework that is designed to monitor its risks, including financial, operational, regulatory, credit and reputational risks The Framework includes processes to review the effectiveness of the Group's system of internal control The Group has an organisational structure with clearly defined lines of responsibility and delegation of authority

PRINCIPAL RISKS, UNCERTAINTIES AND USE OF FINANCIAL INSTRUMENTS (continued)

Operational risk

Operational risk is the risk of unexpected losses attributable to human error, systems failure, fraud or inadequate internal financial controls and procedures

The Company manages this risk through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review The Company also maintains contingent facilities to support operations in the event of disaster

Approved by the Board of Directors and signed on its behalf

C Smith

Company Secretary

25 March 2014

Angel Infrastructure Limited
DIRECTORS' REPORT
For the Year Ended 31 DECEMBER 2013

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company Law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 IFRS as adopted by the European Union 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

The directors are responsible for the maintenance and integrity of the Company's website Legislation in the United Kingdom governing the presentation and dissemination of financial statements may differ from legislation in other jurisdictions

GOING CONCERN

These financial statements are prepared on a going concern basis

RESULTS AND DIVIDENDS

An interim dividend of £90,000,000 was paid during the year (2012 £40,000,000) The directors do not propose the payment of a final dividend (2012 £nil) The Company's financial performance is presented in the Income Statement on page 8 The profit after tax for the year was £2,173,000 (2012 £59,502,000) and this was transferred to reserves

Angel Infrastructure Limited

DIRECTORS' REPORT

For the Year Ended 31 DECEMBER 2013 (continued)

DIRECTORS AND COMPANY SECRETARY

The present directors and company secretary are listed on page 1 Those who have served during the year and up to the date of signing this report are listed below There were no changes during the year

Director

M Brown

K Tribley

M Hicks

A Lowe

Company Secretary

C Smith

DIRECTORS INDEMNITY COVER

No director has been granted Qualifying Third Party indemnity Provisions

FINANCIAL RISK MANAGEMENT

The main financial risk the Company faces is interest rate risk However this risk is mitigated at group level through the use of hedging (see the Notes to the Financial Statements for further details of the Hedging Policy). The directors do not consider that the Company has any material exposure to price risk, credit risk, liquidity risk or cash flow risk

POST BALANCE SHEET EVENTS

There have been no significant events between the year end and the date of approval of the financial statements which would require a change or an additional disclosure in the financial statements

Approved by the Board of Directors and signed on its behalf

K Tribley
Director
25 March 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGEL INFRASTRUCTURE LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say below

What we have audited

The financial statements for the year ended 31 December 2013, which are prepared by Angel Infrastructure Limited comprise,

- the Income Statement,
- the Statement of Changes in Equity,
- the Balance Sheet,
- the Statement of Cash Flows, and
- the related notes

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) (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

In addition, we read all the financial and non-financial information in the Annual Report 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGEL INFRASTRUCTURE LIMITED

Opinion on 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

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

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 if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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) 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

Ben Burston.

Ben Burston (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 March 2014

Angel Infrastructure Limited

Registered Number 7441397

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Finance income	2	2,841	42,224
Administrative expenses	3	(10)	(40)
Operating profit		2,831	42,184
Other gains	4	-	9,193
Profit before income tax		2,831	51,377
Income tax (charge)/credit	6	(658)	8,125
Profit attributable to the owners of the parent		2,173	59,502

There is no other Comprehensive Income for the year

The notes on pages 12 to 22 form an integral part of these financial statements

Angel Infrastructure Limited

Registered Number 7441397

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	Called up Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
At 1 January 2012	-	75,769	75,769
Profit for year	-	59,502	59,502
Dividends paid	-	(40,000)	(40,000)
At 1 January 2013	**-**	**95,271**	**95,271**
Profit for year	-	2,173	2,173
Dividends paid	-	(90,000)	(90,000)
At 31 December 2013	**-**	**7,444**	**7,444**

As disclosed in note 12, the called up share capital of the Company is £100

The notes on pages 12 to 22 form an integral part of these financial statements

Angel Infrastructure Limited

Registered Number 7441397

BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	31 December 2013 £'000	31 December 2012 £'000
Assets			
Non-current assets			
Loans receivable	7	8,098	103,833
		8,098	103,833
Current Assets			
Cash and cash equivalents	7	9	2
		9	2
Current Liabilities			
Trade and other payables	8	(5)	(6)
Current tax liabilities	9	(658)	(8,558)
		(663)	(8,564)
Net current liabilities		(654)	(8,562)
Total assets less current liabilities		7,444	95,271
Equity attributable to owners of the parent			
Called up share capital	12	-	-
Retained earnings		7,444	95,271
Total equity		7,444	95,271
Total equity and non-current liabilities		7,444	95,271

The notes on pages 12 to 22 form an integral part of these financial statements

The financial statements on pages 8 to 22 were approved by the Board of Directors on 25 March 2014 and signed on its behalf

A Lowe

Director

Angel Infrastructure Limited

Registered Number 7441397

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	31 December 2013	31 December 2012
	£'000	**£'000**
Cash flows from operating activities		
Cash paid to suppliers and Intragroup Companies	(11)	(35)
Net cash used in operating activities	(11)	(35)
Cash flow from financing activities		
Repayment of amounts borrowed by group companies	18	34
Net cash generated from financing activities	18	34
Net cash increase/(decrease) in cash and cash equivalents	7	(1)
Cash and cash equivalents at the beginning of the year	2	3
Cash and cash equivalents at the end of the year	9	2

The notes on pages 12 to 22 form an integral part of these financial statements

1. Significant accounting policies

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

General
Angel Infrastructure Limited is a limited company and is incorporated and domiciled in England and Wales The address of the registered office is on page 1 The nature of Company's operations and its principal activities are set out in the Strategic Report and Directors' Report

These financial statements have been prepared in accordance with European Union ("EU") endorsed International Financial Reporting Standards (IFRS) and IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS

The financial statements are prepared under the historical cost convention as modified by the revaluation of derivative instruments and on the going concern basis The directors consider the Company to be a going concern based on the underlying profitability and the ability to access liquidity, if required, from within the Group sufficient to enable it to meet its liabilities as and when they fall due for a period of at least a year from the date of approval of the financial statements

Critical accounting estimates and judgements
In the application of the Company's accounting policies, which are described below, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

The critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements are detailed in the notes below

Adoption of the new and revised Standards
The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2013, but did not have a material impact to the Company's financial statements

IAS 1 (amendment) - 'Financial statement presentation'
IAS 19 (revised) - 'Employee Benefits'
IFRS 7 (amendment) Financial instruments Disclosures'
IFRS 10 - 'Consolidated Financial Statements' -
IFRS 11 - 'Joint arrangements'
IFRS 12 - 'Disclosure of Interest in Other Entities'
IFRS 13 - 'Fair Value Measurement'
IAS 36 (amendment) - 'Impairment of assets'

1. Significant accounting policies (continued)

Adoption of the new and revised Standards (continued)

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2014 or later periods, but the Company has not early adopted them

IFRS 9 - 'Financial instruments recognition and measurement'
IFRIC 21 - 'Levies'

The directors anticipate that the adoption of these standards and Interpretations in future periods will have no material impact on the financial statements of the Company The Company has not chosen to early adopt any other standards, amendments and interpretations to existing standards during the year

Finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount

Taxation

Tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the period Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible

The Company's liability or asset for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

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 realised Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired

1 Significant accounting policies (continued)

Loan receivables
Loan receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

Financial liabilities
Financial liabilities issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability The accounting policies adopted for specific financial liabilities are set out below

Derivative financial instruments
The Company's activities expose it primarily to the financial risks of changes in interest rates The Company uses derivative financial instruments (primarily interest rate swaps) to economically hedge its risks associated with significant interest rate risk arising from loans receivable The Company does not use derivative financial instruments for speculative purposes

The significant interest rate risk arises from loans receivable The Company's policy is to convert a proportion of its floating rate loans receivable to fixed rates

Derivative financial instruments are recognised initially, and subsequently measured, at fair value Derivative fair values are determined from quoted prices in active markets where available Gains and losses arising from changes in the fair value of a derivative are recognised as they arise in profit or loss unless the derivative is the hedging instrument in a qualifying hedge During the period no interest rate swaps were designated in hedges for accounting purposes

Loan borrowings

Interest-bearing loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings

Share capital
Ordinary shares are classified as equity and have rights to receive all dividends and other distributions, made or paid on the ordinary share capital of the Company

Dividends paid

Dividends are payable when declared by the directors and rights to income are established

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

2. Finance income

	Year Ended 31 December 2013	Year Ended 31 December 2012
	£'000	£'000
Interest receivable from group undertakings	2,841	13,116
Swap interest receivable	-	29,108
	2,841	42,224

3. Expenses by nature

	Note	Year Ended 31 December 2013	Year Ended 31 December 2012
		£'000	£'000
Management fees		5	35
Other expenses		5	5
Total cost of sales and administrative expenses		**10**	**40**

Auditor's remuneration for audit services during the year of £4,800 (2012 £5,150) The auditors did not provide any non-audit services during the year (2012 £nil)

4. Other gains

	Year Ended 31 December 2013	Year Ended 31 December 2012
	£'000	£'000
Fair value gains on derivative instruments	-	9,193

5 Directors' and employees' emoluments

None of the directors received any emoluments for their services to the Company during the year (2012 £nil) The Company itself has no employees (2012 none)

6 Income tax charge/(credit)

The charge for taxation based on the profit for the year is based on United Kingdom corporation tax at 23 25% (2012 24 50%) and comprises

	Year Ended 31 December 2013	Year Ended 31 December 2012
	£'000	£'000
Current tax		
Current tax charge on profits for the year	658	8,558
Adjustments in respect of prior years	-	(2,157)
Total current tax	658	6,401
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	-	(14,572)
Effect of tax rate change	-	46
Total deferred tax charge/(credit)	-	(14,526)
Income tax charge/(credit)	**658**	**(8,125)**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Company as follows

	Year Ended 31 December 2013	Year Ended 31 December 2012
	£'000	£'000
Profit before income taxation	2,831	51,377
Expected tax charge at 23 25% (2012 24 50%)	658	12,587
Adjustments in respect of prior years	-	(2,157)
Derivatives fair value movements not deductible for tax purposes	-	(18,601)
Effect of tax rate change	-	46
Taxation charge/(credit) for the year	**658**	**(8,125)**

The standard rate of Corporation tax in the UK changed from 24 per cent to 23 per cent with effect from 1 April 2013 Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 23 25 per cent (2012 24 5 per cent)

A number of changes to the UK Corporation tax system were announced in the March 2013 Budget Statement The Finance Act 2013, which was substantively enacted on 17 July 2013, includes legislation reducing the main rate of corporation tax from 23 per cent to 21 per cent from 1 April 2014, and from 21 per cent to 20 per cent from 1 April 2015 The effect of the future changes would be £nil to deferred tax as the Company holds no deferred tax liabilities or assets at the year end

Angel Infrastructure Limited

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

7. Financial instruments by category

31 December 2013

	Loans and receivables	Total
	£'000	£'000
Assets as per balance sheet		
Loans receivable	8,098	8,098
Cash and cash equivalents	9	9
Total	**8,107**	**8,107**

	Other financial liabilities at amortised cost	Total
	£'000	£'000
Liabilities as per balance sheet		
Trade and other payables	5	5
Total	**5**	**5**

31 December 2012

Assets as per balance sheet		
Loans receivable	103,833	103,833
Cash and cash equivalents	2	2
Total	**103,835**	**103,835**
Liabilities as per balance sheet		
Trade and other payables	6	6
Total	**6**	**6**

8. Trade and other payables

	31 December 2013	31 December 2012
	£'000	£'000
Accruals	**5**	**6**

Accruals principally comprise amounts outstanding for accrued audit fees during the year

9. Current tax liabilities

	31 December 2013	31 December 2012
	£'000	£'000
Current tax liability	658	8,558

As at 31 December 2013 the Company had current tax liability of £658,000 that is payable to other group companies

10. Deferred tax liabilities

The following are the major deferred tax liabilities recognised by the Company and movements thereon during the current and prior year

	Fair value of derivative instruments	Total
	£'000	£'000
At 31 December 2011	**14,526**	**14,526**
Credit to the income statement for the year	(14,572)	(14,572)
Effect of change in tax rate	46	46
At 31 December 2012	-	-
At 31 December 2013	-	-

11. Contingent liabilities

The Company is guarantor in respect of the following group undertakings

The Great Rolling Stock Company PLC, Willow Bidco Limited and Angel Trains Limited
£850,000,000 (of which £605,000,000 (2012 £744,000,000) remains outstanding) Senior term and revolving facilities agreement

Willow Holdco 1 Limited
£150,000,000 (2012 £200,000,000) Junior facility agreement

The Great Rolling Stock Company PLC, entered into a £4,000,000,000 (of which £1,310,100,000 (2012 £1,200,000,000) has been drawn down) programme for the issuance of secured guaranteed notes, which has been guaranteed by the Company and other group companies

Angel Infrastructure Limited

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

12 Called up share capital

	31 December 2013	31 December 2012
	£	£
Issued and fully paid		
100 (2012 100) Ordinary shares of £1	100	100

The Company has one class of £1 ordinary shares which carry no right to fixed income

13. Risk management

The major risks associated with the Company's business are market risk, credit risk and liquidity risk The management of these risks is carried out on a group level by the ultimate parent company, Willow Topco Limited The Group has established a comprehensive framework for managing these risks which are continually evolving as business activities change in response to market, credit, product and other developments

Market risk

Market risk is defined as the risk of loss as a result of adverse changes in risk factors including interest rates and foreign exchange

The Company is not exposed to currency risk as nearly all its assets and liabilities are UK based and denominated in pound sterling

The Company's activities expose it primarily to the financial risks of changes in interest rates The significant interest rate risk arises from loans receivable The Company's loans are made with other companies within the Angel Trains Group of companies

Sensitivity factors

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivatives instruments at the balance sheet date For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at balance sheet date was outstanding for the whole year A 1% increase or decrease is used as it represents management's assessment of the reasonably possible change in interest rates

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's

- Profit for the year ended 31 December 2013 would decrease/increase by £81,000 (2012 £1,038,000)

13. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due

Liquidity management within the Company focuses on both overall balance sheet structure and control, within prudent limits, of risk arising from the mismatch of maturities across the balance sheet

The following table details the Company's remaining maturity for its financial liabilities

31 December 2013	Within one year	Total
	£'000	£'000
Trade and other payables	5	5

31 December 2012	Within one year	Total
	£'000	£'000
Trade and other payables	6	6

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance The capital structure of the Company consists of cash and cash equivalents, loan receivables and equity attributable to equity holders of the Company

Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their obligations

The Company's principal financial assets are cash and cash equivalents, trade and other receivables and loans receivable owed by other members of the group The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk

The credit risk on liquid funds is limited because the counterparties are other group companies

The credit risk on group undertakings is limited because the undertakings are solvent, under common control and the directors are confident of them continuing as going concerns The credit on group undertakings is not past due

Categories of financial instruments

All financial instruments are categorised in the financial statements, in accordance with IAS 39 Derivative financial instruments are used to economically hedge an element of the loans receivable

14. Parent companies

The Company's immediate parent company is Willow Bidco Limited

The Company's ultimate holding company, ultimate controlling party, and the parent of the largest group into which the Company is consolidated is Willow Topco Limited which is incorporated and registered in Jersey The registered office is 27 Hill Street, St Hellier, JE2 4UA, Jersey

Willow Bidco Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements The consolidated financial statements of Willow Bidco Limited can be obtained from 27 Hill Street, St Hellier, JE2 4UA, Jersey

15 Related party transactions

The Company has related party relationships with the directors and the following Group members

Willow Topco Limited
Willow Holdco 1 Limited
Willow Holdco 2 Limited
Willow Bidco Limited
Willow Rolling Stock UK Limited
The Great Rolling Stock Company PLC
Angel Trains Group Limited
Angel Trains Limited
Angel Trains Capital Limited
Angel Trains Consulting Limited
Angel Locomotive Leasing Limited
Locomotive Operating Leasing Partnership
Angel Leasing Company Limited

Trading transactions

During the year, the Company had the following transactions with related parties

31 December 2013

Accounts with	Income/ Interest received	Purchases/ Interest paid	Amounts owed from related parties	Amounts owed to related parties
	£'000	£'000	£'000	£'000
2013				
Subsidiaries	(2,841)	5	8,098	(658)
Total	(2,841)	5	8,098	(658)
2012				
Parent	(9,668)	-	-	-
Subsidiaries	(32,556)	(35)	103,833	(8,558)
Total	(42,224)	(35)	103,833	(8,558)

Angel Infrastructure Limited

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

16. Non-cash transactions

During the year, the Company entered into the following non-cash investing and financing activities which are not reflected in the Statement of Cash Flows

- During the year, the Company increased loans receivable by £2,841,000 in settlement of interest receivable
- During the year, the Company decreased loans receivable by £98,558,000 by way of offsetting dividends payable to other group companies of £90,000,000 and group relief settlements of £8,558,000

17. Events after the balance sheet date

There have been no significant events between the year end and the date of approval of the financial statements that would require a change or an additional disclosure in the financial statements