CAF Rolling Stock UK Limited

Registered number: 10854234

Annual Report and Financial Statements

For the year ended 31 December 2020

CONTENTS

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2020

Introduction

The Directors present their strategic report for the period ended 31 December 2020.

Review of the business

CAF SA is a multinational group with over 100 years experience offering integrated transport systems at the forefront of technology that provide high value-added sustainable mobility.

A leader in the railway industry, it offers its customers one of the widest and most flexible product ranges in the market (both in terms of complete integrated transport systems and parts thereof) for example, rolling stock, components, infrastructure, workshops, signalling and services (maintenance, refurbishment and financial). Within the rolling stock segment, which represents its most traditional business, CAF offers a wide range of products that includes, among others, high-speed and very high-speed trains, regional and commuter trains (diesel and electric), metros, trams, LRVs and locomotives.

The principal activity of the Company is the operation of a manufacturing plant for the assembly of rolling stock, including the commissioning and testing of CAF Rolling Stock. The Company was incorporated on 6 July 2017.

The business has seen significant growth in the period with turnover of £67,137,528 (2019: £58,635,633) which represents a 14% increase, increasing manufacturing capacity in the plant and maintaining average headcount to 204.

As we move into the next reporting period, we do so with a strong order book of £231m. We now have secured contracts into 2023 which will be delivered from the Newport plant.

During the year the business secured a funding grant from the Welsh Government of £2.7m with commitment for providing employment opportunities for the future. This was received in the first half of the year 2020. Potential further funding could be claimed by March 2022 for a further £823k depending on investment in fixed assets and permanent headcount.

On 12 March, the World Health Organisation declared the outbreak of coronavirus (COVID-19) a pandemic which the business as every other has had to respond to. The assembly plant reacted with a short term closure of the manufacturing unit whilst government advice was followed and appropriate measures were put in place to adhere to social distancing guidance and to a provide a safe working environment for employees. This resulted in only a short period of closure and at the date of signing the financial statements all operations have resumed.

Principal risks and uncertainties

The Company is exposed to only minimal risk this relates predominantly to financial risk factors. These arise from fluctuations in the markets and include:

- Interest rate risk; risk of fluctuations in interest rates that might give rise to changes in the Company's profit or loss and the value of its assets and liabilities.
- Foreign currency risk; risk arising from fluctuations in exchange rates that have an effect on future transactions and the valuation of assets and liabilities denominated in foreign currency.
- Commodity price risk; risk arising from changes in prices and market variables relating to commodities required in the businesses supply chain.

The Company is aware that the uncertainty surrounding Brexit could potentially impact our customers, suppliers and funders. The trade deal achieved in Dec 2020 applies an agreement for free, fair, sustainable trade with zero tariffs. This has relieved the immediate financial pressure the company would have faced in duty charges for about 80% of materials imported from EU.

The pandemic and coronavirus (COVID-19) remains a risk which the business continues to monitor for future impact on productivity.
The largest threats to our business appear to have passed but we can envisage that a next big wave of the virus could lead to the possibility of staff or material shortages, further future lockdowns may restrict our ability to manufacture products in our plant.

Potential impacts include unavailability of staff due to self-isolation, sickness or further lockdowns both for ourselves and our manufacturing capacity and for our suppliers which could impact on availability of materials.

In terms of mitigation, we are working closely with suppliers to monitor provision of materials and temporary staffing should the need arise. The business is strictly following local government and public health guidelines including adopting social distancing measures at all sites. The business has performed a stress test on the business to confirm that it can continue to operate as a going concern.

Key performance indicators

The key financial performance indicator is the order book, worth £231m. Backlog represents the volume of firm orders that will be recognised in the future as turnover. Turnover and net profit before tax are also considered to be key financial performance indicators for the business and current performance can be found in detail in the profit and loss statement on page 9. The business also measures staff retention and staff turnover as non financial performance indicators.

Section 172 Statement

During 2020, the board of directors consider that they have, individually and collectively, acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders.

In compliance with the Companies Act 2006, the board of directors are required to act in accordance with a set of general duties. During 2020, the board of directors consider that they have, individually and collectively, acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders, having regard to a number of broader matters including the likely consequence of decisions for the long term and the company's wider relationships. In doing so, the Board has had regard to the matters contained in section 172(1) (a)-(f) of the Companies Act 2006.

This statement focuses on matters material to the Company's ultimate shareholders; matters for the group and company are therefore identical. The group's key resources and relationships are detailed in the group's business model in the group's annual report. The board recognises the importance of building and maintaining relationships with its key stakeholders, and considering the external impact of the group's operations, to achieve long term success. The board's understanding of the interests of the group's stakeholders is informed by the board's programme of stakeholder engagement. Further details can be found in the corporate governance statement in the group's annual report.

Matters that have impacted key decisions and strategies during the year ended 31 December 2020 are set out below.

Business challenges

- *COVID-19 pandemic has influenced the staff availability and altered factory production capacity.* To mitigate the circumstances the company has increased subcontractors' level and monitors permanent/ temporary headcount ratio regularly.

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2020

- Fostering a positive environmental protection, safety, and security culture across the premisses and the suppliers the company engages with.
- Brexit preparation to ensure smooth transition and no delays in supply chain deliveries. All relevant suppliers have been engaged in the process.
- Project Management alignment and structure
- People strategy development to implement high level of leadership and its consistency.
- Communication strategy development to remove the bottleneck in various processes.
- *Depot structure and alignment*
- Implementation of the plan to reduce production hours on current projects by 14%

Capital allocation and dividend policy

Capital allocation and dividend policy did not change during the year and didn't impact key decisions and strategies. No dividends were paid during the reporting year or declared post period.

Culture

The board is committed to a culture of openness and integrity by maintaining high standards of business conduct. We carefully consider how our business operations impact our local communities and the environment; details of our activities are contained within the corporate responsibility section in the group's annual report. We are confident that as a group and through our people we are fostering the right culture to make a positive impact.

Further information on how the CAF Rolling Stock UK board have engaged with stakeholders can be found in the Group s.172(1) Statement, which can be found on CAF SA website https://www.caf.net/en/accionistas-inversores/informacion-economicofinanciera/informacion-auditoria-cuentas-gestion-memoria.php?opt=2019#pestana

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

J Villar Elorza
Director

Date: Mar 29, 2021

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the period ended 31 December 2020. The company was incorporated on 6 July 2017.

Principal activity

The principal activity of the Company is the operation of a manufacturing plant for the assembly of rolling stock, including the commissioning and testing of CAF Rolling Stock.

Review of business

The business has seen significant growth in the period with turnover of £67,137,528 (2019: £58,635,633) which represents a 14% increase. Increasing manufacturing capacity in the plant and maintaining average headcount to 204.

The directors and senior managers recognise to the need to foster the company's business relationships with suppliers, end clients and others who support the business to ensure the business has a robust supply chain and meet customers' requirements on quality and timely delivery.

As we move into the next reporting period we do so with a strong order book of £231m. We now have secured contracts into 2023 which will be delivered from the Newport plant.

Results and dividends

The financial results for the period ended 31 December 2020 are set out on page 9. The loss for the period, after taxation, amounted to £287,788 (2019 – profit of £834,493).

There were no dividends during the period, and no dividends have been declared post period end.

Directors

The Directors, who served throughout the period except as noted, were as follows:

J Villar Elorza
J Esnaola Altuna
F Fernandez Lopetegui

Going concern assessment

The accounts have been prepared on a going concern basis.

The business meets its day to day working capital requirements through cash generation and group support through cash pooling. As a result of the market uncertainty due to the ongoing COVID-19 coronavirus pandemic, the business has performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months. This involves assessing the headroom against available cash balances in a stressed scenario, the assumptions used for this test were as follows:

- Full shutdown of all production facilities for 3 months;
- A moratorium on uncommitted, non-essential capital expenditure;
- Firm commitment to £0.6m in 2021 to enable the production growth to meet the order book demands
- Withdrawal of all non essential expenditure;
- Government support for employees furloughed as a result of shutdown,
- Government support for delayed HMRC payments
- Availability of credit facilities from the Group.

The results of the test confirmed that the Group will be able to continue to operate within its available credit facilities for at least 12 months from the date of this report. This is management's best estimate as of the date of this report which may be subject to change if the pandemic situation evolves.

As at the date of this report, the directors have a reasonable expectation that the Company has adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors indemnities

There is no Director's indemnity insurance in place.

Streamlined Energy and Carbon reporting (SECR)

The companies (Director's report) and Limited Liability Partnerships (Energy and Carbon report) Regulations 2018 (2018 regulations or SECR requirements) implement the government's policy on Streamlined Energy and Carbon Reporting. The regulation came into effect on 1 April 2019 and the Company is required to report the emissions and energy consumption for the year 2020.

The methodology is set out in the table below and follows the GHG Reporting Protocol and uses the 2020 Government emission conversion factors for greenhouse gas company reporting.

The company has chosen tonnes of gross CO2e per total £m sales revenue as the reported SECR intensity ratio. This will serve as a consistent comparative for reporting purposed going forward.

Scope (GHG)	Energy Source and Methodology	Consumption	Total Gross Emissions (tCO2e)
1	Gas - total kWh used for the year taken from gas bills for each site (Newport and MID)	1740070 kWh	1,7400,70 kWh x 0.18387 (2020 fuels, natural gas conversion factor gross CV to Kg CO2e) = 319,947 kgCO2e = 319.95 tCO2e
1	Diesel (100% mineral diesel) purchased for the track and factory testing durihg the year	102191 litres	102,191 ltrs x 2.68787 (2020 fuels, Diesel (100% mineral diesel) conversion factor litres) = 274,676 kgCO2e = 274,68 tCO2e
2	Electricity - total kWh used for the year, taken from the electricity bills for each site (Newport and MID)	1222476.9 kWh	1,222,477 kWh x 0.23314 (2020 UK Electricity conversion factor to kgCO2e) = 285,008 kgCO2e = 285 tCO2e
3	Water supply - total tonnes for the year taken from water bill in Newport	1.592 megaltrs	1.592 x 344 (2020 water supply conversion factor million ltrs to kg CO2e) = 547.6 kgCO2e = 0.5 tCO2e
3	waste disposal - total tonnes, data collected from waste disposal company used in Newport premisses during the year for recycled wood, scrap metal and paper & board	238.4 t	238.4 x 21.317 (2020 waste disposal closed-loop, wood; scrap metal; paper and board: board conversion factor to kg CO2e) = 5,082 kgCO2e = 5 tCO2e
	Total		**885.1 tCO2e**

	Intensity ratio: gross tCO_2e per £1 m revenue			**13.14**

During the year, some steps were taken to lower energy consumption:

- Saving 1 tCO_2 by switching to local supplier to handle the hazardous waste.
- Saving 208kg CO_2 by increasing the cardboard waste density per skip and as a result reducing the number of cardboard trip collections in the year

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 auditor is aware of that information.
- We are aware that the implementation of Brexit trade deal could potentially impact our customers, suppliers and funders. We are reviewing and monitoring the impact of this on an ongoing basis

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

J Villar Elorza

Director

Date: Mar 29, 2021

DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors are responsible for preparing the Annual 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 are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the Company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Company 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 Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAF ROLLING STOCK UK LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of CAF Rolling Stock UK Limited (the 'company') for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Evaluating the directors' method to assess the company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment, which incorporated severe but plausible scenarios;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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. Based on our understanding of the [company] and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition on long term contracts, loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Alistair Wesson (Mar 29, 2021 10:20 GMT+1)

Alistair Wesson

(Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Mar 29, 2021

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Note	31 December 2020 £	31 December 2019 £
Turnover	4	67,376,645	58,635,633
Cost of sales		(63,826,136)	(54,790,843)
Gross profit		3,550,509	3,844,790
Administrative expenses		(3,840,739)	(2,539,830)
Operating (loss) / profit		(290,230)	1,304,960
Interest payable and expenses	9	41,989	(162,052)
(Loss) / profit before tax		(248,241)	1,142,908
Tax on profit / (loss)	10	(39,547)	(308,415)
(Loss) / profit for the period		(287,788)	834,493
Other comprehensive income for the year		-	-
Total comprehensive (loss) / income for the year		**(287,788)**	**834,493**

There were no recognised gains and losses for the year ended on 31 December 2020 other than those included in the profit and loss account.

All results are derived from continuing operations.

The notes on pages 15 to 32 form part of these financial statements.

BALANCE SHEET
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	11		30,213,271		31,393,248
			30,213,271		31,393,248
Current assets					
Stocks	12	5,796,729		1,807,443	
Debtors: amounts falling due after one year	13	-		10,037	
Debtors: amounts falling due within one year	13	19,627,783		18,004,711	
Cash at bank and in hand	14	41,465		251,845	
		25,465,977		20,074,036	
Creditors: amounts falling due within one year	15	(19,590,333)		(18,166,102)	
Net current assets			5,875,644		1,907,934
Total assets less current liabilities			36,088,915		33,301,182
Creditors: amounts falling due after one year	16		(3,433,555)		(358,034)
Total assets			32,655,360		32,943,148
Capital and reserves					
Called up share capital	19		33,000,000		33,000,000
Profit and loss account			(344,640)		(56,852)
			32,655,360		32,943,148

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

J Villar Elorza
Director

Date:
Mar 29, 2021

The notes on pages 15 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	33,000,000	(56,852)	32,943,148
Comprehensive income for the year			
Loss for the year	-	(287,788)	(287,788)
Total comprehensive income / (loss) for the year	33,000,000	(344,640)	(344,640)
At 31 December 2020	33,000,000	(344,640)	32,655,360

Description of reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses of the Company.

The notes on pages 15 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	33,000,000	(891,345)	32,108,655
Comprehensive income for the year			
Profit for the year	0	834,493	834,493
Total comprehensive income / (loss) for the year	33,000,000	(56,852)	(56,852)
At 31 December 2019	33,000,000	(56,852)	32,943,148

Description of reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses of the Company.

The notes on pages 15 to 32 form part of these financial statements.

1. General information

CAF Rolling Stock UK Limited was incorporated on 6 July 2017 and presents its financial statements for the year ended 31 December 2019. The Company is a private company, limited by shares and is registered in England and Wales. The Company's registered number is 10854234 and its registered office address is Coventry Technocentre, Puma Way, Coventry, CV1 2TT.

The principal activity of the Company is that of a manufacturing plant for the assembly of Rolling Stock, including the commissioning and testing of CAF Rolling Stock.

The financial statements have been presented in Pound Sterling as this is currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' as permitted under section 390 (3) of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- 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.

Where relevant the equivalent disclosures have been given in the Group accounts of Construcciones y Auxiliar de Ferrocarriles S.A. (CAF SA). The Group accounts of CAF SA are available to the public and can be obtained as set out in the controlling party note.

2. Accounting policies (continued)

2.3 Going concern

The business meets its day to day working capital requirements through cash generation and group support through cash pooling. As a result of the market uncertainty due to the ongoing COVID-19 coronavirus pandemic, the business has performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months. This involves assessing the headroom against available cash balances in a stressed scenario, the assumptions used for this test were as follows:

- Full shutdown of all production facilities for 3 months;
- A moratorium on uncommitted, non-essential capital expenditure;
- Firm commitment to £0.6m in 2021 to enable the production growth to meet the order book demands
- Withdrawal of all non essential expenditure;
- Government support for employees furloughed as a result of shutdown,
- Government support for delayed HMRC payments
- Availability of credit facilities from the Group.

The results of the test confirmed that the Group will be able to continue to operate within its available credit facilities for at least 12 months from the date of this report. This is management's best estimate as of the date of this report which may be subject to change if the pandemic situation evolves.

As at the date of this report, the directors have a reasonable expectation that the Company has adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Impact of new international reporting standards, amendments and interpretations

IFRS 16 Leases

IFRS 16 was published in early 2016 by the IASB with an application date of 1 January 2019. The impact on the Company is the increase in property, plant and equipment of £200,077 (2019: £492,194) and the financial debt of £206,337 (2019: £253,926) mainly linked to property leases.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

2. Accounting policies (continued)

2.5 Foreign currency translation (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, or other sales taxes or duty.

Revenue on manufacturing / commissioning contracts and long term service agreements is recognised on the percentage of completion method; the stage of completion is assessed as the cost incurred to date as a percentage of the total budgeted cost. The excess of revenue measured at percentage of completion over the revenue recognised in prior periods is the revenue for the period. Cost of sales on construction contracts and long-term service agreements is computed on the same basis. Refer to Turnover Note 4 (page 21) for disclosure of revenue.

2.7 Government grants

Government grants received on capital expenditure are initially recognised within deferred income on the Company's balance sheet and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss. The revenue is recognised once the payback period has expired.

2.6 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The right of use assets are depreciated over the lease term.

Depreciation is provided on the following basis:

Freehold property	- 3.33% - 5%
Plant and machinery	- 10%
Fixtures and fittings	- 10% - 33.33%
Right of use	- over the lease term

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2. Accounting policies (continued)

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2.17 Financial instruments

The Company has implemented IFRS 9 Financial Instruments Standard and has accounted for its Financial Instruments in accordance with the standard.

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified as either financial assets 'at fair value through profit or loss' (FVTPL) or loans and receivables. Financial assets are initially recognised at transaction value, except for those assets classified as at fair value through profit or loss, which are initially recognised at fair value (transaction costs are expensed in operating costs).

2. Accounting policies (continued)

2.17 Financial instruments (continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling in the near future or it is a derivative that is not designated and effective as a hedging instrument. A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise or it forms part of a contract containing one or more embedded derivatives, and IAS 39 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL. Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Trade and other receivables, and cash and cash equivalents, that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest revenue is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest revenue over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying value of the financial asset.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.
The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash on 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.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership

2. Accounting policies (continued)

2.17 Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' (FVTPL) or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if it is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and IAS 39 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including trade and other payables and borrowings, are initially measured at transaction value. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis. The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying value of the financial liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled or they expire.

2. Accounting policies (continued)

2.18 Leased assets

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease payments included in the measurement of the lease liability are made up of fixed payments. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

In the balance sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in other creditors.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 the 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 revision and future periods if the revision affects both current and future periods.

Judgements in applying the company's accounting policies

There are no judgements, apart from those involving estimations (which are dealt with separately below), that management has made in the process of applying the Company's accounting policies and that would have a significant effect on the amounts recognised in the financial statements.

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Recognition of revenue - Long term contracts
Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated to reflect the proportion of work carried out at the period end, by recording turnover and related costs as contract activity progresses. Turnover is calculated on the projects as the cost incurred to date as a percentage of the total budgeted costs. Revenues derived from variations on contracts are recognised only when they have been accepted by our client. Full provision is made for losses on loss making contracts in the period in which they are first foresee.

4. Turnover

Turnover, which is stated net of value added tax, represents amounts receivable for services supplied to the group. Turnover is attributable to the principal activity of the Company.

Turnover is disaggregated in accordance with IFRS 15 as follows:

	31 December 2020 £	31 December 2019 £
Rendering of services	67,137,528	58,635,633
Furlough income	239,117	-
	67,376,645	58,635,633

All turnover arose within the United Kingdom.

5. Operating (loss) / profit

The operating (loss) / profit is stated after charging;

	31 December 2020	31 December 2019
	£	£
Staff costs (note 7)	9,569,283	9,042,390
Depreciation of owned assets	1,234,685	1,163,372
Depreciation on right of use assets	246,418	242,736
Exchange differences	(81,650)	107,132
Right of use interest	6,810	13,900
Research and development recognised as an expense	615,184	681,356
Cost of stock as an expense	43,462,347	29,467,458

6. Auditors' remuneration

	31 December 2020	31 December 2019
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	40,000	36,500

Fees payable to the Company's auditor for the audit of the Company's annual financial statements

There were no fees payable to the Company's auditor in respect of non-audit services.

7. Employees

Staff costs were as follows:

	31 December 2020	31 December 2019
	£	£
Wages and salaries	8,211,949	7,833,032
Social security costs	911,819	799,983
Cost of defined contribution scheme	445,515	409,375
	9,569,283	9,042,390

7. Employees (continued)

The average monthly number of employees, including the directors, is 211 (2019 - 205)

	31 December 2020	31 December 2019
	No	No
Administration	21	21
Technical staff	190	184
	211	205

8. Directors' remuneration

The Directors received no emoluments for their services to the Company in the financial period presented and were paid through CAF SA.

The Directors are considered to be the key management personnel of the Company.

9. Interest payable and similar expenses

	31 December 2020	31 December 2019
	£	£
Group interest payable	32,851	40,875
Other financial (income) / expenses	(74,840)	121,177
	(41,989)	162,052

10. Taxation

	31 December 2020	31 December 2019
	£	£
Corporation Tax		
Current tax on loss for the year	(97,616)	(54,261)
Adjustments in respect of prior periods	(33,723)	-
R& D claim for prior periods	(98,065)	-
Total current tax	(229,403)	(54,261)
Deferred tax		
Origination and reversal of timing differences	196,872	362,676
Adjustments in respect of prior periods	29,172	-
Effect of tax rate change on opening balance	42,906	-
Total deferred tax	268,950	362,676
Taxation on loss	39,547	308,415

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 19% as set out below:

	31 December 2020 £	31 December 2019 £
Profit / (Loss) before tax	(248,241)	1,142,908
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(47,166)	217,153
Effects of:		
Capital allowances for the period in excess of depreciation	141,727	135,862
Changes in provisions leading to an increase in the tax charge	42,907	(44,600)
Expenses not deductible for tax purposes	4,694	-
Adjustment to tax charge in respect of previous periods	(4,550)	-
R&D claims for prior periods	(98,065)	-
Total tax charge / (credit) for the period	39,547	308,415

Factors that may affect future tax charges

The main factor to consider is the decrease in tax rate following the enactment of the Finance Act 2019. As at 31 December 2020 the Finance Act 2019 had no effect on the tax charge.

11. Tangible fixed assets

	Freehold property	Plant and machinery	Fixtures and fittings	Right of use	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2020	29,334,980	2,895,017	343,261	492,194	33,065,452
Additions	16,567	53,175	31,307	200,077	301,126
At 31 December 2020	29,351,547	2,948,192	374,568	692,271	33,366,578
Depreciation					
At 1 January 2020	1,097,728	281,629	50,111	242,736	1,672,204
Charge for the period	886,453	290,746	57,486	246,418	1,481,103
At 31 December 2020	1,984,181	572,375	107,597	489,154	3,153,307
Net book value					
At 31 December 2020	27,367,366	2,375,817	266,971	203,117	30,213,271
At 31 December 2019	28,237,252	2,613,388	293,150	249,458	31,393,248

At 31 December 2020 the Company had not entered into any contractual commitments for acquisitions of PPE.

IFRS 16 was applied from 1 January 2019. The impact on the Company is the increase in property and plant and machinery through right of use assets. The Right of use assets consist of property £447k (2019: £447k) and machinery £245k (2019: £45k).

12. Stocks

	2020	2019
	£	£
Raw materials and consumables	72,803,532	31,746,388
Work in progress	(67,006,803)	(29,938,945)
	5,796,729	1,807,443

13. Debtors

	2020	2019
	£	£
Due after more than one year		
Deferred tax asset	-	10,037
	-	10,037
Due within one year		
Amounts owed by Group undertakings	18,756,248	13,646,265
Prepayments and accrued income	765,244	4,358,446
Other debtors	106,291	-
	19,627,783	18,004,711

Amounts owed by group undertakings are interest free and repayable on demand.

14. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	41,465	251,845
	41,465	251,845

15. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	8,962,017	9,105,005
Amounts owed to group undertakings	1,926,213	6,250,594
Other taxation and social security	4,341,997	1,595,531
Other creditors	163,768	405,246
Accruals	4,196,338	809,726
	19,590,333	18,166,102

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

16. Creditors: Amounts falling due after one year

	2020	2019
	£	£
Deferred tax	604,484	345,571
Lease liabilities	139,071	12,463
Grant	2,690,000	-
	3,433,555	358,034

17. Financial instruments

	2020	2019
	£	£
Financial assets		
Financial assets and debt instruments measured at amortised cost	19,395,988	18,096,615
	19,395,988	18,096,615
Financial liabilities		
Financial liabilities measured at amortised cost	(11,573,008)	(16,066,376)

Financial assets comprise of bank and cash in hand balances £41,465 (2019: £251,845) and debt instruments measured at amortised cost comprise of amounts due from group undertakings £18,756,248 (2019: £13,646,265) and other debtors £598,275 (2019: £4,198,505)

Financial liabilities measured at amortised cost comprise of amounts due to trade creditors £8,962,017 (2019: £9,105,005), accruals £684,778 (2019: £710,777), and group undertakings £1,926,213 (2019: £6,250,594).

18. Deferred taxation

	Fixed assets	Temporary timing differences	Total Deferred tax
	£	£	£
At 1 January 2019	-	(42,450)	(42,450)
Charge to profit or loss	345,571	32,413	377,984
At 31 December 2019	345,571	(10,037)	335,534
Charge to profit or loss	264,172	4,778	268,950
At 31 December 2020	609,743	(5,259)	604,484

19. Share capital

	2020	2019
	£	£
Allotted, authorised, called up and fully paid		
33,000,000 Ordinary Shares of £1.00 each	33,000,000	33,000,000

The shares are ranked pari passu for voting, dividend and distribution rights (on winding up).

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £445,515 (2019: £409,375). Contributions totalling £57,678 (2019: £59,164) were payable to the fund at the balance sheet date and are included in creditors.

21. Lease liabilities

	2020	2019
Maturity analysis	£	£
Within one year	67,266	241,463
In two to 6 years	139,071	12,463
Total undiscounted liabilities	206,337	253,926

21. Lease liabilities (continued)

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows;

	2020	2019
	£	£
Current liabilities	67,266	241,463
Non-current liabilities	139,071	12,463
	206,337	253,926

	2020	2019
Amounts recognised in profit or loss include the following:	£	£
Depreciation	246,418	242,736
Interest on lease liabilities	6,810	13,900
Total cash outflow	214,476	252,168

The fair value of the company's lease obligations is approximately equal to their carrying amount

22. Related party transactions

CAF Rolling Stock UK Limited has taken advantage of the exemption contained within paragraphs 8(k) and (j) of FRS101 and has not disclosed transactions entered into with wholly-owned group companies or key management personnel. The company has therefore not disclosed transactions or balances with entities wholly owned members of the Construcciones y Auxiliar de Ferrocarriles S.A group.

During the period the Company made purchases of £275,318 (2019 - £159,337) from BWB Consulting Limited, a company owned by the Construcciones y Auxiliar de Ferrocarriles S.A group. There was a creditor balance at the year end of £53,335 (2019: £56,508)

23. Controlling party

The immediate parent company is CAF Group UK Limited, a company registered in England and Wales. The company's registered office is Conventry Techno Centre, Puma Way, Coventry, CV1 2TT.

The ultimate parent company and controlling party is Construcciones y Auxiliar de Ferrocarriles S.A., a company incorporated in Spain. The financial statements for this company can be found at the company's registered office of C/ Jose Miguel Iturrioz, 26, 20200 Beasain, Gipuzkoa, Spain.