

Angel Locomotive Leasing Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

Angel Locomotive Leasing Limited
Registered in England and Wales: Number 3581554
Registered Office: 123 Victoria Street, London, SW1E 6DE

Angel Locomotive Leasing Limited

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Angel Locomotive Leasing Limited

OFFICERS AND PROFESSIONAL ADVISERS

Directors:

K. Tribley
A. Lowe
M. Hicks
D. Jordan

Company secretary:

N. Holas

Registered office:

123 Victoria Street
London
SW1E 6DE

Independent auditors:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Registered in England and Wales: Number 3581554

Angel Locomotive Leasing Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and the audited financial statements of Angel Locomotive Leasing Limited (the 'Company') for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company was being a partner in Locomotive Operating Leasing Partnership. The Partnership leased diesel locomotives to DB Schenker Rail (UK).

During 2018 the Company has not actively traded. The Company's principal activity is to support the operations of the Group headed by Willow Topco Limited by providing funding to other group entities. The Company will be guided by its ultimate parent company in seeking future opportunities.

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.

REVIEW OF BUSINESS

The directors are satisfied with the Company's performance in the year. A comprehensive business review is carried out at a group level by the ultimate parent company, Willow Topco Limited.

The directors proposed a final dividend of £2,081,000 (2017: £nil). The Company's financial performance is presented in the Income Statement on page 7. The profit for the financial year was £80,000 (2017: £150,000) and this was transferred to reserves.

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 with any changes from 1 January 2018 noted.

Director

M. Brown	Resigned	30 July 2018
A. Lowe		
K. Tribley		
M. Hicks		
D. Jordan	Appointed	1 August 2018

Company secretary

N. Holas

Angel Locomotive Leasing Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In the case of each director in office at the date the Directors' Report is approved:

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

PRINCIPAL RISKS, UNCERTAINTIES AND USE OF FINANCIAL INSTRUMENTS

The Company's portfolios of financial instruments principally comprise of loans and trade 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 14.

From the perspective of the Company, except for the above, the principal risks and uncertainties are integrated with the principal risks of Willow Topco Limited (the Group), registered in Jersey, 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.

Angel Locomotive Leasing Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

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

RISK MANAGEMENT

Financial 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 at a group level by the ultimate parent company, Willow Topco Limited. Risk management policies are detailed in note 14.

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.

GOING CONCERN

These financial statements are prepared on a going concern basis.

DIRECTORS INDEMNITY COVER

No directors have been granted Qualifying Third Party indemnity Provisions.

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
27 March 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGEL LOCOMOTIVE LEASING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Angel Locomotive Leasing Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2018; the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGEL LOCOMOTIVE LEASING LIMITED (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Luke Hanson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 March 2019

Angel Locomotive Leasing Limited

Registered Number 3581554

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

		Year ended 31 December 2018	Year ended 31 December 2017
	Note	£'000	£'000
Administrative expenses	2	-	(7)
Finance Income	3	98	193
Profit before income tax		98	186
Income tax charge	5	(18)	(36)
Profit for the year attributable to the owners of the parent		80	150

The notes on pages 12 to 20 form an integral part of these financial statements.

Angel Locomotive Leasing Limited

Registered No. 3581554

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Year ended 31 December 2018	Year ended 31 December 2017
	£'000	£'000
Profit for the year	80	150
Total comprehensive income for the year attributable to owners of the parent	80	150

The notes on pages 12 to 20 form an integral part of these financial statements.

Angel Locomotive Leasing Limited
Registered Number 3581554
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Retained earnings	Total Equity
	£'000	£'000	£'000
At 1 January 2017	-	1,851	1,851
Profit for the year	-	150	150
Total comprehensive income	-	150	150
At 31 December 2017	-	2,001	2,001
Profit for the year	-	80	80
Total comprehensive income	-	80	80
Dividends paid	-	(2,081)	(2,081)
At 31 December 2018	-	-	-

As disclosed in note 10, the called up share capital of the Company is £1 (2017: £1).

The notes on pages 12 to 20 form an integral part of these financial statements.

Angel Locomotive Leasing Limited
Registered Number 3581554
BALANCE SHEET AS AT 31 DECEMBER 2018

		31 December 2018	31 December 2017
	Note	£'000	£'000
Assets			
<i>Non-current assets</i>			
Loans receivable	8	18	2,044
		<u>18</u>	<u>2,044</u>
<i>Current Liabilities</i>			
Trade and other payables	11	-	(7)
Current tax liabilities	6	(18)	(36)
		<u>(18)</u>	<u>(43)</u>
Net current liabilities		<u>(18)</u>	<u>(43)</u>
Total assets less current liabilities		<u>-</u>	<u>2,001</u>
<i>Equity attributable to the owners</i>			
Share capital	10	-	-
Retained earnings		-	2,001
Total equity		<u>-</u>	<u>2,001</u>
Total equity and non-current liabilities		<u>-</u>	<u>2,001</u>

The Company became dormant during the financial year.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The notes on pages 12 to 20 form an integral part of these financial statements.

The financial statements on pages 7 to 20 were approved by the Board of Directors on 27 March 2019 and signed on its behalf.

A. Lowe
Director



Angel Locomotive Leasing Limited

Registered Number 3581554

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 December 2018	Year ended 31 December 2017
	£'000	£'000
Cash flows from operating activities:		
Cash paid to suppliers	-	(7)
Income taxes paid	(36)	(972)
Net cash used in operating activities	(36)	(979)
 Cash flows from financing activities:		
Repayment of loans from group companies	36	979
Net cash generated from financing activities	36	979
 Net cash movements in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning and end of the of year	-	-
 Cash and cash equivalents at end of year	-	-

The notes on pages 12 to 20 form an integral part of these financial statements.
Non cash transactions are disclosed in note 15.

Angel Locomotive Leasing Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 Locomotive Leasing Limited is a limited company and is incorporated and domiciled in Great Britain. The address of the registered office is on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

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

The financial statements are prepared under the historical cost convention and on the going concern basis. The principal accounting policies adopted are set out below.

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.

There have been no critical judgements or estimates made by the directors in the process of applying the Company's accounting policies.

Adoption of the new and revised Standards

At the date of authorisation of these financial statements the following amended standards were effective for the accounting year beginning on 1 January 2018, but did not have a material impact to the Company's financial statements:

IFRS 15 - 'Revenue from contracts with customers'
IFRS 2 (amendment) 'Share-based payment'
IFRS 4 (amendment) - 'Insurance contracts'
IFRS 9 (amendment - 2014) 'Financial instruments'
IAS 40 (amendment) - 'Investment property'
IFRIC 22 - 'Foreign currency transactions and advance consideration'

The following standards, amendments and interpretations to existing standards have been issued but are effective for accounting periods beginning after 1 January 2018, and the Company has not early adopted them:

IFRS 9 (amendment - 2017) 'Financial instruments'
IFRS 16 - 'Leases'
IFRS 17 - 'Insurance contracts'

The directors anticipate that the adoption of these standards, amendments and Interpretations are either not applicable to the Company's operations or 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.

Angel Locomotive Leasing Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

1. Significant accounting policies (continued)

Revenue

Revenue represents income received from partnership distribution. All revenue relates to United Kingdom Operations.

Interest 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

The current tax is based on taxable profit for the year ended 31 December 2018. 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 for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Taxation arising on taxable income from the partnership while a wholly owned subsidiary of the group is accounted for in the partnership's accounts. Taxation arising on taxable income from the partnership since it was no longer a subsidiary of the group is accounted for in the Company's accounts.

Finance costs

Finance costs are recognised in the income statement in the period in which they are incurred.

Financial instruments

From 1 January 2018, the Company classifies financial assets and liabilities in the following measurement categories: those to be subsequently measured at fair value (either through OCI or through profit or loss), and those to be measured at amortised cost.

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.

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.

Investments

Investments in partnerships are measured at cost less any impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment. The carrying value of the partnership is adjusted for contributions to and distributions from the partnership.

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.

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.

Angel Locomotive Leasing Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

2. Expenses by nature

	Year ended 31 December 2018	Year ended 31 December 2017
	£'000	£'000
Other expenses	-	7

Auditors' remuneration for audit services during the year was nil borne by Angel Trains Limited, a group Company (2017: £6,640). The auditors did not provide any non-audit services during the year (2017: £nil).

3. Finance income

	Year ended 31 December 2018	Year ended 31 December 2017
	£'000	£'000
Interest receivable from group undertakings	98	193

4. Directors' and employees' emoluments

None of the directors received any emoluments for their services to the Company during the year (2017: £nil). Another group company provides accounting and administration services without charge to the Company (2017: £nil). The Company itself has no employees (2017: nil).

5. Income tax charge

The charge for taxation based on the profit for the year is based on United Kingdom corporation tax at 19.00% (2017: 19.25%) and comprises:

	Year ended 31 December 2018	Year ended 31 December 2017
	£'000	£'000
Current tax		
Current tax charge on profits for the year	(18)	(36)
Total current tax charge for the year	(18)	(36)

Angel Locomotive Leasing Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

5. Income tax charge (continued)

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 2018	Year ended 31 December 2017
	£'000	£'000
Profit before taxation	98	186
Expected tax charge at 19.00% (2017: 19.25%)	18	36
Current taxation charge for the year	18	36

The standard rate of Corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's profits for this accounting period are taxed at the main corporation tax rate of 19.00% (2017: 19.25% effective rate).

In the Finance Act 2016, which received Royal Assent on 15 September 2016, the main rate of corporation tax was reduced to 17% from 1 April 2020. The effect of the future changes in tax rate would be £nil to deferred tax as the Company holds no deferred tax liabilities or assets at the year end.

6. Current tax liabilities

At 31 December 2018, the Company had current tax liabilities of £18,000 (2017: £36,000) payable to other group companies. The amounts owed to other group companies are unsecured and will be paid within the next 12 months.

Angel Locomotive Leasing Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

7. Financial instruments by category

31 December 2018

Note

Loans and
receivables

£'000

Assets as per balance sheet

Loans receivable

8 18

Other financial
liabilities at
amortised cost

£'000

Liabilities as per balance sheet

Trade and other payables

11 -

31 December 2017

Loans and
receivables

£'000

Loans receivable

8 2,044

Other financial
liabilities at
amortised cost

£'000

Liabilities as per balance sheet

Trade and other payables

11 7

Angel Locomotive Leasing Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

8. Loans receivable

	31 December 2018	31 December 2017
	£'000	£'000
Assets as per balance sheet		
Loans receivable	18	2,044
	<u>18</u>	<u>2,044</u>

As at 31 December 2018 the company had an unsecured loan issued to Angel Trains Limited of £18,000 (2017: £2,044,000). The loan accrues interest at the weighted average cost of debt of the Group's senior facilities plus a margin and has no fixed maturity date. The directors have given confirmation that the above loan will not be called for repayment within the next 12 months. The directors consider that the carrying amount of loans receivable approximates to their fair value.

9. Contingent liabilities

The Company is guarantor in respect of the following group undertakings:

The Great Rolling Stock Company Limited, Willow Bidco Limited and Angel Trains Limited:
£1,340,000,000 (of which £707,025,000 (2017: £690,000,000) remains outstanding) Senior loan and revolving facilities agreements.

Willow Holdco 1 Limited:
£275,000,000 (of which 275,000,000 (2017: £175,000,000) has been drawn down) Junior facility agreements.

The Great Rolling Stock Company Limited:
£4,000,000,000 (of which £1,153,600,000 (2017: £1,189,500,000) remains outstanding) secured guaranteed notes programme.

10. Share capital

	31 December 2018	31 December 2017
	£	£
Authorised:		
100 (2017: 100) Ordinary shares of £1 each	100	100
Issued and fully paid:		
1 (2017: 1) Ordinary shares of £1 each	1	1

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

Angel Locomotive Leasing Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

11. Trade and other payables

	31 December 2018	31 December 2017
	£'000	£'000
Accruals	-	7

Accruals comprise of amounts outstanding in relation to audit fees as at 31 December 2018 of £nil (2017: £6,840)

The directors consider that the carrying amount of trade and other payables approximates their fair value.

12. Parent Companies

The Company's immediate parent company is Angel Trains 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 Helier, 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 Helier, JE2 4UA, Jersey.

13. Related party transactions

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

Willow Topco Limited
 Willow Holdco 1 Limited
 Willow Holdco 2 Limited
 Willow Bidco Limited
 Willow Rolling Stock UK Limited
 Angel Trains Group Limited
 Angel Trains Limited
 Angel Trains Capital Limited
 The Great Rolling Stock Company Limited
 Angel Infrastructure Limited
 Angel Trains Consulting Limited
 Angel Leasing Company Limited
 Angel Trains Holdings Limited
 Angel Trains Rolling Stock Limited

Angel Locomotive Leasing Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

13. Related party transactions (continued)

Trading transactions

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

31 December 2018

	Interest received	Interest paid	Amounts owed to related parties	Amounts due from related parties
	£'000	£'000	£'000	£'000
Parent	98	-	-	18
Total	98	-	-	18

31 December 2017

	Interest received	Interest paid	Amounts owed to related parties	Amounts due from related parties
	£'000	£'000	£'000	£'000
Parent	193	-	-	2,044
Total	193	-	-	2,044

During the year there were net £36,000 (2017: £36,000) of group relief transactions with related parties. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received in respect of these transactions. In addition to the above, intercompany balances in respect of group relief receivable are disclosed in note 6.

14. Risk management

The risks associated with the Company's business are market risk, credit risk and liquidity risk. The most significant risk to the Company is market risk. The management of these risks is carried out at 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 currency.

The Company is not exposed to currency risk as all its assets and liabilities are UK based.

Angel Locomotive Leasing Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

14. Risk management (continued)

Market risk (continued)

The significant interest rate risk arises from loans. The Company's loans are loans with other companies within the Angel Trains Group of companies.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate net assets. The analysis is prepared assuming the assets outstanding at balance sheet date were outstanding for the whole year.

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

- Profit for the year ended 31 December 2018 would increase/decrease by £186 (2017: £20,000).

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 asset is a loan receivable with a group company. The carrying amount of the financial asset recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company does not hold collateral over these balances.

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 amounts due on group undertakings are £18,000 (2017: £2,044,000) and are not past due.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due. Liquidity risk is not considered material. The Company has borrowing facilities with other members in the Group.

Liquidity management within the Group focuses on both overall balance sheet structure and control, within prudent limits, of risk arising from the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent obligations.

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Company consists only of equity attributable to equity holders of the Company.

15. 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.

- The Company decreased loans receivable by £2,081,000 in declaring dividends of £2,081,000.
- The Company decreased loans receivable by £7,000 by reducing accruals.
- The Company decreased loans receivable by £98,000 in settlement of interest receivable of £98,000.

16. 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 which would require a change or an additional disclosure in the financial statements.