

The Great Rolling Stock Company Limited
(formerly The Great Rolling Stock Company PLC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

The Great Rolling Stock Company Limited
Registered in England and Wales: Number 03086382
Registered Office: 123 Victoria Street, London, SW1E 6DE

The Great Rolling Stock Company Limited

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The Great Rolling Stock Company Limited

Officers and Professional Advisers

Directors:

M. Brown
A. Lowe
D. Jordan
M. Prosser

Company secretary:

C. Garcia

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 03086382

The Great Rolling Stock Company Limited
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their strategic report on The Great Rolling Stock Company Limited (the 'Company') for the year ended 31 December 2024.

REVIEW OF THE BUSINESS

The principal activity of the Company is the provision of finance, including long-term finance leasing to other group companies, which involves the use of financial derivatives where appropriate to support the acquisition of train rolling stock. There are no direct employees or stakeholders, except its shareholders and debt providers.

During November 2024, the Company's ultimate parent company, Willow Topco Limited, was acquired by Willow Group Holdings Limited (including its subsidiary companies, "the Group"). A comprehensive business review was carried out at a group level by the ultimate parent company.

During the year, the Company executed a number of additional interest rate swaps and drew down on a bank facility that was entered into during 2023 for the first time.

The Company re-registered as a Private Limited Company under the Companies Act with Companies House on the 19th February 2025. This was as a result of not expecting to require further funding from the bond markets in the short to medium term. The re-registration aims to reduce the administrative burden associated with being registered as a Public Limited Company.

The Company's total external senior debt at 31 December 2024 was £2,499,385,000 (2023: £2,349,758,000). The net increase of £149,627,000 was due to Group funding requirements for capital expenditure, less contractual repayments on bonds and bank debt.

The directors are satisfied with the Company's underlying performance during the year. In future, the Company will continue to provide finance to other group companies to support the investment in assets at economic returns that properly reward the capital investment and long-term residual value risk. The Company will be guided by its ultimate parent company in seeking further opportunities for growth.

The Company's financial performance is presented in the Income Statement on page 16. The profit for the financial year was £52,368,000 (2023: £45,884,000 profit) and this was transferred to reserves.

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

KEY PERFORMANCE INDICATORS

Other gains for the year were £13,054,000 (2023: losses (£1,036,000)), primarily as a result of fair value gains (2023: losses) recognised on interest rate swaps and amounts recycled from cash flow hedge reserves in relation to interest rate swaps no longer held in hedge relationships. Revenue and cost of sales increased by 6.0% and 11.2% respectively. Administrative expenses decreased by 6.1%.

At the end of the year, the financial position showed total assets of £3,635,632,000 (2023: £3,285,488,000) representing an increase of 10.7%. This includes the carrying value of finance lease receivables due from other group companies of £606,902,000 compared to £659,539,000 at the previous year end. Other non-current assets include loans receivable of £2,113,807,000 (2023: £1,811,385,000).

The key performance indicator that the directors consider is the ratio of loan and lease receivables to loans payable. The loan ratio in 2024 was 1.05 (2023: 1.04), with a target ratio below 1.20 being considered by the directors to be an efficient utilisation of group funding by the Company.

The Great Rolling Stock Company Limited
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

STRATEGY

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

SECTION 172 (1) STATEMENT

The Board of directors has acted in a way that it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so has had regard to the matters set out in section 172(1) of the Companies Act 2006 (the "Act"). The Company applies The Wates Corporate Governance Principles for Large Private Companies.

The Company proactively engages with its stakeholders to maximise value and secure long-term success and is continually striving to improve its impact. We set out below our key stakeholders groups, their material issues and how we engage with them.

Shareholders – The Company attaches considerable importance to communications with its direct shareholders as well as the shareholders of the Group and engages with them on a regular basis. Open and frequent dialogue with investors enables them to fully understand the Group's strategy, objectives and governance. The Group's shareholders are also invited to attend individual discussions with the executive and non-executive directors throughout the year.

Debt providers - Our debt providers play an important role in our business and we maintain a proactive, open and transparent relationship with them. Regular meetings are held with our diverse group of debt providers and credit rating agency to keep them informed about relevant areas of the business. We provide them with regular financial updates, twice-yearly investor reports and debt investor presentations.

LOOKING FORWARD

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

PRINCIPAL RISKS, UNCERTAINTIES AND USE OF FINANCIAL INSTRUMENTS

The Company's portfolios of financial instruments principally comprise of loans, deposits, interest rate swaps and payables. Applying International Accounting Standards ("IAS") in conformity with the requirements of the Companies Act 2006, 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 20.

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

The Great Rolling Stock Company Limited
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

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

Operational risk

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

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

By order of the board.

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

M. Brown

Director

2 April 2025

The Great Rolling Stock Company Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2024.

FUTURE DEVELOPMENTS

For information on future developments, refer to the 'looking forward' section of the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and 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 UK-adopted International Accounting Standards ("IAS").

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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards 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 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 also 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 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.

Directors' confirmations

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.

The Great Rolling Stock Company Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

GOING CONCERN

These financial statements are prepared on a going concern basis. The Company continues to analyse the potential impact of the current economic environment on forecasts and liquidity and has concluded there are no material impacts that would affect its conclusion on going concern. The Company continues to comply with the requirements of the Group's debt covenants, with performance underpinned by positive cash flows from the Company's activities.

In considering the impact on the Company, the Group has analysed the potential impact on forecasts and liquidity and has concluded there are no material impacts that would affect its conclusion on going concern. In particular:

- Strong liquidity position - Committed facilities are available that more than cover all debt repayments coming due within one year from the date of signing the financial statements.
- The company in conjunction with the broader Group has assessed projected debt covenant compliance under both a normal and stress situation without any breaches being identified.

DIVIDENDS

The directors recommend that no dividend be paid (2023: 23,035,000).

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

DIRECTORS AND COMPANY SECRETARY

The present directors and company secretary who have served during the year and up to the date of signing this report are listed on page 1

PRINCIPAL RISKS, UNCERTAINTIES AND USE OF FINANCIAL INSTRUMENTS

The Company's portfolios of financial instruments principally comprise of loans, deposits, interest rate swaps and payables. Applying IFRSs, 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 20.

From the perspective of the Company, except for the above, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Willow Group Holdings Limited, which include those of the company, are discussed in Willow Group Holdings Limited's annual report.

The consultation period on the policies to be included in the forthcoming Railways Bill, which will enable the establishment of Great British Railways ("GBR"), ends in April 2025. The Government's intention is that GBR will be a single directing mind that will run UK rail infrastructure and passenger services in the public interest. Whilst the Draft Bill does not appear to directly affect ROSCOs, nor the ROSCO model, the Group will respond to the consultation and reiterate the value that private investment in rolling stock and rail infrastructure can bring to the wider economy.

The Great Rolling Stock Company Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

DIRECTOR'S INDEMNITY COVER

No director has been granted Qualifying Third Party Indemnity Provisions during the year or as at the date of approval of the financial statements.

FINANCIAL RISK MANAGEMENT

The major risks associated with the Company's business are market risk, liquidity risk, capital risk and credit risk. The management of these risks is carried out at Group level by its ultimate parent company. Interest rate risk is partially mitigated through the use of hedging (see Note 20 for further details of the Hedging Policy) and liquidity risk is managed by monitoring cash flow forecast and ensuring the Groups liquidity requirements to meet operational needs and ensuring it does not breach covenants on its external borrowing facilities. 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. Risk management policies are detailed in note 20.

SUSTAINABILITY REPORT

The Company has maintained its strategy of directing investment towards electric, bi-mode and hybrid rolling stock assets as well as funding existing rolling stock enhancements to improve passenger experience and support modal shift. Decarbonisation solutions for the existing diesel fleet have been focused on fuel metering, aerodynamic drag reduction and Hydrotreated Vegetable Oil (HVO) fuel to reduce carbon emissions and improve air quality.

Governance

The Group published a sustainability report in 2024 making public disclosure of its ESG metrics and provided an overview of the initiatives that have been undertaken that demonstrate the Company's commitment to sustainability. Governance is provided by the sustainability steering group which has been active in 2024 and is supported by the environmental review group which is tasked with delivery of the Company's environmental improvement objectives and monitoring our alignment with the principles of ISO 14001.

The Company undertook a review of Scope 3 emissions and target setting with the Science Based Targets Initiative (SBTi) using an external consultant, WSP. The work has set out the approach and methodologies for calculating the Company's applicable Scope 3 emission categories. The Company also registered with the (SBTi) at the end of 2024 and has commenced due diligence prior to making the formal commitment.

Leased Asset Carbon Emissions

As part of the development of Scope 3 reporting, the Group has continued to model the carbon emissions for both its diesel and electric fleets. The Carbon Calculator tool developed in 2023 has been further improved to utilise activity data from the Group's Fleet Management System. The modelling estimates that the combined Group fleet contributed 457,793 metric tonnes of CO₂e in 2024.

Environmental Performance

The Group has not suffered from any environmental incidents nor any non-compliance with mandatory legislation as a result of its operations in 2024.

A GRESB benchmarking assessment was carried out in 2024 where the Group scored 99/100 and maintained its 5-star rating. In particular, the Group achieved full marks for the environmental and governance themes and maintained its first-place position in the performance section.

Assets identified for disposal in 2024 were dismantled by approved waste management contractors where around 95% of the waste generated had been recycled. The Group has also been able to dispose of vehicle assets through sale to other rail organisations abroad.

The Great Rolling Stock Company Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The disclosures set out below for SECR reporting purposes have been prepared on a Group basis.

Greenhouse gas emissions and energy use data used by the Group in its business activities involving the combustion of gas and fuels, the purchase of electricity and fuel used in vehicles operated on its behalf, in both kWh and tCO₂e are as follows:

	Year Ended 31 December 2024
Annual Energy consumption used to calculate emissions (kWh)	756,315
Energy consumption break down (kWh)	
Scope 1 - Stationary Combustion - Natural gas	29,655
Scope 2 - Purchased Electricity	475,500
Scope 2 - Purchased Steam / Heat / Cooling	74,279
Scope 3 - Grey Fleet	115,334
Scope 3 - Hire Vehicles	61,547
Annual Carbon Emissions	
Scope 1 emissions in metric tonnes CO ₂ e	5
Scope 2 emissions in metric tonnes CO ₂ e	112
Scope 3 emissions in metric tonnes CO ₂ e	77
Total gross emissions in metric tonnes CO₂e	194
Intensity Measurement	
The chosen intensity measurement ratio is occupied floor space:	
Floor Area (m ²)	2,996
Intensity ratio Kgs CO₂e per m²	54

Emission sources can be categorised into the following three 'scopes':

- Scope 1 - direct emissions from controlled or owned sources, which includes those from combustion of fuel and operation of facility.
- Scope 2 - indirect energy emissions from generation of purchased energy.
- Scope 3 - emissions from use of sold products and services for which the company does not own or control.

Quantification and reporting methodology

Management have decided to include 100% of the Group's energy usage and emissions in the above disclosure for the Company as it is not feasible for all elements of the disclosure to be apportioned on a reasonable basis.

A methodology derived by an external party has been used to ensure compliance with the SECR requirements. The government issued "Greenhouse gas reporting: conversion factors 2024" conversion figures for CO₂e were used along with the fuel property figures to determine equivalent emissions.

Measures taken to improve energy efficiency

The Group continues to seek energy saving and carbon reduction opportunities. In 2024, the Group installed a business management system front end controller at its 123 Victoria Street office. Serving as the central hub, it integrates and manages various building systems such as HVAC (heating, ventilation, and air conditioning), lighting, security, and energy management. The front-end controller collects data from sensors and devices, processes this information, and then makes decisions to optimise building operations, which has lead to enhanced energy efficiency and a reduction in operational costs.

The Great Rolling Stock Company Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

Materiality

The Group are reporting upon all the required fuel sources as per SECR requirements. Estimations for Vehicle Fleet consumed fuel in litres and mileages were provided, and The Department for Environment, Food and Rural Affairs (DEFRA) fuel properties used to convert to kWh and tCO₂e.

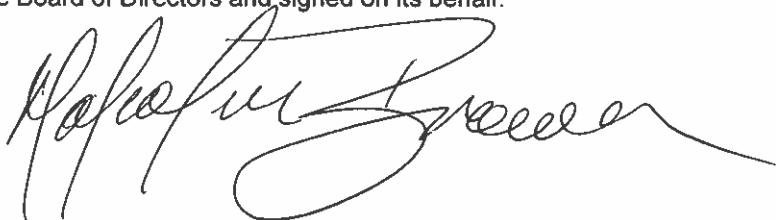
POST BALANCE SHEET EVENTS

The Company re-registered as a Private Limited Company under the Companies Act with Companies House on the 19th February 2025. This was as a result of not expecting to require further funding from the bond markets in the short to medium term. The re-registration aims to reduce the administrative burden associated with being registered as a Public Limited Company.

Except for that noted above, 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.

M. Brown
Director
2 April 2025

A handwritten signature in black ink, appearing to read 'M. Brown', is written over a horizontal line.

The Great Rolling Stock Company Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, The Great Rolling Stock Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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, which comprise: the Balance Sheet as at 31 December 2024; Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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.

Our audit approach

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. Our audit was performed by one team in the UK and all material balances were tested.

Key audit matters

- Valuation of derivatives and related recycling from cash flow hedging reserve

Materiality

- Overall materiality: £36,356,000 (2023: £30,348,000) based on 1% of Total assets.
- Performance materiality: £27,267,000 (2023: £22,761,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Great Rolling Stock Company Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter

Valuation of derivatives and related recycling from cash flow hedging reserve

The company enters derivative financial instruments (primarily interest rate swaps) to hedge its interest rate risk arising from the borrowings. The majority of these swaps are qualified for the cash flow hedge accounting model under the requirements of IFRS 9, whereas some are held under fair value through profit and loss as part of economic hedging.

Hedge accounting is inherently complex and because the company hedges a portfolio of debt which has a shorter maturity than the related swaps, the Directors must assess whether forecast future debt is highly probable in order to continue hedge accounting. When hedge accounting is discontinued, further judgements are required in relation to whether the underlying transactions are still expected to occur. This then drives the accounting treatment of the existing cash flow hedge reserve balance recognised that date.

As per the requirements of IFRS 13 'Fair Value Measurement', management is required to compute the credit value adjustments (CVA) on the future cash inflows and debit value adjustments (DVA) on the future cash outflows. Management has recorded a CVA of £21.3m whereas DVA (based on the 90% recovery rate) is estimated as £0.9m. As such the net adjustment is a CVA of £20.4m.

As a result of the level of judgement involved in the assessment of hedge effectiveness and the fair values including CVA/DVA and the focus we placed on this area, we consider it a key audit matter.

Related disclosures in the financial statements:

Note 1: Accounting Policies - Derivatives financial instruments and hedging activities.

Note 17: Derivatives financial instruments.

Note 20: Financial risk management – Market Risk

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates. The company operates one finance team based in London and our audit approach mirrored this with one UK based team auditing all balances. All material balances were recorded in the one component.

How our audit addressed the key audit matter:

Our testing in this area included:

- We obtained a schedule of actual and forecast future debt and the related hedge positions and confirmed key terms with external counterparties..
- We tested whether the forecast debt was highly probable by comparing it to the company's projections used for business planning purposes and by confirming that the expected usage of the debt was consistent with the asset holdings across the group of entities the company is part of.
- For derivatives that are in hedging relationships, we tested the hedge accounting documentation and effectiveness testing performed for compliance with the accounting requirements.
- We independently revalued 100% of the derivative fair values used in the hedge accounting calculations.
- We independently calculated the CVA and DVA considering the credit risk of counterparties and the company. We also performed sensitivities on the recovery rate used by the management.
- We tested the amounts released from the cash flow hedging reserve for discontinued hedges by comparing the future expected cash flows to the company's projections.
- We also tested that the related cash flow hedge reserve balance is being released in line with these debt cash flows.
- We involved our treasury and derivative valuation testing specialists in our testing in this area.

Our testing did not identify any exceptions and we concluded that the treatment adopted was supported by the evidence we obtained.

The Great Rolling Stock Company Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

The impact of climate risk on our audit

As part of our audit we made enquiries with management to understand the extent of the potential impact of climate risk on the company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£36,356,000 (2023: £30,348,000)
How we determined it	1% of Total Assets
Rationale for benchmark applied	We use Total Assets as the materiality benchmark given the extent of the company's lending activities to the wider group of companies headed by Willow Group Holding Limited, the fact that profit before tax is not a key performance metric, and given this aligns with the approach taken by other entities in the wider group. We used 1% of Total Assets (2023: 1%) which is at the higher end of our typical range for this measure.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £27,267,000 (2023: £22,761,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £1,818,000 (2023: £1,517,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Performing a risk assessment to identify factors that could impact the going concern basis of accounting for both the company and the wider group.
- Understanding management's cash flow forecasts and related stresses and assessing their reasonableness. This included recalculating the impact on key financial covenants.
- Agreeing the debt refinancing schedule for the company to source documentation and confirming that sufficient committed facilities are available to refinance all debt repayments coming due in at least a year from the date of signing the financial statements.
- Obtaining evidence that the group's parent entity, Willow Group Holdings Limited, has received assurance from its shareholders that their shareholder loan notes will not need to be repaid for a period of at least one year from the date of signing of the financial statements.

The Great Rolling Stock Company Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

Conclusions relating to going concern (continued)

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.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the year ended 31 December 2024 is consistent with the financial statements and have 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 the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

The Great Rolling Stock Company Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

Responsibilities for the financial statements and the audit (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

- Enquiries of management and those charged with governance, including review of minutes of meetings in so far as they related to the financial statements and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing higher risk journal entries;
- Challenging the assumptions and judgements made by management in their accounting estimates including but not limited to the procedures outlined in the KAM above.

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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.

The Great Rolling Stock Company Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREAT ROLLING STOCK COMPANY LIMITED (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Jessica Miller (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
2 April 2025

The Great Rolling Stock Company Limited

Registered Number 03086382

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

		Year ended 31 December 2024	Year ended 31 December 2023
		£'000	£'000
Revenue	Note		
	2	203,686	192,153
Cost of sales	4	(150,121)	(134,963)
Gross profit		53,565	57,190
Administrative expenses	5	(581)	(619)
Operating profit		52,984	56,571
Other gains/(losses)	6	13,054	(1,036)
Profit before income tax		66,038	55,535
Income tax charge	7	(13,670)	(9,651)
Profit attributable to owners of the parent	18	52,368	45,884

The notes on pages 21 to 46 form an integral part of these financial statements.

The Great Rolling Stock Company Limited

Registered Number 03086382

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Profit for the year	52,368	45,884
Other comprehensive income/(expense):		
<i>Items that may be subsequently reclassified to profit or loss</i>		
<i>Cash flow hedges</i>		
Gains/(Losses) arising during the year	109,151	(12,466)
Recycling of amounts from cash flow hedge reserve to profit and loss	211	(350)
Losses taken to profit or loss	(33,358)	(17,136)
Tax on items taken directly to equity	(18,884)	7,663
Total other comprehensive income/(expense) for the year	57,120	(22,289)
Total comprehensive income for the year attributable to owners of the parent	109,488	23,595

The notes on pages 21 to 46 form an integral part of these financial statements.

The Great Rolling Stock Company Limited

Registered Number 03086382

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

		Called up share capital	Hedging reserve	Capital reserve	Retained earnings	Total Equity
	Notes	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	18,19	140,000	174,575	200,000	23,035	537,610
Profit for the year		-	-	-	45,884	45,884
Other comprehensive expense						
Cash flow hedges						
Losses arising during the year		-	(12,466)	-	-	(12,466)
Recycling of amounts from cash flow hedge reserve to profit and loss		-	(350)	-	-	(350)
Losses taken to profit or loss		-	(17,136)	-	-	(17,136)
Tax on items taken directly to equity		-	7,663	-	-	7,663
Total comprehensive income		-	(22,289)	-	45,884	23,595
Dividends paid		-	-	-	(30,000)	(30,000)
Dividends called back		-	-	-	6,965	6,965
At 31 December 2023	18,19	140,000	152,286	200,000	45,884	538,170
Profit for the year		-	-	-	52,368	52,368
Other comprehensive income						
Cash flow hedges						
Gains arising during the year		-	109,151	-	-	109,151
Recycling of amounts from cash flow hedge reserve to profit and loss		-	211	-	-	211
Losses taken to profit or loss		-	(33,358)	-	-	(33,358)
Tax on items taken directly to equity		-	(18,884)	-	-	(18,884)
Total comprehensive income		-	57,120	-	52,368	109,488
At 31 December 2024	18,19	140,000	209,406	200,000	98,252	647,658

The notes on pages 21 to 46 form an integral part of these financial statements.

The Great Rolling Stock Company Limited

Registered Number 03086382

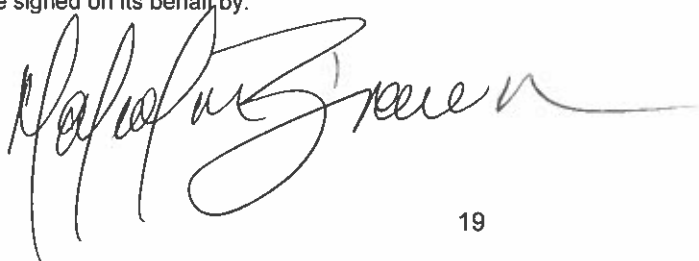
BALANCE SHEET AS AT 31 DECEMBER 2024

		31 December 2024	31 December 2023
	Note	£'000	£'000
Assets			
Non-current assets			
Finance lease receivables	11	553,174	602,603
Derivative financial instruments	17	330,012	243,679
Other financial assets at amortised cost	10	2,113,807	1,811,385
Investments	12	363,564	363,564
		<u>3,360,557</u>	<u>3,021,231</u>
Current assets			
Derivative financial instruments	17	134	-
Finance lease receivables	11	53,728	56,936
Trade and other receivables	10	1	215
Cash and cash equivalents	10	21,212	7,106
Other financial assets at amortised cost	10	200,000	200,000
		<u>275,075</u>	<u>264,257</u>
Current liabilities			
Trade and other payables	13	(107,506)	(115,668)
Loans payable	15	(112,572)	(127,572)
Current tax liabilities	14	(9,940)	(9,044)
Derivative financial instruments	17	(134)	-
		<u>(230,152)</u>	<u>(252,284)</u>
Net current assets		<u>44,923</u>	<u>11,973</u>
Total assets less current liabilities		<u>3,405,480</u>	<u>3,033,204</u>
Non-current liabilities			
Loans payable	15	2,667,888	2,425,054
Derivative financial instruments	17	-	2,727
Deferred tax liabilities	8	89,934	67,253
		<u>2,757,822</u>	<u>2,495,034</u>
Equity attributable to owners of the parent			
Called up share capital	19	140,000	140,000
Capital reserve	18	200,000	200,000
Hedging reserve	18	209,406	152,286
Retained earnings	18	98,252	45,884
Total equity		<u>647,658</u>	<u>538,170</u>
Total equity and non-current liabilities		<u>3,405,480</u>	<u>3,033,204</u>

The notes on pages 21 to 46 form an integral part of these financial statements.

The financial statements on pages 16 to 46 were approved by the Board of Directors and authorised for issue on 2 April 2025. They were signed on its behalf by:

M. Brown
Director



The Great Rolling Stock Company Limited

Registered Number 03086382

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Cash flows from operating activities		
Cash received from customers	52,720	57,790
Cash paid to suppliers and group companies	(2,432)	(2,240)
Cash generated from operations	50,288	55,550
Income taxes paid	(8,978)	(6,782)
Interest paid	(101,266)	(80,840)
Net cash used in operating activities	(59,956)	(32,072)
Cash flows from investing activities		
Interest received	252	265
Proceeds of tangible fixed assets	(2,560)	2,562
Principal elements of lease payments	52,264	52,634
Issue of new loans to group companies	(382,626)	(241,183)
Repayment of amounts borrowed by group companies	189,442	190,686
Net cash (used in)/generated from investing activities	(143,228)	4,964
Cash flow from financing activities		
Proceeds of new loans	561,124	271,280
Payments for debt issue costs	(529)	(4,285)
Repayment of loans	(343,305)	(209,793)
Payments of dividends	-	(23,035)
Net cash generated from financing activities	217,290	34,167
Net increase in cash and cash equivalents	14,106	7,059
Cash and cash equivalents at the beginning of the year	7,106	48
Effect of foreign exchange rate changes	-	(1)
Cash and cash equivalents at the end of the year		
Bank balances and cash	21,212	7,106

The notes on pages 21 to 46 form an integral part of these financial statements.

Non cash transactions are disclosed in note 24.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Significant Accounting Policies

General

The Great Rolling Stock Company Limited is a Private Limited Company and is incorporated and domiciled in England and Wales. The address of the registered office is on page 1.

Basis of Preparation

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under International Financial Reporting Standards (IFRS).

The Company's financial statements have been prepared on the going concern basis. The directors consider the Company to be a going concern based on the underlying profitability (excluding fair value movements) and the ability to access liquidity, if required, from within the Group and by drawing on committed financial facilities, to enable it to meet its liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements.

The financial statements are prepared under the historical cost convention as modified by the revaluation of derivative instruments. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below. These policies have been consistently applied to all the years presented, unless otherwise stated.

In accordance with IFRS 13, fair value measurements are categorised according to the inputs used in valuation techniques into three levels within a fair value hierarchy. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

These valuation techniques maximise the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Critical accounting judgements and key sources of estimation uncertainty

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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying accounting policies

The critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements relate to the accounting treatment of interest rate swaps designated as hedging instruments. The Company seeks to apply cash flow hedge accounting where permissible under IFRS 9. Highly probable floating rate debt that is not already contained within a cash flow hedge is assessed for appropriateness to be included within a new designated hedge relationship.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

1. Significant Accounting Policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Keys sources of estimation uncertainty

The fair value of financial instruments that are not traded in an active market (such as over-the-counter interest rate swaps) is determined by using valuation techniques. The Company engages with a third party provider to establish the appropriate valuation techniques and inputs into the corporate model such as observable yield curves. Forecast floating rate debt is used to estimate amounts to be recycled from the cash flow hedge reserve to the income statement, in line with the original hedged item cash flows.

The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting year. Information regarding valuation techniques and inputs used in determining the fair value of derivatives is disclosed in note 20.

Adoption of the new and revised Standards

At the date of authorisation of these financial statements, the following standards, amendments and interpretations to existing standards were effective for the accounting year beginning on or after 1 January 2024, but did not have a material impact on the Company's financial statements:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 Climate-related Disclosures

IFRS16 (amendment) - Lease liability in a Sale and Leaseback

IAS 1 (amendments) - Classification of Liabilities as Current or Non-Current,

IAS1 (amendments) - Non-current Liabilities with Covenants

IAS 7 and IFRS 7 (amendments) - Supplier Finance Arrangements

The following standards, amendments and interpretations to existing standards have been issued but are effective for accounting years beginning after 1 January 2024, and the Company has not early adopted them:

IAS 21 (amendments) - Lack of Exchangeability

Amendments to the SASB standards to enhance their international applicability

IFRS 9 and IFRS 7 (amendments) - Classification and measurement of financial instruments

Annual Improvements to IFRS Accounting Standards — Volume 11

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Revenue Recognition

Finance lease income is allocated to accounting years so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases held with other group companies.

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.

Cost of sales - interest expense

Cost of sales comprises interest payable on external loans and swap interest payable. It is recognised on an effective interest rate basis.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

1. Significant Accounting Policies (continued)

Finance leases

Contracts to lease assets to customers continue to be classified as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer in accordance with IFRS 16.

Finance lease receivables are stated in the balance sheet at the amount of net investment in the lease, being the present value of the future minimum lease payments. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Taxation

Tax expense represents the sum of the current tax and deferred tax.

Current tax is based on taxable profit for the year. 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.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial assets

The Company classifies financial assets 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. The classification is determined on initial recognition.

The Company classifies loans receivable, finance lease receivable, trade and other receivables and cash and cash equivalent as 'finance assets at amortised cost'. Derivative financial instrument assets not held within cash flow hedge relationships are classified as derivative financial instruments held for trading at FVPL.

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.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

1. Significant Accounting Policies (continued)

Financial assets at amortised cost

Financial assets at amortised cost are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

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.

Impairment of financial assets

The Company tests for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Financial liabilities

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

Loan payables

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

Where there is any substantial change in the terms of the loans payable, it is considered whether this is a modification or extinguishment of a financial liability in accordance with IFRS 9. If a non-substantial modification is deemed to have taken place, the carrying value of the loan is amended to include any modification gain or loss, new transaction costs and subsequently re-measured at amortised cost. The modification gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. Where it is considered an extinguishment has taken place, the carrying value is derecognised from the balance sheet, with any difference to the consideration paid recognised in the income statement within cost of sales.

Trade and other payables

Trade and other payables are measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair values of financial instruments that are traded in active markets are determined by quoted market bid prices at the close of business on the balance sheet date. For financial instruments not traded in active markets, fair values are determined using valuation techniques. Such techniques may include using recent arm's length market transactions, current fair values of similar financial instruments, discounted cash flow analysis, option pricing models, or other commonly used valuation models.

Derivative financial instruments and hedging activities

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

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

1. Significant Accounting Policies (continued)

Derivative financial instruments and hedging activities (continued)

The significant interest rate risk arises from the variability of cash flows on floating rate loans. The Company's policy is to convert a proportion of its floating rate debt to fixed rates using interest rate swaps. The Company designates these as cash flow hedges of interest rate risk. For an interest rate swap to be treated as a hedge, the instrument must be related to actual assets or liabilities or a highly probable commitment and must change the nature of the interest rate by converting a variable rate to a fixed rate or vice versa. Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts.

Derivative financial instruments are recognised at fair value on inception and are subsequently remeasured to their fair value at the end of each reporting period. Derivative fair values are determined from quoted prices in active markets where available. Credit and debit valuation adjustments are made where the impact is considered material.

The Company enters into one type of hedge relationship; hedges of the variability in cash flows from a recognised asset or liability or a forecast transaction (cash flow hedges). Hedge relationships are formally documented at inception. The documentation includes the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. This includes details of the risk that is being hedged and the way in which effectiveness will be assessed at inception and during the period of the hedge. The Company documents its risk management objective and strategy for undertaking hedge transactions. If a hedge relationship no longer meets the documented risk management objective or other qualifying criteria such as existence of economic relationship, credit risk not dominating value changes or the hedge ratio no longer being consistent with the risk management strategy, hedge accounting must be discontinued.

Cash flow hedges that qualify for hedge accounting

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective portion of the gain or loss on the hedging instrument is recognised directly in the cash flow hedge reserve within equity. The gain or loss relating to ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Hedge accounting is discontinued entirely when the hedge relationship no longer meets the risk management objective or no longer complies with the qualifying criteria, when the hedging instrument is sold or terminated. Hedge accounting is discontinued for only part of the hedge relationship for the volume of the hedged item, where it is no longer part of the hedge relationship, or where part of the volume of a forecast transaction is no longer highly probable.

On the discontinuance of hedge accounting (except where a forecast transaction is no longer expected to occur), the cumulative unrealised gain or loss recognised in equity is reclassified to profit or loss when the hedged cash flow occurs or, if the forecast transaction results in the recognition of a financial asset or financial liability, in the same periods during which the asset or liability affects profit or loss. Where the forecast transaction is no longer expected to occur, the cumulative unrealised gain or loss that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit and loss and are included in other gains/(losses). These, and other related items are included within other gains/(losses) are presented below operating profit.

Investment in subsidiaries

Investments in subsidiaries are initially measured at fair value and subsequently measured at cost. An impairment loss is recognised in the income statement when there is objective evidence that the investment is impaired.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

1. Significant Accounting Policies (continued)

Consolidation exemption

The Company is exempt from the requirement to prepare consolidated financial statements, under Section 401 of Companies Act 2006 as the Company is a wholly-owned subsidiary of Willow Group Holdings Limited (a Jersey incorporated entity) and the Company's results are consolidated within the financial statements of the parent entity, Willow Group Holdings Limited. The Willow Group Holdings Limited consolidated financial statements are available from the registered office, 2nd Floor Gaspe House, 66 - 72 Esplanade, St Helier, JE1 1GH, Jersey. The Company's financial statements therefore present information about the Company as an individual entity and not about the Group.

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.

Foreign currencies

The financial statements of the Company are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded using the exchange rates prevailing at dates of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary asset and liabilities, and on the retranslation of monetary items, are presented in the income statement within 'other (losses)/gains'.

2. Revenue

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Finance lease income from group undertakings	52,715	57,048
Interest received - group	150,719	134,839
Other interest receivable	252	265
Other Revenue	-	1
	<u>203,686</u>	<u>192,153</u>

Finance lease income relates to amounts due from lessees for the provision of rolling stock.

All revenue relates to United Kingdom operations.

3. Directors' and employees' emoluments

During the year, none of the directors received any remuneration for their services to the Company (2023: £nil). The remuneration of the directors is paid by another entity within the Group, Angel Trains Limited, which makes no recharge to the Company. The directors are directors of the Company as well as other subsidiaries within the Group, and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries. Accordingly, the financial statements include no remuneration in respect of the directors. Their total remuneration is included in the aggregate of directors' remuneration disclosed in the financial statements of Angel Trains Limited. The Company itself has no employees (2023: nil).

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4. Cost of sales

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Swap interest payable	51	633
Other interest payable	150,070	134,330
	<u>150,121</u>	<u>134,963</u>

Other interest payable includes interest due on external loans held by the Company, including an amount of £2,971,000 relating to the amortisation of loan fees during the year (2023: £4,865,000).

5. Administrative expenses

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Management fees	472	511
Other expenses	109	108
Total administration expenses	<u>581</u>	<u>619</u>

Profit before income tax for the year is stated after charging auditors' remuneration for audit services during the year of £102,240 (2023: £99,260). In addition to the auditors' remuneration stated above, fees charged by the auditors for other non-audit services during the year were £nil (2023: £nil).

6. Other gains/(losses)

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Currency translation losses	-	(1)
Recycling of amounts from cash flow hedge reserve	(2,748)	(3,593)
Hedge ineffectiveness on cash flow hedges	2,730	3,468
Fair value gains/(losses) on derivative instruments	13,072	(910)
	<u>13,054</u>	<u>(1,036)</u>

Recycling of amounts from cash flow hedge reserve includes cumulative losses reclassified in line with the hedged item from previously terminated hedge relationships of £2,748,000 (2023: £3,593,000).

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

7. Income tax charge

The charge for taxation based on the profit for the year is based on United Kingdom corporation tax at 25.0% (2023: 23.5%) and comprises:

	Year ended 31 December 2024	Year ended 31 December 2023
	£'000	£'000
Current tax charge		
Current tax charge on profits for the year	9,532	8,436
Adjustments in respect of prior years	(66)	3
Current tax charge	9,466	8,439
Deferred tax charge		
Origination and reversal of temporary differences	4,204	1,139
Effect of tax rate change	-	73
Deferred tax charge	4,204	1,212
Total tax charge	13,670	9,651

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 2024	Year ended 31 December 2023
	£'000	£'000
Profit before income tax	66,038	55,535
Expected tax charge at 25.0% (2023: 23.5%)	16,509	13,051
Transfer pricing adjustments	(3,952)	(4,700)
Other timing differences	1,179	1,224
Effect of change in tax rate	-	73
Adjustments in respect of prior years	(66)	3
Taxation charge for the year	13,670	9,651

In addition to the above, an increase in deferred tax liabilities of £18,477,000 (2023: £8,271,000 decrease in deferred tax liabilities) was debited through equity relating to hedging interest rate swaps.

The Company's profits for this accounting year are taxed at an effective corporation tax rate of 25.0% (31 December 2023: 23.5%).

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

8. Deferred tax assets/(liabilities)

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

	Other	Deferred tax on derivative instruments	Total
	£'000	£'000	£'000
At 1 January 2023	82	(74,394)	(74,312)
Credit to equity	-	7,774	7,774
Effect of change in tax rate in equity	-	497	497
Charge to the income statement for the year	(15)	(1,124)	(1,139)
Effect of change in tax rate in income statement	(1)	(72)	(73)
At 31 December 2023	66	(67,319)	(67,253)
Credit to equity	-	(18,477)	(18,477)
Effect of change in tax rate in equity	-	-	-
Charge to the income statement for the year	(17)	(4,187)	(4,204)
Effect of tax rate change in income statement	-	-	-
At 31 December 2024	49	(89,983)	(89,934)

The opening deferred tax balances are reflected at a rate of 25.0%, to reflect the projected average rate that deferred tax was expected to unwind at the 31 December 2023 balance sheet date.

In the Finance (No. 2) Act 2023, which received Royal Assent on 11 July 2023, the main rate of corporation tax remained at 25.0% for the financial year 2024. For the year ended 31 December 2024, closing deferred tax assets and liabilities are provided for at 25.0%.

A nil effect of change in tax rate has been reflected in the charge to the income statement for the year because the unwind of deferred tax has occurred during the year at the main rate of corporation tax.

9. Financial assets and liabilities by category

31 December 2024	Note	Derivatives held for trading at FVPL	Derivatives used for hedging	Financial assets at amortised cost	Total
Financial Assets as per balance sheet		£'000	£'000	£'000	£'000
Derivative financial instruments	17	45,415	284,730	-	330,145
Loans receivable	10	-	-	2,313,807	2,313,807
Finance lease receivable	11	-	-	606,902	606,902
Cash and cash equivalents	10	-	-	21,212	21,212
Total		45,415	284,730	2,941,921	3,272,066

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

9. Financial assets and liabilities by category (continued)

31 December 2024

Note

		Derivatives held for trading at FVPL	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
		£'000	£'000	£'000	£'000
Financial Liabilities as per balance sheet					
Derivative financial instruments	17	134	-	-	134
Loans payable	15	-	-	2,780,460	2,780,460
Trade and other payables (excluding non-financial liabilities)	13	-	-	107,507	107,507
Total		134	-	2,887,967	2,888,101

31 December 2023

		Derivatives held for trading at FVPL	Derivatives used for hedging	Financial assets at amortised cost	Total
		£'000	£'000	£'000	£'000
Financial Assets as per balance sheet					
Derivative financial instruments	17	36,972	206,707	-	243,679
Loans receivable	10	-	-	2,011,385	2,011,385
Finance lease receivable	11	-	-	659,539	659,539
Trade and other receivables (excluding prepayments)	10	-	-	215	215
Cash and cash equivalents	10	-	-	7,106	7,106
Total		36,972	206,707	2,678,245	2,921,924

		Derivatives held for trading at FVPL	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
		£'000	£'000	£'000	£'000
Financial Liabilities as per balance sheet					
Derivative financial instruments	17	-	2,727	-	2,727
Loans payable	15	-	-	2,552,626	2,552,626
Trade and other payables (excluding non-financial liabilities)	13	-	-	115,668	115,668
Total		-	2,727	2,668,294	2,671,021

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

10. Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise of cash held by the Company and as at 31 December 2024 was £21,212,000 (2023: £7,106,000). The carrying amount of these assets approximates to their fair value.

Other financial assets at amortised cost

	31 December 2024	31 December 2023
	£'000	£'000
Amounts falling due within one year		
Loans to intermediate parent company	200,000	200,000
Amounts falling due after more than one year		
Loans to intermediate parent and other group undertakings	2,113,807	1,811,385

As at 31 December 2024, the Company had loans issued to Angel Trains Group Limited of £1,060,516,000 (2023: £931,307,000). The loan is unsecured, bearing interest at the weighted average cost of debt of the senior facilities for the Group plus a margin. There is no fixed maturity date. As the Company has confirmed to other Group companies that they will not be calling any loans for repayment within the next 12 months all amounts due are shown as being due after more than one year. The directors consider that the carrying amount of the Company's floating rate loans receivable approximates to their fair value.

As at 31 December 2024, the Company had loans issued to Angel Trains Rolling Stock Limited of £841,843,000 (2023: £808,510,000). The loan is unsecured, bearing interest at the weighted average cost of debt of the senior facilities for the Group plus a margin. There is no fixed maturity date. As the Company has confirmed to other Group companies that they will not be calling any loans for repayment within the next 12 months all amounts due are shown as being due after more than one year. The directors consider that the carrying amount of the Company's floating rate loans receivable approximates to their fair value.

As at 31 December 2024, the Company had loans issued to Readypower Rail Services Limited of £84,541,000 (2023: £71,568,000). The loan is unsecured, bearing interest at the weighted average cost of debt of the senior facilities for the Group plus a margin. There is no fixed maturity date. As the Company has confirmed to other Group companies that they will not be calling any loans for repayment within the next 12 months all amounts due are shown as being due after more than one year. The directors consider that the carrying amount of the Company's floating rate loans receivable approximates to their fair value.

As at 31 December 2024, the Company had loans issued to Angel Trains Group Limited of £200,000,000 (2023: £200,000,000). Included in the loan at 31 December 2024 is interest of £nil (2023: £nil). The loan is unsecured, interest free and is repayable on demand. The Company has given assurances that the receivable will not be called within a period of one year from the date of signing the financial statements, if doing so would result in the recipient Company no longer being a going concern. The directors consider the carrying value of the Company's interest free loan receivable to approximate its fair value.

As at 31 December 2024, the Company had loans issued to Angel Infrastructure Limited of £126,907,000 (2023: £nil). The loan is unsecured, interest free and is repayable on demand. The Company has given assurances that the receivable will not be called within a period of one year from the date of signing the financial statements, if doing so would result in the recipient Company no longer being a going concern. The directors consider the carrying value of the Company's interest free loan receivable to approximate its fair value.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

10. Financial assets (continued)

Trade and other receivables

	31 December 2024	31 December 2023
	£'000	£'000
Amounts falling due within one year		
Trade and other receivables	1	215

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

11. Finance lease receivables

	Minimum lease payments 2024	Minimum lease payments 2023	Present value of minimum lease payments 2024	Present value of minimum lease payments 2023
	£'000	£'000	£'000	£'000
Amounts receivable under finance leases				
Within one year	98,128	105,351	53,728	56,936
In the second to fifth years inclusive	378,777	383,639	228,728	215,041
After five years	391,618	484,884	324,446	387,562
	868,523	973,874	606,902	659,539
Less: unearned finance income	(261,621)	(314,335)	0	0
Present value of minimum lease receivables	606,902	659,539	606,902	659,539

The finance leases are held with other Group companies for rolling stock. The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted approximates to 8.40% (2023: 8.40%) per annum.

The fair value of lease receivables is based on cash flows discounted using a weighted average cost of borrowings rate of 3.90% (2023: 3.91%) as at 31 December 2024 was £732,327,000 (2023: £808,057,000).

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

12. Investments

	Shares in group undertakings
	£'000
Cost and net book value	
At 1 January 2023	363,564
At 31 December 2023	363,564
At 31 December 2024	363,564

During the year ended 31 December 2024, the directors did not deem it necessary to impair investments.

Details of the Company's investment in subsidiaries at 31 December 2024 are as follows:

Entity	Year end	Business	Country of registration/ place of business	Holding of investment	Percentage interest %
Angel Leasing Company Limited	31 December	Leasing	England and Wales	Ordinary Shares	100%

The registered office for the Company's subsidiary is 123 Victoria Street, London, SW1E 6DE.

13. Trade and other payables

	31 December 2024	31 December 2023
	£'000	£'000
Accruals	17,165	22,398
Other taxation and social security	-	368
Other payables	90,341	92,902
	107,506	115,668

Accruals principally comprise amounts outstanding for accrued interest on the bonds issued.

At 31 December 2024, the Company owed £90,341,000 (2023: £90,341,000) to another Group company in respect of an outstanding settlement for interest rate swap terminations during the last three years and is repayable on demand. The directors consider that the carrying amount of other payables approximates their fair values, due to their short term nature.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

14. Current tax liabilities

	31 December 2024	31 December 2023
	£'000	£'000
Current tax liabilities	9,940	9,044

At 31 December 2024, the Company had current tax liabilities of £9,940,000 (2023: £9,044,000) payable to other Group companies. The amounts payable to other Group companies are unsecured and will be settled within the next 12 months.

15. Loans payable

	31 December 2024	31 December 2023
	£'000	£'000
Amounts falling due within one year		
External loans	112,572	127,572
Amounts falling due after one year		
External loans	2,386,813	2,222,186
Less unamortised fees	(13,572)	(16,015)
Loans from group undertakings	294,647	218,883
	2,667,888	2,425,054

The external loans included above are repayable as follows:

	31 December 2024	31 December 2023
	£'000	£'000
Within one year	112,572	127,572
Between one and two years	194,719	82,572
Between two and five years	1,209,610	1,049,949
Over five years	982,484	1,089,665
	2,499,385	2,349,758

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

15. Loans payable (continued)

The effective interest rates paid were as follows:

	31 December 2024	31 December 2023
External loans - fixed	5.49%	5.29%
Loans from group undertakings	4.92%	4.95%

In accordance with the fair value hierarchy within IFRS 13, the following items have been categorised as:

- Level 1 - secured bonds, based on quoted prices in active markets,
- Level 2 - secured notes based on referenced UK pound sterling gilt rates, and variable rate borrowings as directors consider that the carrying amount of the Company's variable rate borrowings approximates to their fair value.

Further details of the various levels can be found within note 1.

Borrowings arranged at fixed interest rates expose the Company to fair value interest rate risk. For the years ending 31 December 2024 and 31 December 2023, the directors estimate the fair value of the Company's external fixed rate loans to be as follows:

	31 December 2024	31 December 2023
	£'000	£'000
Carrying amount of external loans - fixed	1,358,292	1,416,957
Fair value of external loans - fixed	1,294,553	1,378,589

As at 31 December 2024, the Company had a loan with Angel Leasing Company Limited of £219,987,000 (2023: £153,868,000). This loan is unsecured, and bears interest at the weighted average cost of debt of the Group's senior facilities plus a margin. It has no fixed maturity date. The directors have received confirmation from its lenders that they will not be calling any loans for repayment within the next 12 months.

As at 31 December 2024, the Company had a loan with Angel Trains Limited of £74,659,000 (2023: £65,015,000). This loan is unsecured, and bears interest at the weighted average cost of debt of the Group's senior facilities plus a margin. It has no fixed maturity date. The directors have received confirmation from its lenders that they will not be calling any loans for repayment within the next 12 months.

External Loans	Maturity	Repayment*	Nominal interest rate	31 December 2024	31 December 2023
				£'000	£'000
Secured Bonds - Level 1					
£500m Notes	2035	Amortising	6.875%	247,000	271,400
£400m Notes	2031	Amortising	6.500%	276,000	292,000
£60m Notes	2031	Amortising	6.500%	41,400	43,800
				564,400	607,200

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

15. Loans payable (continued)

External Loans	Maturity	Repayment*	Nominal interest rate	31 December 2024 £'000	31 December 2023 £'000
Bank Loans and Notes - Level 2					
Senior RCF £500m	2028	Bullet	SONIA + margin	30,000	45,000
Senior Notes £30m	2031	Bullet	Fixed coupon	30,000	30,000
Senior Notes £200m	2034	Amortising	Fixed coupon	200,000	200,000
Senior Notes £100m	2037	Amortising	Fixed coupon	100,000	100,000
Senior Notes £85m	2032	Amortising	Fixed coupon	85,000	85,000
Senior Notes £300m	2033	Amortising	SONIA + margin	257,143	285,714
Senior Notes £430.4m	2027	Amortising	Fixed coupon	382,842	396,843
Senior £450m	2031	Amortising	SONIA + margin	450,000	450,000
Senior £150m	2031	Amortising	SONIA + margin	150,000	150,000
Senior £250m	2033	Amortising	SONIA + margin	250,000	-
				1,934,985	1,742,557

*Where amortising borrowings have not changed from prior years, amortisation is due to start in future years.

The above debt facilities and bonds are secured on the fixed assets, which mainly comprise rolling stock, of companies under 100% direct, or indirect ownership, of the ultimate parent undertaking Willow Group Holdings Limited.

16. Contingent liabilities

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

Willow Holdco 1 Limited:

£208,000,000 (of which £208,000,000 (2023: £266,000,000) has been drawn down) Junior loan agreements.

Angel Trains Group Limited and Angel Trains Limited:

£2,404,985,000 (of which £1,934,985,000 (2023: £1,742,558,000) remains outstanding) Senior loan and revolving facilities agreements.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

17. Derivative financial instruments

	31 December 2024	31 December 2024	31 December 2023	31 December 2023
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Current portion				
Interest rate swaps - used for hedging	-	-	-	-
Interest rate swaps - held for trading	134	134	-	-
Total current derivative financial instruments	134	134	-	-
Non-current portion				
Interest rate swaps - used for hedging	284,597	-	206,707	1,898
Interest rate swaps - held for trading	45,415	-	36,972	829
Total non-current derivative financial instruments	330,012	-	243,679	2,727

As at 31 December 2024, the Company had interest rate swap liabilities of £134,000 (2023: £829,000) that are subject to master netting arrangements that can be offset against interest rate swap assets (2023: assets) on default.

Interest rate swap instruments contained within formerly designated relationships are measured as fair value through profit or loss. Any remaining cumulative losses previously recognised directly in other comprehensive income are reclassified to profit or loss over periods when profit or loss is impacted by the hedged item within other gains/(losses). Amounts taken to profit or loss during the year are detailed in note 6.

The fair value of interest rate swaps held by the Company is calculated as the present value of the estimated future cash flows based on observable yield curves. As such, these instruments are measured using Level 2 valuations within the IFRS 13 fair value hierarchy, details of which can be found in note 1. Further details of derivative financial instruments are provided in note 20.

18. Reserves

	Capital reserve	Hedging reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000
At 1 January 2023	200,000	174,575	23,035	397,610
Loss recognised on cash flow hedges:				
Interest swaps (net of tax)	-	(22,289)	-	(22,289)
Profit for the year	-	-	45,884	45,884
Dividends paid	-	-	(30,000)	(30,000)
Dividends called back	-	-	6,965	6,965
At 31 December 2023	200,000	152,286	45,884	398,170
Gain recognised on cash flow hedges:				
Interest swaps (net of tax)	-	57,120	-	57,120
Profit for the year	-	-	52,368	52,368
At 31 December 2024	200,000	209,406	98,252	507,658

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

18. Reserves (continued)

As at 31 December 2024, the Company had included within 'Hedging reserves', £221,739,000 (2023: £166,405,000) relating to continuing cash flow hedges. Hedging reserves are considered to be non-distributable, therefore, the total reserves distributable to the Company's shareholders are £298,252,000 (2023: £245,884,000).

19. Called up share capital

	31 December 2024	31 December 2023
	£	£
Authorised:		
140,000,100 (2023: 140,000,100) Ordinary shares of £1	140,000,100	140,000,100
Issued, called up and fully paid:		
140,000,001 (2023: 140,000,001) Ordinary shares of £1	140,000,001	140,000,001

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

20. Financial risk management

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

Market risk

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

The Company is not materially exposed to currency risk as nearly all its assets and liabilities are UK based and denominated in pound sterling; there was an insignificant amount of foreign currency transactions during the current and prior years.

Cash flow interest rate risk management

The Company's activities expose it primarily to the financial risks of changes in interest rates. The Company enters into interest rate swaps to mitigate the risk of rising interest rates. The Group's policy is to maintain a minimum fixed rate profile of 75% of its committed senior debt. This is achieved by either issuing fixed rate debt or converting a proportion of its floating rate debt to fixed rate debt. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. Where permissible under IFRS 9, the Group designates these as cash flow hedges of interest rate risk. Swaps previously held within hedging relationships that have been discontinued are assessed on an ongoing basis to be included within new hedge relationships. The Company does not use derivative financial instruments for speculative purpose.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

20. Financial risk management (continued)

Market risk (continued)

Cash flow interest rate risk management (continued)

Interest rate swaps issued in pounds sterling with a notional of 998.4m (2023: 887.8m) currently reference SONIA, and are designated as cash flow hedges. An assessment of changes required to these instruments continued during the year. As noted in the accounting policies section, the Company early adopted 'Interest Rate Benchmark Reform – Amendments to IFRS 7, IAS 39 and IFRS 9' in 2019, concluding that a change in the LIBOR interest rate benchmark arrangements would not be considered a modification to the hedging instrument and would not impact the hedge relationship.

Effects of hedge accounting on the financial position and performance

The cumulative effect of the interest rate swaps held in designated relationships on the Company's financial position and performance are as follows:

	2024	2023
	£'000	£'000
Derivative financial instruments - interest rate swaps		
Carrying amount (asset)	284,597	206,707
Carrying amount (liability)	-	(1,898)
Notional amounts	998,405	887,817
Maturity date	2027 - 2056	2027 - 2049
Hedge ratio *	1:1	1:1
Change in fair value of outstanding hedge instruments since 1 January	81,166	(13,016)
Change in value of hedge item used to determine hedge effectiveness	83,703	(9,074)
Weighted average hedged rate for the year	1.8%	1.6%

* the notional profile of the designated interest rate swaps and loans matched on inception, therefore the hedge ratio is 1:1.

Hedge ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Company enters into interest rate swaps that have similar critical terms as the hedged item, such as reference date, reset dates, payment dates, maturities and notional amounts. Prospective testing is carried out using the cumulative dollar offset method with the hypothetical derivative approach whereby the change in fair value of the hedging instrument is compared to the change in fair value of the hedge item attributable to the hedged risk. Hedge ineffectiveness may occur due to mismatches in critical terms between the hedging instrument and the hedged item such as notional amounts and interest reset frequencies. The lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item is recognised through other comprehensive income, if the effectiveness requirements of IFRS 9 are continued to be met.

The Company does not hedge 100% of its loans, therefore the hedged item is identified as a portion of the outstanding loans up to the notional amount of the swaps that have not been previously included in another hedge designation. As most of the critical terms matched during the year, the Company's economic relationships were highly effective.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

20. Financial risk management (continued)

Market risk (continued)

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating interest rate amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the issued variable rate debt cash flow exposures. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

The following tables detail the notional principal amounts and the remaining terms of interest rate swap contracts outstanding as at the reporting date.

Interest rate swap contracts

Derivative Financial instruments - Liabilities

Outstanding receive floating pay fixed rate	Average contracted fixed interest rate 2024	Average contracted fixed interest rate 2023	Notional principal amount 2024 £'000	Notional principal amount 2023 £'000	Fair value liabilities 2024 £'000	Fair value liabilities 2023 £'000
Within 1 year	5.09%	-	120,480	-	(134)	-
Between 1 and 2 years	-	5.09%	-	125,324	-	(829)
Between 2 and 5 years	-	-	-	-	-	-
Over 5 years	-	3.68%	-	18,298	-	(1,898)
			120,480	143,622	(134)	(2,727)

Derivative Financial instruments - Assets

Outstanding receive floating pay fixed rate	Average contracted fixed interest rate 2024	Average contracted fixed interest rate 2023	Notional principal amount 2024 £'000	Notional principal amount 2023 £,000	Fair value assets 2024 £'000	Fair value assets 2023 £'000
Within 1 year	5.09	-	120,480	-	134	-
Between 1 and 2 years	-	5.09	-	125,324	-	829
Between 2 and 5 years	1.45	1.45	324,573	356,376	22,995	24,374
Over 5 years	2.05	1.76	1,176,622	1,022,333	307,017	218,476
			1,621,675	1,504,033	330,146	243,679

The interest rate swaps were settled on a 3 and 6 monthly basis using 1, 3 and 6 month GBP SONIA respectively. The Company settles the difference between the fixed and floating interest on a net basis.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

20. Financial risk management (continued)

Derivative Financial instruments - Assets (continued)

Interest rate swaps that exchange fixed rate interest amounts for floating rate interest amounts reduce the Company's cash flow exposure resulting from variable interest rates on borrowings. During the year, the interest rate swap payments were settled every 3 and 6 months with loan interest payments settled monthly and quarterly as eligible under the Senior Facilities Agreement 2018 (restated).

Interest rate sensitivity analysis

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

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

- Profit/(loss) for the year ended 31 December 2024 would increase by £27,305,000 (2023: £29,673,000) and decrease by £27,305,000 (2023: £29,673,000) mainly as a result of the changes in fair value of fixed rate instruments no longer in hedge relationships.
- Cash flow hedge reserves current surplus would decrease by £87,793,000 (2023: £102,672,000) and increase by £87,793,000 (2023: £102,672,000) respectively mainly as a result of the changes in fair value of fixed rate instruments.

The increase/decrease in sensitivity for Company profit mostly relates to interest rate swap contracts that are no longer meeting the requirement for cash flow hedge accounting. This is expected to be short term in nature as they form part of the Company's medium to long term funding strategy.

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 through the optimisation of the debt and equity balance. The capital structure of the Company consists of equity attributable to owners of the Company, comprising issued capital, reserves and accumulated losses as disclosed in notes 18 and 19.

Credit risk

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

The Company's principal financial assets are finance lease receivables, derivative instruments, cash and cash equivalents, trade and other receivables and loans receivable, owed by other members of the Group. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk and its guarantees as disclosed in note 16.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are other Group companies and banks with high credit ratings assigned by international credit-rating agencies. For derivative financial instruments refer to note 17.

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

Loan Ratio

The key performance indicator that the directors consider is the ratio of loan and lease receivables to loans payable. The loan ratio in 2024 was 1.05 (2023: 1.04). A target ratio of below 1.20 is considered by the directors to be an efficient utilisation of group funding by the Company.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

20. Financial risk management (continued)

Liquidity risk

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

Liquidity management within the Company focuses on both overall balance sheet structure and control, within prudent limits, of risk arising from the mismatching of maturities across the balance sheet. For loans payable refer to note 15. For trade and other payables refer to note 13.

(a) Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

	2024	2023
	£'000	£'000
Floating rate		
Expiring beyond one year (senior facilities and notes)	470,000	705,000

The Company has an upper drawdown limit on the senior revolving credit facility of £500,000,000 (2023: £500,000,000) of which £470,000,000 was undrawn as at 31 December 2024 (31 December 2023: £455,000,000). During the year, the Company fully drew down on a £250,000,000 10 Year Term Facility (2023: £250,000,000 outstanding).

(b) Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts included in the table are the contractual undiscounted cash flows, except for net settled derivative financial instruments, which are included at their fair value. As a result, these amounts do not reconcile to the amounts disclosed on the balance sheet except for trade and other payables where discounting is not applied.

	Within one year	Between one and two years	Between two and five years	Over five years	Total
2024	£'000	£'000	£'000	£'000	£'000
Trade and other payables (excluding non-financial liabilities)	107,507	-	-	-	107,507
Loans payable external	112,572	194,719	1,209,610	982,484	2,499,385
Interest payable on external loans	121,528	111,904	236,872	117,598	587,902
Loans from group undertakings	-	294,647	-	-	294,647
Derivative financial instruments	134	-	-	-	134
Interest payable on loans from group undertakings	14,442	-	-	-	14,442
Total	356,183	601,270	1,446,482	1,100,082	3,504,017

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

20. Financial risk management (continued)

Liquidity risk (continued)

	Within one year	Between one and two years	Between two and five years	Over five years	Total
2024	£'000	£'000	£'000	£'000	£'000
2023					
Trade and other payables (excluding non-financial liabilities)	115,668	-	-	-	115,668
Loans payables external	127,572	82,572	1,049,949	1,089,665	2,349,758
Interest Payable on external loans	116,991	111,240	268,363	173,724	670,318
Loans from group undertaking	-	218,883	-	-	218,883
Derivative financial instruments	-	-	-	2,727	2,727
Interest payable on loans from group undertakings	10,744	-	-	-	10,744
Total	370,975	412,695	1,318,312	1,266,116	3,368,098

At year end, the Company had access to undrawn borrowing facilities of £705,000,000 (2023: £470,000,000) .

21. Parent companies

The Company's immediate parent company and parent undertaking of the smallest group of undertakings to consolidate these financial statements is Angel Trains Group Limited. The registered office and address where consolidated financial statements can be obtained from is 2nd Floor Gaspe House, 66 - 72 Esplanade, St Helier, JE1 1GH, Jersey.

The Company's ultimate parent of the largest group into which the Company is consolidated is Willow Group Holdings Limited (acquired Willow Topco Limited and its subsidiaries on 14 November 2024), which is incorporated and registered in Jersey. The registered office is 2nd Floor Gaspe House, 66 - 72 Esplanade, St Helier, JE1 1GH, Jersey.

22.Dividends

	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
	Pence per share	Pence per share	£'000	£'000
Dividends	-	16.45	-	23,035

No Dividends were paid by the Company during the year (2023: £23,035,000).

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

23. Related party transactions

In addition to the subsidiary listed in note 12 and parent companies listed in note 21, the Company has related party relationships with the directors and the following Group entities:

Willow Group Midco Limited *

Willow Group Limited *

Willow Topco Limited *

Willow International Limited *

Willow Europe Holdco 1 DAC *****

Willow Europe Holdco 2 DAC *****

Angel Trains Europe DAC *****

Angel Trains Holdings Limited *

Angel Trains Rolling Stock Limited *

Angel Trains Group Limited **

Willow Holdco 1 Limited *

Willow Holdco 2 Limited *

Angel Infrastructure Limited **

Angel Trains Limited **

Angel Trains Consulting Limited **

Angel Locomotive Leasing Limited **

Readypower Group Limited ***

Readypower Rail Services Limited ***

Readypower Terrawise Limited ***

Readypower Complete Drain Clearance Limited ***

Force One Limited ***

Jamie-Lee Cooper Limited ***

Readypower Canada Limited ****

Total Rail Solutions Limited ***

Mithras Rail Holdings Limited **

Cambrian Rail Leasing No. 1 Limited **

Cambrian Rail Leasing No. 2 Limited **

Valley Rail Leasing No 1 Limited **

Valley Rail Leasing No 2 Limited **

Cambrian Rail Partnership No.1 LLP ****

Cambrian Rail Partnership No.2 LLP ****

Valley Rail Partnership No.1 LLP ****

Valley Rail Partnership No.2 LLP ****

Caledonian Rail Leasing Limited **

345 Rail Leasing Limited ****

London Rail Leasing Limited **

* The registered office is 2nd Floor Gaspe House, 66 - 72 Esplanade, St Helier, JE1 1GH, Jersey.

** The registered office is 123 Victoria Street, London, SW1E 6DE.

*** The registered office is Unit 620, Wharfedale Road, Winnersh, Wokingham, England, RG41 5TP.

**** The registered office is 3rd Floor (South), 200 Aldersgate Street, London, EC1A 4HD.

***** The registered office is 22 Adelaide St. W., Ste. 3600, Toronto, Ontario, Canada, M5H 4E3.

***** The registered office is 76 Sir John Rogerson Quay, Dublin 2, Ireland.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

23. Related party transactions (continued)

Trading transactions

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

Accounts with	Income /Interest received	Purchases /Interest paid	Amounts owed from related parties	Amounts owed to related parties
	£'000	£'000	£'000	£'000
2024				
Parent	76,057	3,762	1,483,374	90,341
Fellow Subsidiaries	107,326	11,901	1,660,194	294,646
Total	183,383	15,663	3,143,568	384,987
2023				
Parent	68,392	8,696	1,301,580	102,809
Fellow Subsidiaries	107,463	10,883	1,539,617	221,443
Total	175,855	19,579	2,841,197	324,252

24. 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 received interest of £112,528,000 by way of increasing loans receivable by £112,528,000.
- The Company paid interest of £2,155,000 by way of increasing loans payable by £2,155,000.

25. Reconciliation of liabilities arising from financing activities

	Loans Payable (Note 15)	Derivative financial instruments (Note 17)	Total
	£'000	£'000	£'000
At 1 January 2023	2,475,582	1,407	2,476,989
Financing cashflows	57,202	-	57,202
Non-cash changes	19,842	1,320	21,162
At 31 December 2023	2,552,626	2,727	2,555,353
Financing cashflows	217,290	-	217,290
Non-cash changes	10,544	(2,593)	7,951
At 31 December 2024	2,780,460	134	2,780,594

'Non- cash changes' include amortisation of financing costs to profit and loss during the year.

The Great Rolling Stock Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

26. Events after the balance sheet date

The Company re-registered as a Private Limited Company under the Companies Act with Companies House on the 19th February 2025. This was as a result of not expecting to require further funding from the bond markets in the short to medium term. The re-registration aims to reduce the administrative burden associated with being registered as a Public Limited Company.

Except for that noted above, 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.