

Registration number: 03118392

# Freightliner Limited

Unaudited Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2023



## Freightliner Limited

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# **Freightliner Limited**

## **Company Information**

**Chief executive** Mr Timothy Colin Shoveller

**Directors** Mr Christopher Lawrenson  
Mr David James Penney

**Company secretary** Ms Sally Jane Watts

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E14 5HP

## Freightliner Limited

### Strategic Report for the Year Ended 31 December 2023

The directors present the strategic report for the year ended 31 December 2023.

#### **Fair review of the business**

##### **Our Business:**

The UK group was part of Genesee & Wyoming Inc (G&W) at 31 December 2023, however there has been a subsequent group restructure, which separated the UK & European operations from US operations for G&W. This has been further explained in Note 26. G&W is a market leading owner and operator of freight railroads, owning or leasing 115 freight railroads worldwide with 7,000 employees servicing 3,000 customers across four North American regions and four Canadian provinces. Freightliner Limited forms part of the UK & Europe Group, headed by Freightliner Group Limited.

The UK group of companies operates market leading Rail, Road and Terminals services across Intermodal Logistics and Heavy Haul markets, employing 3,000 people under the Freightliner and Pentalver brands.

Through the unique combination of our owned rail, terminals and road assets, the UK group under both brands, is the UK's largest maritime intermodal logistics provider. The UK group offers Intermodal Logistics solutions for all the major shipping lines and a wide portfolio of other customers, handling container movements from all main deep-sea ports to our national network of inland terminals. This 'end to end' solution, simplifies and streamlines supply chain management for customers, with one point of contact to manage the full journey. The UK group has a capability to run more than 80 daily services and move more than 770,000 maritime containers per year, between the deep-sea ports of Felixstowe, Southampton and London Gateway to all major conurbations in the UK. Pentalver is a leading UK container logistics services provider. With over 30 years' experience, Pentalver offers a diverse range of container services, including road haulage, container storage, repairs, sales and conversions, refrigeration services and cargo handling.

Freightliner Heavy Haul rail operations include a core bulk rail haulage solution, that can be adapted and built upon to form a bespoke service to meet customer needs. Solutions developed include the use of Freightliner or customer wagons and can involve the full ownership and operation of bulk terminals on behalf of customers. The Heavy Haul division offers a maintenance service, from wagon and loco maintenance to track maintenance, including the support of Network Rail network maintenance – all designed to keep our own and our customer assets operating at peak performance.

##### **Our Financials:**

Revenue was affected by the depressed macro environment impacting our Intermodal business partially offset by a strong Heavy Haul. Despite strong Heavy Haul performance, overall revenue was lower year on year with Intermodal flows impacted by a challenging macro environment.

During the year, the weaker economy and trading environment resulted in reduced Intermodal market activity, flowing through to terminal and road operations. Despite this, we have held our Intermodal Rail market share during the period at ~55% (2022: 55%) and engaged in significant initiatives to drive efficiency and protect margins across the business. The company has continued to deliver strong growth in the Heavy Haul market with success during the year in a number of areas. New contracts have been signed with key customers across both Intermodal and Heavy Haul business units, in addition to the continued expansion of our customer portfolio. Activity undertaken during the year has set the business up for efficient future growth as the market strengthens.

## Freightliner Limited

### Strategic Report for the Year Ended 31 December 2023 (continued)

#### Operations:

Through strong planning and communication, we were able to effectively manage the disruption caused by the Network Rail Industrial Relations activity in the early part of the year. We continue to work closely with our people to ensure any potential risk to the business is mitigated.

Delivering for our customers through high performing operations continues to be a key focus for the business. We've delivered year-on-year safety improvements to our industry leading performance, investing in training and maintaining assets to the highest standards. The relentless focus on both service and efficiency have supported our growth agenda, while significant 'back office' enhancements to both process and systems have made it significantly easier for our customers, suppliers, and ourselves to work together.

Following the positive improvements delivered, we continue to invest heavily in future growth across all delivery platforms. At our port and inland Terminals, our investment in a Vehicle Booking System and automated terminal gates allows for industry leading terminal turnaround times; on Road and Rail we are investing in new technologies to support a safe and efficient operation, while the ability to track and trace containers for the full journey gives real time information to our customers, allowing best-in-class supply chain management.

We continue to pioneer the shift from road to rail, driving a more efficient and sustainable service in support of a reduced carbon footprint for ourselves and our customers. We acknowledge our responsibility in contributing to the delivery of net carbon zero status and are committed to investing in a sustainable future through informed data, alternative fuels, and innovative decarbonisation technologies.

The Group remains focussed on improving the long-term future of the UK & Europe business. To support this, its approach to allocation of capital is to prioritise the following:

- Investment in growth through capital and operating expenditure to drive increased revenue and margin
- Continued investment in employees through regular training programmes
- Utilise cash to meet the working capital requirements of the Group

The markets we operate in remain highly competitive, with our pricing and cost base under constant review to ensure we are balancing service and cost effectively for our customers. We are however well placed in our markets to deliver for our customers and to continue to maximise market opportunities during 2024 in order to continue to drive our growth agenda

The Company's principal key financial performance indicators are noted below and these have been discussed as part of the Business review. There are no non-financial key performance indicators upon which business performance is measured.

	Unit	2023	2022
Turnover	£'000	188,097	216,613
Gross margin	%	6	10
Net (loss) before taxation	£'000	(32,619)	(8,306)
Net Assets	£'000	102,303	150,271
Net Assets excluding pension liability	£'000	91,653	119,700

During H1 2024, Genesee & Wyoming group has been restructured which separated the US and UK operations of the Genesee & Wyoming group. This has led to various organisational changes in the group structure for the UK business. The UK operations are no longer part of Genesee & Wyoming Inc. and instead lead its own UK & Europe operations, under the brand Freightliner Group Limited. Further detail can be found in the post balance sheet events section in Note 26.

## Freightliner Limited

### Strategic Report for the Year Ended 31 December 2023 (continued)

#### Principal risks and uncertainties

##### Health and Safety:

The company is required, by statute, to hold a current Safety Certificate. To secure a Safety Certificate the company must submit to the Office of Rail and Road a Railway Safety Case (RSC), a document defining the safety management system. Management actively monitors risks in the business and strive for a zero injuries workplace.

##### Strategic and commercial risks:

UK GDP performance has been slow to recover from the pandemic with low growth forecast in the near term. We have seen high levels of inflation and interest rates, coupled with an erosion in real terms income despite high wage growth. Household consumption, a major driver of intermodal volumes, has also underperformed total GDP growth. Despite these economic headwinds, there are a number of factors that point towards a positive outlook for Rail freight.

The UK Transport Secretary announced a target 75% minimum increase in rail freight volumes by 2050. Rail freight also continues to be recognised as one of the most carbon efficient transport forms, supporting the ongoing decarbonisation agenda for customers. Our focused efforts on customer proposition and delivering effective business solutions, allows us to protect and grow market share in a competitive environment and continue to deliver against our business growth strategy in both Intermodal and Heavy Haul markets.

The portfolio of business activities across the group help to mitigate demand shortfalls in any area, as evidenced through the global supply chain congestion post Brexit and the pandemic.

We continue to work extremely closely with all our colleagues, customers, and suppliers, to ensure appropriate action is taken to mitigate any inflationary risk, including through positive cost and price discussion.

Through strong planning and communication internally and externally, we are able to largely mitigate the impact of industrial relations activity on the business. We are working extremely closely with our colleagues to ensure we continue to provide a great place to work and a highly competitive reward structure. In an industry where key skills shortages are prevalent, we have a strong track record of recruiting, developing, and retaining great people and believe we will continue to do so through our continued investment in this area.

As we invest in new technologies to support our growth strategy, including delivering an efficient back office, we are mindful of the growing cyber security risk. Our assurance programmes within this area ensure that the systems and infrastructure within the business are adequately protected against this risk.

The conflict between Russia and Ukraine has no direct impact on UK revenues and has not had any material impact on cost base and profitability. Any impact from a higher fuel price is mitigated through contractual mechanisms and to date any impact on cost prices has been managed through to an immaterial profit impact through strong procurement processes.

The disruption to vessels caused by the recent attacks within the Red Sea will likely cause some peaks and troughs in volume as re-routed vessels are delayed into the UK. We are working with customers to protect service and provide storage capacity as required, in addition to reflecting capacity changes within our operating cost base.

The strategies taken by the company to manage the risks faced by the company have reduced the likelihood of risks having a significant impact on the business. We remain confident that our strategy, people, and organisational resilience, position us well to make continued progress.

## Freightliner Limited

### Strategic Report for the Year Ended 31 December 2023 (continued)

#### Section 172(1) statement

The Directors must act in a way they consider would be most likely to promote the success of the Group for the benefit of its stakeholders. These stakeholders and actions taken by the Group are detailed below:

**Long-term consequences of decisions** – The Group aims to secure its long-term prospects and viability by seeking out strategies that provide mutual long-term benefits to its stakeholders and members. These are considered through regular meetings of the senior management team, periodic engagement with its shareholders and the formal preparation and adoption of a 5-year Strategic Plan. This includes determining the capital investment required to meet growth, customer, and safety needs. The annual review of the Group's strategy encompasses the long-term implications for stakeholders and members.

**Key decisions in the year** – During the year, the Directors have taken key decisions in a number of areas to strengthen the short and long term outlook of the Group. Principal decisions include a restructuring and refinancing process and an efficiency programme to drive a leaner operation and strengthen margins. While our ultimate ownership structure remains unchanged, the restructure and refinancing programme undertaken, allows us to be more agile and respond to changes in the market to achieve our growth ambitions and financial goals. Commencing in 2023, the process completed in H1 2024. The Directors also led a Group wide cost and efficiency review. This considered current and future activity forecasts and targets as well as ways of working, to ensure that the business is sized and operated in a way to handle short term market challenges, while remaining best placed to grow efficiently in line with targets.

**Maintaining our licence to operate** – The Directors have ensured that the operating licences are maintained by following the maintenance requirements and health and safety requirements.

**Interest of employees** – The Group's employees reflect our culture and values and are essential to delivering on our mission of developing long-term customer relationships and business growth. The Group has several means of communicating with its employees in terms of business performance and other important decisions. These communication methods include quarterly business updates from the CEO, regular internal communications on new business wins and other topics of interest to colleagues, quarterly meetings of the Senior Leadership Team (SLT) with union reps from all four unions to discuss quarterly business performance. The SLT also hold regular online townhall forums to inform employees of important developments and decisions.

The Group has a strong culture of Health & Safety and strives for zero injuries, every day. In support of our health and safety culture, the business has a comprehensive health and safety training plan that it delivers across platform and grades according to need. A freely accessible internal information hub is maintained of all policies and relevant employee information.

**Need to foster the Group's business relationships** – The Group's customers include large international shipping lines through to small local businesses. The Group's customers rely on us to fulfil their obligations and the Group's suppliers allow us to meet their needs.

The Group actively works towards the acquisition of new customers through a range of existing industry relationships and tendering processes. The supply of services is dependent on the continuing collaboration with a range of third-party suppliers on a long-term basis. Commercial and operational teams have regular and timely communication with key customers and suppliers to understand their needs to assist us in fulfilling their objectives.

## **Freightliner Limited**

### **Strategic Report for the Year Ended 31 December 2023 (continued)**

Impact on communities – We believe supporting our communities strengthens our community ties and fosters an awareness of our long-term goals. Our staff charity nomination scheme sees our employees’ nominating charities, which they have a personal connection, to which donations are made. The Group, further, sponsors local sports clubs across the UK that our staff have a connection with. The UK Group made £52k of charitable donations in the current year.

Impact on the environment – As one of the UK’s leading transportation service providers, we take our environmental responsibilities seriously and recognise the importance of our environmental performance as part of our overall business success. The Group has an ongoing focus on increasing the sustainability of our operations and will continue to play a pivotal role in ensuring that the UK economy can fully decarbonise by 2050.

The Group’s Environment and Sustainability Group (ESG) coordinates our environmental and sustainability workstreams to ensure that the business is positioned to further enhance our environmental and sustainable credentials. As part of our Integrated Management System (IMS), we will develop, maintain, and continually improve an Environmental Management System (EMS) in line with the requirements of ISO 14001 and seek external accreditation for relevant operations to ensure we achieve all our compliance objectives and that our operational activities prevent pollution and embrace environmental opportunities.

High standard of business conduct – The Group and its employees are subject to the Code of Ethics of Genesee & Wyoming Inc (“Code”). The Code sets forth general guidelines of business practice and is intended to help educate our staff about the laws that affect our business; help our employees understand the type of behaviour that is expected, and to serve as a guide when we face legal or ethical questions.

The Group’s internal and external policies are reviewed by the Directors and senior management to ensure compliance with anti-bribery, modern slavery, environmental, safety standards, tax and financial standards. The Group operates an internal audit program overseeing the financial and non-financial policies and procedures put in place.

To act fairly between members of the Group – The Group and its employees are subject to the Code of Ethics of Genesee & Wyoming Inc (“Code”). The Code sets forth general guidelines of business practice and is intended to help ensure fairness between members of the Group.

Stakeholder engagement- We run an Employee Pulse Survey to listen to our colleagues and take a temperature check on engagement issues that are important to them and us. The feedback identifies areas for improvement which will help to make Freightliner a great place to work. In the latest (January 2024) survey, over 1200 employees responded, of which 59% were frontline colleagues. Our Employee Net Promoter Score has improved by 11 points year on year and we have a clear view of the areas we need to focus on to improve colleague satisfaction.

Our CEO and the leadership team takes the survey results seriously and reads all the comments. A key area for improvement is the communication of change at work, which is our lowest scoring question. In addition to the survey question responses, 366 comments/questions were left as part of the responses which give us additional insights. The comments are grouped into themes which are part of an action plan for each business platform. Each theme is followed up at group level by the relevant director, and site-specific comments are followed up by location by local leaders who take responsibility for communicating the actions taken. The top 10 comment themes (highest number of comments) were: Pay and conditions, Praise, Leadership and management, Communication within team, Progression training and development, Workplace facilities, Safety, Business strategy and Communicating strategy and performance. Our CEO also uses the location feedback as preparation for site visits so he can assess progress.

The UK group has a number of ongoing projects which aim to ensure all employees are treated fairly. Refer to the Directors Report for further information.

## Freightliner Limited

### Strategic Report for the Year Ended 31 December 2023 (continued)

During the period the directors continued to monitor progress against the Group's strategy, as highlighted in the principal activities section of the strategic report of the company, and decisions made by the directors were in respect of operational matters.

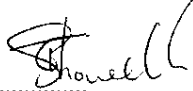
#### Future developments

The directors expect rail haulage to continue to face challenges from other modes of transport which provide competition to the business. The strategic review conducted by the business and resultant plans, leave us well placed to continue to drive growth in this environment.

The following matters have been covered in the Directors' Report:

- Directors of the company;
- Principal activity;
- Employment of disabled persons;
- Employee involvement;
- Dividends;
- Social and community issues;
- Streamlined energy and carbon reporting;
- Going concern;
- Important non adjusting events after the financial year;
- Directors' liabilities;
- Disclosure of information to the independent auditors.

Approved by the Board of Directors on 25 September 2024 and signed on its behalf by:



.....  
Mr Timothy Colin Shoveller  
Chief executive

## Freightliner Limited

### Directors' Report for the Year Ended 31 December 2023

The directors present their report and the unaudited audited financial statements for the year ended 31 December 2023.

#### Directors' of the company

The directors, who held office during the year, were as follows:

Mr Christopher Lawrenson

Mr Shaun Allen (ceased 29 September 2023)

Mr William Thomas Wright (ceased 2 May 2024)

Mr Blake Jones (ceased 5 November 2023)

Mr Timothy Colin Shoveller - Chief executive (appointed 3 October 2023)

The following director was appointed after the year end:

Mr David James Penney (appointed 1 May 2024)

#### Principal activity

The company is a provider of trunk rail services between United Kingdom ports and a network of inland rail freight interchanges (terminals). The company operates a fleet of road vehicles that complement the rail service by offering local road haulage to and from the inland terminals. In addition, the company also provides storage for containers at its inland freight terminals.

#### Employment of disabled persons

The company is committed to equal opportunities for all in recruitment and employment. We aim for our workforce, across both our UK and European entities, to be truly representative of all sections of society, of the geographies in which we operate, and of our customer base. Our aim is that all employees feel respected at work so that they can give of their best and aims to create an environment which enables them to work effectively as part of the company. We aim to ensure that the Company, and our people as representatives of the Company, do not unlawfully discriminate in contravention of the Equality Act 2010 on the grounds of age, disability, gender, race, religion/belief or sex/sexual orientation, or any other protected characteristic.

In situations where one of our employees becomes disabled, either under the statutory definition, or are unfit for their allocated duties, then our policy is to look to accommodate those individuals in their current role by making reasonable adjustments, or by identifying alternative employment/roles that they can do. We will also adapt working hours (part time or flexible to suit their needs under our Flexible Working Policy) or offer Hybrid working under our Hybrid working policy if it means they can continue in active employment with us. In cases of long-term illness/disability, we work with our employees to accommodate phased returns to work, provide support via occupational health and Employee Assistance Programme (EAP) and, where there is a need to redeploy to a role of lesser monetary value then we have processes to do this on a phased basis. During 2024 we have also sought to educate our employees and management team on diversity and inclusion in the workplace and to promote and educate on neuro diversity.

## **Freightliner Limited**

### **Directors' Report for the Year Ended 31 December 2023 (continued)**

#### **Employee involvement**

On a monthly basis a Teams call is held with 120+ leaders in the business to update on business financial and safety performance and to highlight other topics of note or interest. These calls are recorded and subsequently disseminated post meeting, along with briefing notes, so that all leaders can then cascade via their teams. On a quarterly basis, a similar "All employee" call is held with the same purpose. Employees are given an opportunity to raise any questions either in advance of the call, via chat on Teams during the call, or subsequently via a dedicated email address. All staff pulse surveys are undertaken at least once a year, with feedback provided via the all staff call and via local management. Questions raised are responded to either directly where an email address has been provided or where there are themes to issues raised via dedicated "You Said, We Did" updates. You Said, We Did boards also operate locally at the majority of our sites. Additionally, Executive team members will routinely undertake site visits, engage with local staff and do town halls as appropriate. Most of our operational staff are covered by union agreements and regular local council, business council and joint safety committee meetings are held to ensure that all and any issues raised are addressed locally in so far as possible, and timely. Quarterly update meetings are also held with Union representatives and members of the Executive to update on business performance and key initiatives.

#### **Post balance sheet events**

Post balance sheet events are disclosed in Note 26 of the financial statements.

#### **Dividends**

The directors do not propose a dividend for the year ended 31 December 2023 (2022: £nil). There was no dividend paid during the year (2022 : £nil)

## **Freightliner Limited**

### **Directors' Report for the Year Ended 31 December 2023 (continued)**

#### **Financial risk management and objectives**

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk. The Company aims to minimise these risks through its forward looking strategy. These are detailed further within the principal risks and uncertainties section of the Strategic Report.

The principal risks and uncertainties of the business are detailed below:

#### **Future economy:**

The Company has considered the impact of wider macro-economic issues that will be impacting the wider transport industry and the general economy. It is not considered that there are any factors that will affect the business other than those which will affect the wider economy such as inflationary pressures including to energy and cost of living. Management will continue to actively manage its cost base and pricing accordingly in order to mitigate this risk.

#### **Credit risk:**

The company's credit risk is attributable to its receivables, which are presented in the statement of financial position net of any provision for bad debts. The company only enters into material transactions with reputable and established businesses. Credit risk is controlled by the regular review and setting of customer payment terms. Compliance with these limits is regularly monitored.

#### **Liquidity risk:**

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation through its operations and through funding facilities available from its parent entity, Genesee & Wyoming Inc. As at 31 December 2023, the Group had an undrawn facility available of £174m. Subsequent to year-end, this facility has now been repaid and closed. As part of restructuring as explained in Note 26, Freightliner Group Limited, the parent entity for the UK & Europe group secured a new financing facility with a syndicate of banks. This facility includes a £50m 5year term loan which was drawn on 31st May 2024 and a £50m revolving facility which expires on 31st May 2029, which at the date of signing has not been drawn.

#### **Social and community issues**

Consistent with Genesee & Wyoming Inc., the company's intermediate controlling entity, for which core values relate to respect and integrity, the company is committed to implementing and enforcing effective policies, systems and controls to ensure that slavery and human trafficking is not taking place anywhere in our business operations or our supply chains. We will continually review our systems and controls to assess how effective we have been in meeting this commitment.

In the United Kingdom, our operations have over 1,556 suppliers across a wide range of sectors, including the rail infrastructure operator (Network Rail), engineering suppliers, fuel suppliers, road transport suppliers, port companies, asset lessors, information technology service providers, insurance, and facilities management companies. In addition, the firm works with a number of professionals, consultants and contractors.

G&W UK procure material globally, with the majority based either within the UK, USA or the EU and a limited amount sourced from the Far East. Of these estimated 1,556 suppliers, 145 represent 88% of our total supplier expense with an annual spend of at least £250,000. A review of their corporate websites confirmed that 82 out of 145 published modern slavery/human trafficking statements.

Our supplier terms & conditions, used for all major suppliers of goods, now clearly state the firm's intention to step away (without penalty) if any occurrences of non-compliance with modern slavery is found.

#### **Streamlined Energy and Carbon Reporting**

## **Freightliner Limited**

### **Directors' Report for the Year Ended 31 December 2023 (continued)**

It is not possible to separate the energy usage and carbon emissions of the group of companies owned by GWI UK Holding Ltd. This report covers the energy usage and carbon emissions of all companies within the group.

This section has been prepared in compliance to the SECR Framework as implemented in the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

## Freightliner Limited

### Directors' Report for the Year Ended 31 December 2023 (continued)

#### GHG emissions and energy use data for period 1 January 2023 - 31st December 2023

	Units	1st January to 31st December 2023	1st January to 31st December 2022
Emissions from combustion of gas (Scope 1)	tCO2e	318	308
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO2e	153,334	153,286
Emissions from purchased electricity (Scope 2) for transport purposes	tCO2e	5,369	5,717
Emissions from purchased electricity (Scope 2)	tCO2e	1,967	1,783
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3)	tCO2e	622	685
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	tCO2e	127	100
<b>Total gross emissions</b>	<b>tCO2e</b>	<b>161,737</b>	<b>161,879</b>
Energy consumption used to calculate above emissions	kWh	685,655,736	676,541,435

The intensity ratios have been calculated for the different activities carried out within the Organisation and include all energy usage and emissions stated within the above emissions figures and the methodology.

<b>2023</b>	<b>Carbon Emissions (tCO2e)</b>	<b>Intensity Ratio</b>	<b>Intensity Ratio Metric</b>	<b>Intensity Metric</b>
Traction	131,494	0.01670	tCO2e/mile	6,916,858
Road Haulage and Vehicles	22,078	0.00220	tCO2e/mile	9,901,901
Terminal/Site Usage	8,045	0.00490	tCO2e/m2	1,627,719

<b>2022</b>	<b>Carbon Emissions (tCO2e)</b>	<b>Intensity Ratio</b>	<b>Intensity Ratio Metric</b>	<b>Intensity Metric</b>
Traction	127,177	0.01663	tCO2e/mile	7,645,225
Road Haulage and Vehicles	25,268	0.00110	tCO2e/mile	22,776,173
Terminal/Site Usage	8,894	0.00546	tCO2e/m2	1,627,719

## **Freightliner Limited**

### **Directors' Report for the Year Ended 31 December 2023 (continued)**

#### **Streamlined Emissions and Carbon Reporting (cont)**

##### **Quantification and reporting methodology**

GWI UK Holding Ltd and subsidiaries including Freightliner Limited, have followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol, Corporate Standard. We have used the 2023 UK Government's Conversion Factors for Company Reporting. We have used an operational approach to define our boundary and scopes and they have remained the same from the 2022 report however have also included GD+ for the first time.

Scope 1 emissions relate to on-site gas usage and emissions from transport. Scope 2 relates to Electric Traction and on-site electricity usage, Electricity transmission and distribution loss associated emissions are set out in Scope 3. Further Scope 3 emissions relate to grey fleet.

Transport usage (diesel traction, road haulage, company owned vehicles and terminal fuel usage) has been obtained from fuel purchasing records, fuel card usage and mileage data. The primary source for on-site gas consumption data is supplier invoices and supplier consumption data. The Landlord supplies have been calculated from invoice costs and usage and also estimated based on historical consumption where not available. Electric traction usage and emissions are calculated from metering data (EnergyX system). Mileage records for the traction comes from Network Rail Track access data for the intensity metric.

The primary source for on-site electricity consumption data is supplier invoices and supplier consumption data. The Landlord supplies have been calculated from invoice costs and usage and also estimated based on historical consumption where not available. All the data used for these calculations is based on UK only information.

The Company has not obtained any independent assurances over the information reported as the SECR report is prepared internally.

## Freightliner Limited

### Directors' Report for the Year Ended 31 December 2023 (continued)

#### Energy Efficiency Commentary

As one of the UK's leading transportation service providers, here at G&W UK we take our environmental responsibilities seriously and recognise the importance of our environmental performance as part of our overall business success. G&W UK has an ongoing focus on increasing the sustainability of our operations and will continue to play a pivotal role in ensuring that the UK economy can fully decarbonise by 2050. G&W UK's Safety and Sustainability Team coordinated our environmental and sustainability workstreams to ensure that the business is positioned to further enhance our environmental and sustainable performance. The SECR report will act as an evidence base, on which to set regular, achievable and effective carbon emission reduction which will lead to decarbonisation of our operations by 2050.

The G&W Group have committed to a target across the US, UK and Europe aligned to previous climate science, which required global warming to be well below 2°C. Freightliner UK have also submitted a Near-Term target to SBTi to reduce emissions by 55% by 2033 and also to be Net Zero by 2050. This will be finalised with the Science Based Targets Initiative (SBTi) in 2024. The current progress has shown a 6.8% reduction in Scope 1 and Scope 2 carbon emissions against the 2020 baseline (172,230 tCO<sub>2</sub>e).

GWI UK Holding Ltd. engaged in several energy efficiency projects during 2022 focusing on alternative biofuels for the diesel traction locomotives, an example of this is through the use of Hydrotreated Vegetable Oil (HVO) which has been used consistently for a six-month trial with a customer. This trial has also shown the possibility of using HVO in terminal machinery in place of diesel which is an initiative that G&W will take into 2024.

The Group continued the work on the future loco strategy which commenced in 2022, reviewing the future of the current fleet of over 150 diesel freight vehicles which deliver services across Great Britain. In order to meet governmental and company decarbonisation targets we recognise that we will need to upgrade, renew or replace our diesel locomotive fleets to achieve a science-based net zero solution. We have met with locomotive manufactures, rail leasing companies and consulting bodies and asked them a set of questions around their decarbonisation strategies, and what the future loco and infrastructure will look like. From this we plan to make the decision on the future of our 150 diesel locos. Progress has been made in research and development of fuel alternatives to diesel.

Extensive work has been done to reducing idling by implementing remote conditional monitoring (RCM) which has reduced idling significantly. Furthermore, with the goal of reducing queue times and speeding truck turnaround times at terminals, G&W have implemented a Vehicle Booking System (VBS), allowing G&W to proactively prepare for haulier arrivals and service trucks quickly and efficiently reducing idling on our road fleet. In addition to this, locomotive driver behaviour has been addressed, to improve the efficiency of acceleration and limiting notch 8 use to improve fuel economy.

We are committed to a science-based reduction of our carbon emissions. We have a pathway and innovation programmes researching, trialling, and testing alternatives of fuel and assets to ensure we reduce our emissions and meet our customers' needs. We can offer our customers low carbon fuel (HVO) as an alternative to diesel to support with lower their emissions. Red Diesel/Gas Oil laws, environmental legislation including SECR (This information is provided in the financial statements) and carriage of dangerous goods regulations. If there were any breaches, then this is likely to impact the reputation of the business which could in turn lead to an impact on the profitability. However, managing this ensures that the business will remain sustainable in future years.

## **Freightliner Limited**

### **Directors' Report for the Year Ended 31 December 2023 (continued)**

#### **Going concern**

The UK and Europe Group's base cash forecast show that as a result of operations and discretionary capital expenditure, the UK and Europe Group would not require funding in the 12 months from signing of the financial statements. Cash flow needs for the company are managed by Freightliner Group Limited on a UK and Europe Group basis rather than at the individual company level.

The company plans to meet its day-to-day cash flow requirements through its cash reserves and the group borrowing facility. The UK and Europe group borrowing facility can be accessed by the UK and Europe Group through Freightliner Group Limited, the entity named on the borrowing facility. The facility is secured by the investments held by UK Holding Companies in the UK and Europe group entities.

Freightliner Group Limited (FGL), the immediate parent entity of the UK and Europe Group, has demonstrated to management there is significant headroom in the group borrowing facility to support the UK and Europe Group, should the need arise. During 2024, Freightliner Group Limited secured the new financing facility with a syndicate of banks. This facility includes a £50m 5-year term loan which was drawn on 31st May 2024 and a £50m revolving facility which expires on 31st May 2029, which at the date of signing has not been drawn.

The borrowing facilities are secured by a covenant, for which Freightliner Group Limited cannot breach to continue using the facilities. The metric used is net debt/EBITDA, based off the annual financial statements for Freightliner Group Limited, for which FGL must not go above 7.0x to make distributions, and a value of 9.0x to breach the covenant. As of 31st July 2024, the Group was below the 7.0x level and the Directors are confident that on 31st December 2024, the Group will remain below the level required to breach the covenants for the remainder of the facility term. In the Group's base case scenario, it is forecast that the Group will not need to access cash over and above the facilities currently available to it, and that the Group will have headroom versus the covenant levels through to 31st December 2025.

Furthermore, Freightliner Group Limited has provided management a support letter confirming their intentions to provide financial assistance to the UK Group for at least 12 months from the date of authorising the company's financial statements.

The directors have a reasonable expectation that the company, through the group borrowing facility has adequate resources to continue in operational existence for at least 12 months from when these financial statements were approved. The directors have performed reverse stress testing to determine whether in any downside scenarios, the company would still be a going concern and the directors are comfortable that this would be the case. In this testing, the directors tested how much revenue would have to fall by to cause a breach on its covenant. Between 2023 and 2025, revenue would have to fall by 30% on 2023 levels, the possibility of this is considered by the directors to be remote. Therefore, the company continues to adopt the going concern basis in preparing its financial statements.

#### **Directors' liabilities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

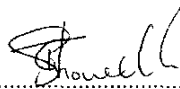
## Freightliner Limited

### Directors' Report for the Year Ended 31 December 2023 (continued)

The following matters have been covered in the Strategic Report:

- Fair review of the business;
- Principle risks and uncertainties;
- Financial risk management objectives and policies;
- Engagement with employees;
- Engagement with suppliers, customers and others;
- Section 172(1) statement;
- Future developments.

Approved by the Board of Directors on 25 September 2024 and signed on its behalf by:



.....  
Mr Timothy Colin Shoveller  
Chief executive

## Freightliner Limited

### Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors confirm that they have complied with these requirements. Details of the directors' assessment of going concern are provided in the directors' report.

## Freightliner Limited

### Profit and Loss Account for the Year Ended 31 December 2023

		(Restated)	
	Note	2023 £ 000	2022 £ 000
Turnover	5	188,097	216,613
Cost of sales		<u>(176,244)</u>	<u>(195,928)</u>
Gross profit		11,853	20,685
Administrative expenses		(47,894)	(29,646)
Other operating income	6	<u>7,803</u>	<u>6,890</u>
Operating loss	7	<u>(28,238)</u>	<u>(2,071)</u>
Interest receivable and similar income		177	18
Interest payable and similar expenses	8	<u>(4,558)</u>	<u>(6,248)</u>
		<u>(4,381)</u>	<u>(6,230)</u>
Loss before tax		(32,619)	(8,301)
Tax on loss	12	<u>179</u>	<u>2,676</u>
Loss for the year		<u>(32,440)</u>	<u>(5,625)</u>

Turnover and operating loss are all derived from continuing operations.

The notes on pages 23 to 57 form an integral part of these financial statements.

## Freightliner Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2023

		(Restated)	
	Note	2023 £ 000	2022 £ 000
Loss for the year		(32,440)	(5,625)
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of post employment benefit obligations (net of taxes)	23	<u>(15,533)</u>	<u>81,879</u>
Total comprehensive income/(expense) for the year		<u><u>(47,973)</u></u>	<u><u>76,254</u></u>

The notes on pages 23 to 57 form an integral part of these financial statements.  
Page 19

## Freightliner Limited

**(Registration number: 03118392)**  
**Balance Sheet as at 31 December 2023**

		31 December 2023	(Restated) 31 December 2022
	Note	£ 000	£ 000
<b>Fixed assets</b>			
Tangible assets	13	113,657	138,727
Right of use assets	19	127,637	104,048
Investments	15	-	-
		241,294	242,775
<b>Current assets</b>			
Stocks	14	2,022	2,011
Debtors: amounts falling due within one year	16	125,356	131,401
Cash at bank and in hand	17	5,834	646
		133,212	134,058
<b>Creditors: Amounts falling due within one year</b>	21, 19	(144,128)	(121,740)
<b>Net current (liabilities)/assets</b>		(10,916)	12,318
<b>Total assets less current liabilities</b>		230,378	255,093
<b>Creditors: Amounts falling due after more than one year</b>	19, 22	(113,558)	(113,137)
<b>Provisions for liabilities</b>	20	(25,016)	(16,737)
<b>Deferred taxation</b>	12	(151)	(5,514)
<b>Net assets excluding pension liability</b>		91,653	119,705
Net pension asset	23	10,650	30,571
<b>Net assets</b>		102,303	150,276
<b>Capital and reserves</b>			
Called up share capital	18	20	20
Revaluation reserve		87,292	87,292
Other reserves		26,573	26,573
Profit and loss account		(11,582)	36,391
Shareholders' funds		102,303	150,276

For the year ending 31/12/2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

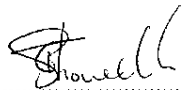
The notes on pages 23 to 57 form an integral part of these financial statements.

**Freightliner Limited**

**(Registration number: 03118392)**

**Balance Sheet as at 31 December 2023 (continued)**

Approved by the Board of Directors on 25 September 2024 and signed on its behalf by:



.....  
Mr Timothy Colin Shoveller  
Chief executive

**Freightliner Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2023**

	<b>Called up share capital £ 000</b>	<b>Revaluation reserve £ 000</b>	<b>Other reserves £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 January 2022	20	87,292	26,573	(39,863)	74,022
Loss for the year	-	-	-	(5,625)	(5,625)
Other comprehensive expense	-	-	-	81,879	81,879
Total comprehensive expense	-	-	-	76,254	76,254
At 31 December 2022	<u>20</u>	<u>87,292</u>	<u>26,573</u>	<u>36,391</u>	<u>150,276</u>

	<b>Called up share capital £ 000</b>	<b>Revaluation reserve £ 000</b>	<b>Other reserves £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 January 2023	20	87,292	26,573	36,391	150,276
Loss for the year	-	-	-	(32,440)	(32,440)
Other comprehensive income	-	-	-	(15,533)	(15,533)
Total comprehensive income	-	-	-	(47,973)	(47,973)
At 31 December 2023	<u>20</u>	<u>87,292</u>	<u>26,573</u>	<u>(11,582)</u>	<u>102,303</u>

The notes on pages 23 to 57 form an integral part of these financial statements.

# Freightliner Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023

### 1 General information

The company is a private company limited by share capital, incorporated in England and Wales and domiciled in United Kingdom.

The address of its registered office is:

6th Floor  
The Lewis Building  
35 Bull Street  
Birmingham  
United Kingdom  
B4 6EQ  
United Kingdom

#### Principal activity

The company is a provider of trunk rail services between United Kingdom southern ports and a network of inland rail freight interchanges (terminals). The company operates a fleet of road vehicles that complement the rail service by offering local road haulage to and from the inland terminals. In addition, the company also provides storage for containers at its inland freight terminals.

#### Audit exemption

For the year ending 31/12/2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

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

#### Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared under the historical cost convention in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006.

The financial statements are presented in pounds sterling which is the company's presentation and functional currency. All amounts presented have been rounded to the thousand (£000s), unless otherwise stated.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### Consolidated financial statements

The company is a parent and subsidiary undertaking and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. The financial statements therefore present information about the Company as an individual undertaking.

##### New standards, amendments and IFRIC interpretations

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the *International Accounting Standards Board (IASB)* that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

##### IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The company does not have any contracts that meet the definition of an insurance contract under IFRS 17.

##### Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies

The company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### **Amendments to IAS 12 Income Taxes-Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

##### **Amendments to IAS 12 Income Taxes- International Tax Reform - Pillar Two Model Rules**

The company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Refer to Note 12 for further information.

##### **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors-Definition of Accounting Estimates**

The company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### Going Concern

The UK and Europe Group's base cash forecast show that as a result of operations and discretionary capital expenditure, the UK and Europe Group would not require funding in the 12 months from signing of the financial statements. Cash flow needs for the company are managed by Freightliner Group Limited on a UK and Europe Group basis rather than at the individual company level.

The company plans to meet its day-to-day cash flow requirements through its cash reserves and the group borrowing facility. The UK and Europe group borrowing facility can be accessed by the UK and Europe Group through Freightliner Group Limited, the entity named on the borrowing facility. The facility is secured by the investments held by UK Holding Companies in the UK and Europe group entities.

Freightliner Group Limited (FGL), the immediate parent entity of the UK and Europe Group, has demonstrated to management there is significant headroom in the group borrowing facility to support the UK and Europe Group, should the need arise. During 2024, Freightliner Group Limited secured the new financing facility with a syndicate of banks. This facility includes a £50m 5-year term loan which was drawn on 31st May 2024 and a £50m revolving facility which expires on 31st May 2029, which at the date of signing has not been drawn.

The borrowing facilities are secured by a covenant, for which Freightliner Group Limited cannot breach to continue using the facilities. The metric used is net debt/EBITDA, based off the annual financial statements for Freightliner Group Limited, for which FGL must not go above 7.0x to make distributions, and a value of 9.0x to breach the covenant. As of 31st July 2024, the Group was below the 7.0x level and the Directors are confident that on 31st December 2024, the Group will remain below the level required to breach the covenants for the remainder of the facility term. In the Group's base case scenario, it is forecast that the Group will not need to access cash over and above the facilities currently available to it, and that the Group will have headroom versus the covenant levels through to 31st December 2025. Furthermore, Freightliner Group Limited has provided management a support letter confirming their intentions to provide financial assistance to the UK Group for at least 12 months from the date of authorising the company's financial statements.

The directors have a reasonable expectation that the company, through the group borrowing facility has adequate resources to continue in operational existence for at least 12 months from when these financial statements were approved. The directors have performed reverse stress testing to determine whether in any downside scenarios, the company would still be a going concern and the directors are comfortable that this would be the case. In this testing, the directors tested how much revenue would have to fall by to cause a breach on its covenant. Between 2023 and 2025, revenue would have to fall by 30% on 2023 levels, the possibility of this is considered by the directors to be remote. Therefore, the company continues to adopt the going concern basis in preparing its financial statements.

##### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### Revenue recognition

###### *Recognition*

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services performed, stated net of discounts and, value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the services have transferred to the customer and the customer has control of these. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers. Revenue does not include variable considerations. The nature of the business does not include obligations for returns, refunds, warranties or other similar types of obligations and the Company does not have any long term revenue contracts with customers.

###### *Activities*

Below are details of revenue activities performed by the company the provision of services:

- For Freight Revenue The company generates freight turnover from the haulage of freight by rail based on a per car, per container or per ton basis. Freight turnover is recognised over time as shipments move from origin to destination as the customer simultaneously receives and consumes the benefit. Related expenses are recognised as incurred.
- For Freight-related revenues - The company generates freight-related turnover from ancillary services not covered above including port, terminal, railroad operations and industrial switching (where the company operates trains on a contract basis in facilities it does not own), as well as demurrage, storage, car hire, trucking haulage services, track access rights, trans-loading, crewing services, traction service (or hook and pull service that requires the company to provide locomotives and drivers to move a customer's train between specified points) and other ancillary services related to the movement of freight. Freight-related turnover is recognised as services are performed, or as contractual obligations are fulfilled.

##### Defined contribution pension obligation

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### Defined benefit pension obligation

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 101 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of post employment benefit obligations (net)'.

The cost of the defined benefit plan, recognised in the Income Statement as 'pension costs, defined contribution scheme', except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

##### Interest expense

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

All other finance costs are recognised in the Income Statement in the period in which they are incurred.

##### Tangible assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### Impairment of tangible assets

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

##### Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Depreciation method and rate
Freehold land	Not depreciated
Buildings	20 to 50 years
Leasehold land and building	Lease term
Plant and machinery	3 to 30 years
Road fleet	3 to 10 years
Traction and rolling stock	3 to 25 years
Construction in progress	Not depreciated

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

##### Investments

Investments in subsidiaries are measured at cost less accumulated impairment losses.

##### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

##### Stocks

Stock is stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

##### Financial assets and liabilities

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### *Financial assets*

The company classifies all of its financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise receivables, cash and commercial paper in the statement of financial position.

Loans and receivables are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

##### *Financial liabilities*

The company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

##### **Provisions**

Provisions for maintenance obligations, and legal claims are recognised where the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. When payments are eventually made, they are charged to the provision carried in the statement of financial position.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### **Tax**

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

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

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

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

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

##### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### Leases

###### *Definition*

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset; and
- Direct the use of the underlying asset (eg direct how and for what purpose the asset is used).

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e. non-lease components), the company has made an accounting policy election, by class of underlying asset, to account for both components as a single lease component.

###### *Initial recognition and measurement*

The company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments at the incremental borrowing rate (IBR) to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g. commissions) and an estimate of restoration, removal and dismantling costs.

###### *Subsequent measurement*

After the commencement date, the company measures the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for tangible assets. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### *Lease modifications*

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

- (a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g. reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

##### *Short term and low value leases*

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e. short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

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## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### *Sub leases*

If an underlying asset is re-leased by the company to a third party and the company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease.

Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease). After classification lessor accounting is applied to the sublease.

##### **Summary of disclosure exemptions**

In these financial statements, the company has taken advantage of the disclosure exemptions available under FRS 101 in relation to share-based payment, business combinations, non-current assets held for sale, financial instruments, fair value measurements, capital management, revenue from contracts with customers, presentation of comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment property, presentation of a cash-flow statement, the effects of new standards not yet effective, impairment of assets and disclosures in respect of the compensation of key management personnel and of transactions with a management entity that provides key management personnel services to the company.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In applying the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### **Lease accounting - accounting judgement**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). This requires judgement.

For leases of tangible assets, the following factors are normally the most relevant:

If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).

If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).

Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in leases have not been included in the lease liability, because the company could replace the assets without significant cost or business disruption.

Management apply judgement in the determination of the incremental borrowing rate ("IBR") applied to leases. In consideration of the IBR, management consider the term of the lease, security held, and borrowing rates available to fund the asset should the asset have been purchased outright. These considerations result in an estimated implied borrowing rate.

Under certain lease agreements the company makes payments to a maintenance deposit for agreed significant future maintenance events. Where the company performs these maintenance the costs of work done is released by the lessor from the maintenance deposit. The company forecasts the maintenance obligation for estimated future maintenance costs based on the planned usage with the obligation being built over time.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

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

##### **Recognition of defined benefit pension asset- accounting judgement**

The company has exercised judgement in recognising the pension surplus asset applying the principle as per IFRIC 14 and assuming that the company will be able recover the pension asset by way of gradual settlement of the plan liabilities over time. Hence it was concluded that the pension asset should be recognised based on the unconditional right to a refund as per FRIC 14.11 (b). Therefore, the Company has recognised a surplus for the year ended 31 December 2023 and has also restated the prior year balances, for further detail see note 4 and note 23.

##### **Determination of CGU- accounting judgement**

Management have applied judgement in determining the cash generating unit for the group and has concluded that the business is one cash generating unit (CGU), despite having different revenue streams, mainly Rail, Road and Terminals. Despite this, considering the interdependence of the revenue streams they have with each other, their shared customer profile and the wider market which is similar, management have concluded that the business is one CGU for its impairment assessment.

##### **Identifying whether a contract includes a lease - accounting judgement**

Management will determine whether or not a lease is present within a contract in order to ensure that the accounting is in line with the relevant accounting standards. In order to do this, management will use decision trees to ensure that all aspects of the contract are taken into consideration. These are then reviewed by senior management as there can be a significant change between whether or not something is held as a finance lease asset and liability or where the assets are recognised and transactions recorded in line with other financing transactions.

##### **Defined benefit pension scheme - estimation uncertainty**

The cost of the benefits and the present value of the defined benefit pension obligation depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet using an independent actuary specialist. The assumptions reflect historical experience and current trends. The pension asset is managed as part of a pooled assets scheme by the Railpen as the administrator of the scheme and on which they provide an annual independent valuation that is provided to the actuary specialist to consider in the calculation of the net benefit plan position.

##### **Unbilled revenue - estimation uncertainty**

On a timely basis, estimates are made to determine the amount of revenue that has been earned but not yet billed by the Company. Key factors within this calculation are the average rate to charge the customer based on historical revenue rates, expected revenue that is expected to be earned during the days when ledgers have been closed, this is based off management's experience with previous trading months.

##### **Useful life of tangible assets - estimation uncertainty**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 4 Prior period adjustments

During the year it was identified that a number of balances had been incorrectly accounted for within the financial statements in the prior year. The impact of restating the comparatives has been disclosed below:

<b>Balance sheet</b>	<b>Note</b>	<b>As previously stated as at 31 December 2022 £ 000</b>	<b>Adjustment £ 000</b>	<b>Restated as at 31 December 2022 £ 000</b>
Deferred Taxation	12	-	(5,514)	(5,514)
Net pension asset	23	(6,147)	36,718	30,571
Creditors: amounts falling due within one year	21	<u>(122,852)</u>	<u>1,113</u>	<u>(121,740)</u>

<b>Profit and loss statement</b>	<b>Note</b>	<b>As previously stated as at 31 December 2022 £ 000</b>	<b>Adjustment £ 000</b>	<b>Restated as at 31 December 2022 £ 000</b>
Tax on loss	12	(7)	2,683	2,676
Administrative expenses		30,738	1,113	(29,625)
Remeasurement of post employment benefit obligations (net of taxes)	23	<u>53,359</u>	<u>28,521</u>	<u>81,879</u>

During the year management noted that the non-recognition of the defined benefit pension asset in the prior year was incorrect and that the company should recognise the pension asset as per IFRIC 14.11(b) assuming the gradual settlement of the plan liabilities over time. As a result, management has restated the prior year financial statements to reflect the correct position as at 31 December 2022. There is no impact on the opening balance as of 1st January 2022, given that there was no pension surplus recorded in FY21 and the company was in a net liability position at that date. Please see Note 23 for further detail.

As a result of the pension prior year adjustment, management have recalculated the management recharge from FGL to Freightliner Limited for FY22.

#### 5 Turnover

The analysis of the company's turnover for the year by market is as follows:

	<b>2023 £ 000</b>	<b>2022 £ 000</b>
UK	<u>188,097</u>	<u>216,613</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 6 Other operating income

The analysis of the company's other operating income for the year is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Government grants	7,683	6,770
Sub lease rental income	120	120
	<u>7,803</u>	<u>6,890</u>

Government grants of £7,683k (2021: £6,770k) was received under the Mode Shift Revenue Support Scheme - Intermodal, designed to support the movement of intermodal containers by rail in Great Britain.

#### 7 Operating loss

Arrived at after charging

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation on tangible assets	7,253	7,124
Raw materials and consumables used	27,394	34,294
Bad debt expense	(210)	(1,529)
Foreign exchange gains	68	363
(Profit)/loss on disposal of tangible assets	(1,594)	89
Expense on short term and low value leases	<u>2,633</u>	<u>4,054</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 8 Interest payable and similar expenses

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest on bank overdrafts and borrowings	931	982
Interest on defined benefit pension obligation	96	968
Interest expense on leases	3,254	4,144
Interest on maintenance provision	277	154
	<b>4,558</b>	<b>6,248</b>

#### 9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	56,404	58,336
Social security costs	6,077	6,080
Pension costs, defined contribution scheme	796	506
Pension costs, defined benefit scheme	4,034	6,388
Redundancy costs	872	214
	<b>68,183</b>	<b>71,524</b>

The monthly average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Administration and support	286	282
Operations	707	717
	<b>993</b>	<b>999</b>

#### 10 Directors' remuneration

During the year and in prior year, no directors received any emoluments for their services to the company.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 11 Auditors' remuneration

The company no longer requires an audit due to the s479A exemption as per Companies Act 2006 and the group's audit fee is presented in the consolidated accounts of GWI UK Acquisition Company Limited.

#### 12 Income tax

Tax charged/(credited) in the profit and loss account

	(Restated)	
	2023	2022
	£ 000	£ 000
<b>Current taxation</b>		
Foreign tax	-	-
	<u>6</u>	<u>7</u>
Total current income tax	6	7
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	<u>(185)</u>	<u>(2,683)</u>
Tax receipt in the profit and loss account	<u>(179)</u>	<u>(2,676)</u>

The differences between the tax for the year at the standard rate of corporation tax in the UK of 23.50% (2022: 19%) are reconciled below:

	(Restated)	
	2023	2022
	£ 000	£ 000
Loss before tax	<u>(32,619)</u>	<u>(8,301)</u>
Corporation tax at standard rate	(7,666)	(1,577)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	438	354
Increase from tax losses for which no deferred tax asset was recognised	-	(2,662)
Increase arising from group relief tax reconciliation	-	1,202
Increase from effect of foreign tax rates	6	7
Deferred tax credit from unrecognised temporary difference from a prior period	(185)	-
Movement in unrecognised deferred tax	<u>7,228</u>	<u>-</u>
Total tax credit	<u>(179)</u>	<u>(2,676)</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 12 Income tax (continued)

A UK corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021 (prior to 1 April 2023, the UK statutory corporation tax was 19%).

Any deferred tax balances on temporary differences as at 31 December 2023 have been measured at 25%.

The company operates in countries which have enacted new legislation to implement the global minimum top-up tax. The newly enacted legislation is effective from 1 January 2024 and there is no current tax impact for the year ended 31 December 2023. The global minimum top-up tax is not anticipated to have a significant impact on the financial position of the company.

Amounts recognised in other comprehensive income

	<b>2023</b>		<b>2022</b>		
	<b>Before tax</b>	<b>Tax (expense) benefit</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Tax (expense) benefit</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Remeasurements of post employment benefit obligations	<u>(20,710)</u>	<u>5,177</u>	<u>(15,533)</u>	<u>90,077</u>	<u>(8,198)</u>
				<u>81,879</u>	

#### Deferred tax

Deferred tax movement during the year:

	<b>At 1 January 2023</b>	<b>Recognised in income</b>	<b>Recognised in other comprehensive income</b>	<b>At 31 December 2023</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Accelerated tax depreciation	1,964	(214)	-	1,751
Pension benefit obligations	(7,644)	(196)	5,178	(2,662)
Defined Contribution Scheme	44	21	-	65
Other	121	574	-	695
	<u>(5,515)</u>	<u>185</u>	<u>5,178</u>	<u>(151)</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 12 Income tax (continued)

Deferred tax movement during the prior year:

	At 1 January 2022 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	(Restated) At 31 December 2022 £ 000
Accelerated tax depreciation	804	1,160	-	1,964
Pension benefit obligations	187	367	(8,198)	(7,644)
Defined Contribution Scheme	-	44	-	44
Other	(991)	1,112	-	121
	<u>-</u>	<u>2,683</u>	<u>(8,198)</u>	<u>(5,515)</u>

There are unrecognised deferred tax assets of £11,444,330 (2022 (restated): £1,329,709) for which no deferred tax asset is recognised in the balance sheet.

The group has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 13 Tangible Assets

	Leasehold land and building £ 000	Plant and machinery £ 000	Road fleet £ 000	Traction and rolling stock £ 000	Construction in progress £ 000	Total £ 000
<b>Cost or valuation</b>						
At 1 January 2023	115,255	14,152	10	137,413	537	267,367
Additions	-	-	-	-	5,730	5,730
Disposals	-	(13)	-	(4,865)	-	(4,878)
Transfers	10	10	-	5,440	(5,460)	-
Transfer to ROU asset*	<u>(29,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,560)</u>
At 31 December 2023	<u>85,705</u>	<u>14,149</u>	<u>10</u>	<u>137,988</u>	<u>807</u>	<u>238,659</u>
<b>Depreciation</b>						
At 1 January 2023	25,706	12,559	10	90,366	-	128,641
Charge for the year	2,055	244	-	4,954	-	7,253
Eliminated on disposal	-	(7)	-	(4,843)	-	(4,850)
Transfer to ROU asset*	<u>(6,042)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,042)</u>
At 31 December 2023	<u>21,719</u>	<u>12,796</u>	<u>10</u>	<u>90,477</u>	<u>-</u>	<u>125,002</u>
<b>Carrying amount</b>						
At 31 December 2023	<u>63,986</u>	<u>1,353</u>	<u>-</u>	<u>47,511</u>	<u>807</u>	<u>113,657</u>
At 31 December 2022 (As restated)	<u>89,549</u>	<u>1,593</u>	<u>1</u>	<u>47,047</u>	<u>537</u>	<u>138,727</u>

\* During the year management identified that there were some land and buildings previously held in tangible fixed assets that should have been classed as right of use assets, and as such, have made an in-year adjustment for gross cost of £29.5m and accumulated depreciation of £6.0m to transfer these to right of use assets.

Considering the adjustment is not material compared to the total asset value in each of the respective asset classes, management have concluded that the adjustment is immaterial, and all the corrections have been made in the current year.

#### 14 Stocks

	31 December 2023 £ 000	31 December 2022 £ 000
Raw materials and consumables	<u>2,022</u>	<u>2,011</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 14 Stocks (continued)

During the year £27,394k (2022: £34,294k) of inventory has been recognised as an expense in the profit and loss account. No stocks are pledged as security at the current balance sheet date (2022: £Nil)

#### 15 Investments

Details of the subsidiaries as at 31 December 2023 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2023	2022
Freightliner Railports Limited	Terminal handling	35 Bull Street, Birmingham, B4 6EQ UK	Ordinary	100%	100%
					£
<b>Cost</b>					
At 1 January 2023 and 31 December 2023					<u>100</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 16 Debtors: amounts falling due within one year

	<b>31 December 2023 £ 000</b>	<b>31 December 2022 £ 000</b>
		<i>(As restated)</i>
<b>Current</b>		
Trade receivables	33,891	51,678
Provision for impairment of trade receivables	<u>(733)</u>	<u>(1,321)</u>
Net trade receivables	33,158	50,357
Receivables from related parties	86,492	75,429
Prepayments	1,346	1,676
Other receivables	<u>4,360</u>	<u>3,939</u>
	<u>125,356</u>	<u>131,401</u>

Amounts receivable from related parties are unsecured, interest free and repayable on demand. The related party transactions entered into are between two or more members of a group of which any subsidiary party to the transaction is a wholly owned member. All related subsidiaries are covered by a letter of support from Freightliner Group Limited.

The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note.

#### 17 Cash at bank and in hand

	<b>31 December 2023 £ 000</b>	<b>31 December 2022 £ 000</b>
Cash at bank	<u>5,834</u>	<u>646</u>

#### 18 Called up share capital

##### Allotted, called up and fully paid shares

	<b>No.</b>	<b>31 December 2023 £</b>	<b>No.</b>	<b>31 December 2022 £</b>
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 18 Called up share capital (continued)

All shares are treated as ordinary shares and rank equally in respect of shareholder rights.

Authorised and issued share capital is 20,000 Ordinary shares (2022: 20,000).

#### 19 Right of use assets

The company has lease contracts for various properties, traction and rolling stock, fleet vehicles and equipment used in the operations. The amount recognised in the financial statements in relation to the leases are as follows:

	Leasehold land and buildings £ 000	Plant and machinery £ 000	Road Fleet £ 000	Traction and rolling stock £ 000	Total £ 000
<b>Cost</b>					
At 1 January 2023	42,128	17,561	30,519	81,940	172,148
Additions	-	1,132	99	14,119	15,349
Transfers from tangible fixed assets *	29,559	-	-	-	29,560
Disposals	-	(2,286)	(1,694)	(56)	(4,036)
At 31 December 2023	<u>71,687</u>	<u>16,407</u>	<u>28,924</u>	<u>96,003</u>	<u>213,021</u>
<b>Depreciation</b>					
At 1 January 2023	(1,896)	(7,461)	(15,941)	(42,800)	(68,098)
Charge for year	(1,622)	(3,159)	(3,158)	(7,260)	(15,199)
Disposals	-	2,285	1,615	55	3,957
Transfers from tangible fixed assets *	(6,042)	-	-	-	(6,044)
At 31 December 2023	<u>(9,560)</u>	<u>(8,335)</u>	<u>(17,484)</u>	<u>(50,005)</u>	<u>(85,384)</u>
<b>NBV</b>					
At 31 December 2022	<u>40,232</u>	<u>10,099</u>	<u>14,578</u>	<u>39,138</u>	<u>104,048</u>
At 31 December 2023	<u>62,128</u>	<u>8,071</u>	<u>11,439</u>	<u>45,999</u>	<u>127,637</u>

\* See Note 13 for further details

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 19 Right of use assets (continued)

	Minimum lease payments £ 000	Interest £ 000	Present value £ 000
<b>31 December 2023</b>			
Within one year	18,092	(3,880)	14,212
In two to five years	45,611	(9,830)	35,782
In over five years	162,265	(105,163)	57,102
<b>Total</b>	<u>225,969</u>	<u>(118,873)</u>	<u>107,095</u>
<b>31 December 2022</b>			
Within one year	17,743	(3,153)	14,590
In two to five years	39,940	(9,458)	30,481
In over five years	167,280	(106,633)	60,647
<b>Total</b>	<u>224,962</u>	<u>(119,244)</u>	<u>105,718</u>

#### Leases included in creditors

	31 December 2023 £ 000	31 December 2022 £ 000
Current portion of long term lease liabilities	14,212	14,590
Long term lease liabilities	92,885	91,128
	<u>107,097</u>	<u>105,718</u>

#### Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	31 December 2023 £ 000	31 December 2022 £ 000
<b>Payment</b>		
Principal payment	13,976	17,128
Interest (net of rent concessions)	3,254	4,144
Short term leases	2,633	4,054
<b>Total cash outflow</b>	<u>19,863</u>	<u>25,326</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 20 Provision for liabilities

##### Insurance claims

The provision for insurance claims relates to amounts provided in respect of open and potential claims against the company. The provision represents the net liability and any amounts recoverable from insurance companies are shown within receivables, if applicable.

##### Maintenance provisions

The provision for maintenance costs relates to amounts provided in respect of maintenance associated with the company's obligation under its rolling stock lease commitments.

##### Environmental provision

The environmental provision is in respect of expected environmental related costs at operational sites.

	Insurance claims £ 000	Environmental provision £ 000	Maintenance obligations £ 000	Total £ 000
At 1 January 2023	631	241	15,865	16,737
Movement in provision	-	-	11,606	11,606
Utilisation	(256)	(189)	(3,158)	(3,603)
Increase (decrease) due to passage of time or unwinding of discount	-	-	276	276
At 31 December 2023	<u>375</u>	<u>52</u>	<u>24,589</u>	<u>25,016</u>
Non-current liabilities	-	-	<u>14,636</u>	<u>14,636</u>
Current liabilities	<u>375</u>	<u>52</u>	<u>9,953</u>	<u>10,380</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 21 Creditors: Amounts falling due within one year

	<b>31 December</b>	<b>(Restated)</b>
	<b>2023</b>	<b>31 December</b>
	<b>£ 000</b>	<b>2022</b>
		<b>£ 000</b>
Trade payables	3,539	(195)
Accrued expenses	11,016	10,585
Amounts due to related parties	110,567	92,568
Social security and other taxes	3,471	1,763
Other payables	(81)	1,055
Loans and borrowings	1,336	1,283
Deferred income	68	91
	<u>129,916</u>	<u>107,150</u>

Amounts payable to related parties are unsecured, interest free and repayable on demand. The related party transactions entered into are between two or more members of a group of which any subsidiary party to the transaction is a wholly owned member. All related subsidiaries are covered by a letter of support from Freightliner Group Limited.

#### 22 Creditors: Amounts falling due after more than one year

	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Loans and borrowings	<u>20,673</u>	<u>22,009</u>

The loans and borrowings amount relates to the purchase of 115 FFA-G wagons. The total amount owed at 31 December 2023 is £22,009k (2022: £23,292k), of which £1,336k (2022: £1,293k) is classified within Creditors: Amounts falling due within one year.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 23 Pension and other schemes

##### Defined benefit pension schemes

##### Railway pension scheme

The company participates in a standalone shared cost final salary defined benefit pension plan (the "Plan"). The Plan is managed and administered by the Railways Pension Scheme and is overseen by trustees with professional advice from independent actuaries and other advisers. The Plan is a shared cost arrangement with required contributions shared between the company and its employees with the company contributing 60% and the remaining 40% contributed by active employees. The company engages independent actuaries to compute the amounts of liabilities and expenses relating to the Plan subject to the assumptions that the company selects.

The Plan's assets and liabilities are subject to fluctuation arising from market returns, future salary increases, inflation rates, mortality rates and creditworthiness of the company. Scheme assets and liabilities are recognised after considering the effects of limit on defined benefit pension asset and onerous minimum funding requirements. The Plan is subject to a triennial valuation with the next one due at 31 December 2023. On a triennial basis, the funding requirements for both employer and employee are reviewed and agreed with the Trustees and relevant unions. Further to this, any funding arrangements and funding policy that affect future contributions, the expected contributions for the next annual reporting period and information about the maturity profile of the defined benefit obligation will also be agreed on a triennial basis with the Trustees and relevant unions. The figures presented are based on the latest valuation as updated by the company's independent actuaries, XPS Pension Group. These figures represent 60% of the total scheme as 40% of the asset/liability is attributed to the employees.

The Company's defined benefit pension plan may impact the future cash flows of the business as the contributions required to be paid into the Plan are revised every three years as part of the triennial valuation. As a result, this may lead to an unexpected increase or decrease in the contributions required that may not have been forecast previously by the business and would result in fluctuation to the company's future cash flows.

The split of the Section's accounting liabilities as at 31st December 2023 by membership type is: Active - 35%, Deferred - 20% and Pensioners - 45%. The average of the membership (weighted by accounting liability) is 60 years old and the cashflow profile of the pension scheme is 16 years.

Contributions payable to the pension scheme at the end of the year are £Nil (2022 - £Nil).

The expected contributions to the plan for the next reporting period are £14,174,499, of which £7,781,562 are employer contributions.

The Plan's assets and liabilities are subject to fluctuation arising from market returns, future salary increases, inflation rates, mortality rates and creditworthiness of the company. The Plan is subject to a triennial valuation. The figures presented are based on the latest valuation as updated by the company's independent actuaries, XPS Pension Group.

##### Risks

##### *Investment risk*

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 23 Pension and other schemes (continued)

##### *Asset risk*

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a greater deficit.

##### *Inflation risk*

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (in the case of fixed interest bonds) or loosely correlated with (in the case of equities) inflation, meaning that an increase in inflation will also increase the deficit.

##### *Life expectancy risk*

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

##### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

The amounts recognised in the balance sheet are as follows:

	<b>31 December</b>	<b>(Restated)</b>
	<b>2023</b>	<b>31 December</b>
	<b>£ 000</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Fair value of scheme assets	169,387	168,722
Present value of scheme liabilities	<u>(158,738)</u>	<u>(138,151)</u>
Defined benefit pension scheme surplus	<u>10,649</u>	<u>30,571</u>

##### *Scheme assets*

Changes in the fair value of scheme assets are as follows:

		<b>(Restated)</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Fair value at start of year	168,722	182,077
Interest income	6,391	3,287
Return on assets, excluding interest income	(3,482)	(15,125)
Contributions by scheme participants	4,912	5,140
Benefits paid	(6,694)	(6,004)
Administrative expenses paid	<u>(462)</u>	<u>(653)</u>
Fair value at end of year	<u>169,387</u>	<u>168,722</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 23 Pension and other schemes (continued)

##### *Analysis of assets*

The major categories of scheme assets are as follows:

	<b>31 December 2023 £ 000</b>	<b>31 December 2022 £ 000</b>
Return on seeking assets	112,032	105,919
Government bond pooled fund	<u>57,355</u>	<u>62,803</u>
	<u>169,387</u>	<u>168,722</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 23 Pension and other schemes (continued)

##### *Scheme liabilities*

Changes in the present value of scheme liabilities are as follows:

	<b>31 December 2023 £ 000</b>	<b>31 December 2022 £ 000</b>
Present value at start of year	138,151	239,370
Current service cost	3,567	5,732
Actuarial (gains) and losses arising from changes in demographic assumptions	(2,087)	(1,575)
Actuarial (gains) and losses arising from changes in financial assumptions	11,262	(111,648)
Actuarial (gains) and losses arising from experience adjustments	8,052	8,021
Interest cost	6,487	4,255
Benefits paid	<u>(6,694)</u>	<u>(6,004)</u>
Present value at end of year	<u>158,738</u>	<u>138,151</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 23 Pension and other schemes (continued)

##### *Principal actuarial assumptions*

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the balance sheet date are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	%	%
Discount rate	4.50	4.80
Future salary increases	2.40	2.20
Future pension increases	2.60	2.40
Inflation	<u>2.60</u>	<u>2.40</u>

##### *Post retirement mortality assumptions*

	<b>31 December 2023</b>	<b>31 December 2022</b>
	Years	Years
Current UK pensioners at retirement age - male	20.10	20.50
Current UK pensioners at retirement age - female	22.20	22.80
Future UK pensioners at retirement age - male	21.00	21.40
Future UK pensioners at retirement age - female	<u>23.40</u>	<u>24.00</u>

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 23 Pension and other schemes (continued)

##### *Amounts recognised in the profit and loss account*

	<b>31 December 2023 £ 000</b>	<b>31 December 2022 £ 000</b>
<b>Amounts recognised in operating profit</b>		
Current service cost	3,567	5,734
Administrative expenses paid	462	653
Recognised in arriving at operating profit	4,029	6,387
<b>Amounts recognised in finance income or costs</b>		
Net interest	96	968
Total cost recognised in the income statement	4,125	7,355

##### *Amounts taken to the Statement of Comprehensive Income*

	<b>31 December 2023 £ 000</b>	<b>31 December 2022 £ 000</b>
Actuarial (gains) and losses arising from changes in demographic assumptions	(2,087)	(1,575)
Actuarial (gains) and losses arising from changes in financial assumptions	11,262	(111,648)
Actuarial (gains) and losses arising from experience adjustments	8,052	8,021
Return on plan assets, excluding amounts included in interest income/(expense)	3,483	15,125
Amounts recognised in the Statement of Comprehensive Income	20,710	(90,077)

During the year management noted that the non-recognition of the defined benefit pension asset in the prior year was incorrect and that the company should recognise the pension asset as per IFRIC 14.11(b) assuming the gradual settlement of the plan liabilities over time. As a result, management has restated the prior year financial statements to reflect the correct position as at 31 December 2022. There is no impact on the opening balance as of 1st January 2022, given that there was no pension surplus recorded in FY21 and the company was in a net liability position at that date

## Freightliner Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)

#### 23 Pension and other schemes (continued)

##### Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	+ 0.1%	- 0.1%	+ 0.1%	- 0.1%
<b>Adjustment to discount rate</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Impact on total obligation	<u>27,791</u>	<u>27,791</u>	<u>23,001</u>	<u>23,001</u>
	<b>31 December 2023</b>		<b>31 December 2022</b>	
	+ 0.1%	- 0.1%	+ 0.1%	- 0.1%
<b>Adjustment to rate of inflation</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Impact on total obligation	<u>25,342</u>	<u>25,342</u>	<u>21,113</u>	<u>21,113</u>
	<b>31 December 2023</b>		<b>31 December 2022</b>	
	+ 1 Year	- 1 Year	+ 1 Year	- 1 Year
<b>Adjustment to mortality age rating assumption</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Impact on total obligation	<u>4,784</u>	<u>4,784</u>	<u>3,662</u>	<u>3,662</u>

An increase of 0.1% to the discount rate would result in a reduction of liability whereas a decrease of 0.1% to the discount rate would result in increase of liability. An increase of 0.1% to the inflation rate would increase the liability whereas a decrease in inflation rate results in a reduction in liability. Increasing the mortality age by 1 year would lead to an increase in liability whereas a decrease in mortality age would lead to a reduction in liability.

## **Freightliner Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2023 (continued)**

#### **24 Commitments**

##### **Capital commitments**

The total amount of tangible assets contracted for but not provided in the financial statements was £Nil (2022 - £27,713).

#### **25 Parent and ultimate parent undertaking**

The company's immediate parent is Management Consortium Bid Limited.

The ultimate parent is Brookfield Corporation. These financial statements are available upon request from Suite 300, Brookfield Place, 181 Bay Street, Toronto, Canada.

The ultimate controlling party is Brookfield Corporation.

##### **Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is Brookfield Corporation, incorporated in Canada.

The address of Brookfield Corporation is:  
Suite 300, Brookfield Place, 181 Bay Street, Toronto, Canada.

The parent of the smallest group in which these financial statements are consolidated is GWI UK Acquisition Company Limited, incorporated in UK with the same address.

#### **26 Post balance sheet events**

Subsequent to year end, Genesee & Wyoming (G&W) group has undertaken a legal entity restructure to separate the US and UK operations of the G&W group, this restructuring completed in May 2024. This has led to various organisational changes in the group structure for the UK business. The UK operations are no longer part of Genesee & Wyoming Inc. and instead lead its own UK & Europe operations, under the brand Freightliner Group Limited. Freightliner Group Limited is the immediate parent for the UK & Europe's operations and GWI Western Europe is the new immediate parent of GWI UK Acquisition Company Limited after restructuring. This has given the UK business more autonomy over its operations, and enabled the UK & Europe operation to secure its own funding facility, which is a £50m 5-year term loan and a further £50m revolving credit facility. There has been no change to the ultimate parent entity of the company or the ultimate controlling party, which remains as Brookfield Corporation. The restructuring is a non-adjusting event for the company.

In April 2024, Freightliner Limited sold its site at Coatbridge for a profit. This includes the sale of the business and certain assets that Freightliner Limited held in connection with the operation of Coatbridge Rail Terminal. This is a non adjusting event for the company.