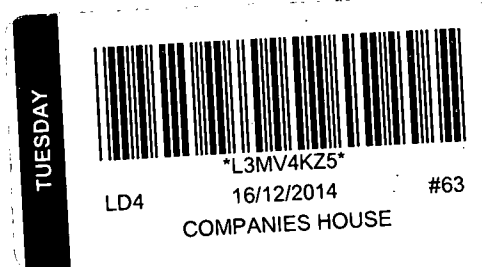

FREIGHTLINER GROUP LIMITED
Report and accounts 2014

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 MARCH 2014



FREIGHTLINER GROUP LIMITED

COMPANY INFORMATION

DIRECTORS	Adam Cunliffe Peter Maybury Dom McKenna Russell Mears Tim Shakerley Paul Smart Kevin Utting Darren Leigh (appointed 28 February 2014)
COMPANY SECRETARY	Kevin Utting
REGISTERED NUMBER	05313119
REGISTERED OFFICE	The Podium 1 Eversholt Street London NW1 2FL
INDEPENDENT AUDITOR	Deloitte LLP Chartered Accountants and Statutory Auditor London United Kingdom
BANKERS	RBC Europe Limited Riverbank House 2 Swan Lane London EC4R 3BF
SOLICITORS	Addleshaw Goddard Milton Gate 60 Chiswell Street London EC1Y 4AG

FREIGHTLINER GROUP LIMITED

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FREIGHTLINER GROUP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 MARCH 2014

The directors present their report and the audited financial statements for the period ended 29 March 2014.

PRINCIPAL ACTIVITIES

Freightliner Group Limited is the holding company for the Freightliner group of companies.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £891,000 (2013 - £355,000). The profit is due to a dividend receipt of £891,000 (2013 - £355,000). As a result of the profit the company's net assets increased from £6,439,000 to £7,330,000.

Due to the nature of the business, the directors do not believe further key performance indicators are required for an understanding of the performance of the company.

The directors do not propose a final dividend for the accounting period (2013 - £nil).

FUTURE DEVELOPMENTS

The directors expect the company to remain the holding company for the Freightliner Group of companies for the foreseeable future.

GOING CONCERN

The directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. The entity is in a net current liabilities position and RailInvest Holding Company Limited has confirmed that it intends to continue to support the company in meeting its obligations as required.

DIRECTORS

The directors who served throughout the period, and subsequently were:

Adam Cunliffe
Peter Maybury
Dom McKenna
Russell Mears
Tim Shakerley
Paul Smart
Kevin Utting
Darren Leigh (appointed 28 February 2014)

FREIGHTLINER GROUP LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 29 MARCH 2014**

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

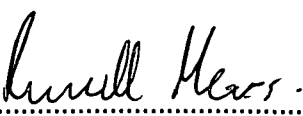
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the audited financial statements on the going concern basis unless it is inappropriate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

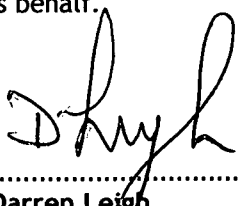
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the audited financial statements comply with 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.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


.....
Russell Mears
Director
Date: 11 August 2014


.....
Darren Leigh
Director
Date: 11 August 2014

STRATEGIC REPORT
FOR THE PERIOD ENDED 29 MARCH 2014

BUSINESS REVIEW

The profit for the period, after taxation, amounted to £891,000 (2013 - £355,000). The profit is due to a dividend receipt of £891,000 (2013 - £355,000). As a result of the profit the company's net assets increased from £6,439,000 to £7,330,000.

Due to the nature of the business, the directors do not believe further key performance indicators are required for an understanding of the performance of the company.

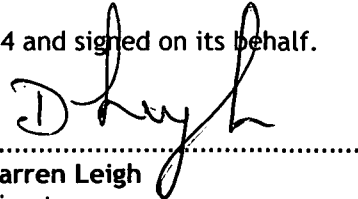
PRINCIPAL RISKS AND UNCERTAINTIES

Group risks are considered and discussed in the annual report of RailInvest Holding Company Limited, the ultimate parent company where the consolidated accounts are prepared, and do not form part of this report.

This report was approved by the board on 11 August 2014 and signed on its behalf.



.....
Russell Mears
Director



.....
Darren Leigh
Director

FREIGHTLINER GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREIGHTLINER GROUP LIMITED

We have audited the financial statements of Freightliner Group Limited for the 52 weeks ended 29 March 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 March 2014 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

FREIGHTLINER GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREIGHTLINER GROUP LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Andrew Clark FCA

Andrew Clark FCA (Senior Statutory Auditor)
for and on behalf of
DELOITTE LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

11 August 2014

FREIGHTLINER GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 29 MARCH 2014**

	Note	2014 £000	2013 £000
Dividend income from subsidiary companies		<u>891</u>	<u>355</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		891	355
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD	9	<u>891</u>	<u>355</u>

All amounts relate to continuing operations.

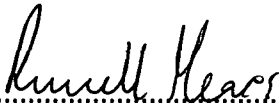
There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account and accordingly no Statement of total recognised gains and losses has been presented..

The notes on pages 8 to 12 form part of these financial statements.

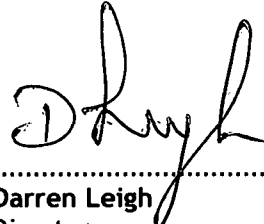
BALANCE SHEET
 AS AT 29 MARCH 2014

	Note	£000	29 March 2014 £000	£000	30 March 2013 £000
FIXED ASSETS					
Investments	5		7,692		1,895
CURRENT ASSETS					
Debtors	6	5,874		4,568	
Cash at bank and in hand		15		9	
		<u>5,889</u>		<u>4,577</u>	
CREDITORS: amounts falling due within one year	7	<u>(6,251)</u>		<u>(33)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(362)</u>		<u>4,544</u>
NET ASSETS			<u>7,330</u>		<u>6,439</u>
CAPITAL AND RESERVES					
Called up share capital	8		4,667		4,667
Profit and loss account	9		2,663		1,772
			<u>7,330</u>		<u>6,439</u>
SHAREHOLDERS' FUNDS	10		<u>7,330</u>		<u>6,439</u>

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



 Russell Mears
 Director



 Darren Leigh
 Director

Date: 11 August 2014

Date: 11 August 2014

The notes on pages 8 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2014**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards. The particular accounting policies adopted are consistent with those adopted in the prior year and are described below.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 1.

The company has very few suppliers and is supported by the other trading companies within the group. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Financial periods

The company's accounting reference date is 31 March. As permitted by section 390 of the Companies Act 2006, the financial year is treated as ending on the nearest Saturday on or before 31 March. The accounts for the current period cover the 52 week period from 31 March 2013 to 29 March 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2014

2. OPERATING PROFIT

Fees payable to the company's auditor for the audit of the company's accounts was £1,900 in respect of the period ended 29 March 2014 (2013 £1,850) and has been borne by a fellow group undertaking, Management Consortium Bid Limited in respect of both years.

3. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

4. TAXATION

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £000	2013 £000
Profit/(loss) on ordinary activities before tax	891	355
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	205	85
Effects of:		
Franked dividends from foreign subsidiaries	(205)	(85)
Current tax charge for the period	-	-

FREIGHTLINER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2014**

5. FIXED ASSET INVESTMENTS

The investments relate to shares acquired in subsidiary undertakings:

	Investments in subsidiary companies £000
Cost and net book value	
At 31 March 2013	1,895
Additions	5,797
	<hr/>
At 29 March 2014	7,692
	<hr/>
Net book value	
At 29 March 2014	7,692
	<hr/> <hr/>
At 30 March 2013	1,895
	<hr/> <hr/>

During the year, the company acquired a further 25% investment in Freightliner PL Sp z.o.o and a 92% shareholding in ERS Railways B.V. (including subsidiary undertaking ERS European Railways GmbH and associated undertaking boxXpress.de GmbH).

The following were the principal subsidiary undertakings of the company:

Company	Business	Share class	Holding	Registered office
Direct ownership:				
Freightliner Maintenance Limited	Maintenance	Ordinary	100%	England
Freightliner Australia Pty Limited	Rail haulage	Ordinary	85%	Australia
Freightliner PL Sp z.o.o.	Rail haulage	Ordinary	100%	Poland
ERS Railways B.V	Rail haulage	Ordinary	92%	Holland
UK Bulk Handling Services Limited	Container handling	Ordinary	100%	England
Indirect ownership:				
Freightliner Limited	Rail and road haulage	Ordinary	100%	England
Freightliner Heavy Haul Limited	Rail haulage	Ordinary	100%	England
Freightliner Railports Limited	Terminal handling	Ordinary	100%	England
Management Consortium Bid Limited	Management and administration	Ordinary	100%	England

FREIGHTLINER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2014**

6. DEBTORS

	29 March 2014 £000	30 March 2013 £000
Amounts owed by group undertakings	5,222	4,568
Other debtors	652	-
	<u>5,874</u>	<u>4,568</u>

7. CREDITORS:**Amounts falling due within one year**

	29 March 2014 £000	30 March 2013 £000
Trade creditors	-	1
Amounts owed to group undertakings	6,251	32
	<u>6,251</u>	<u>33</u>

8. SHARE CAPITAL

	29 March 2014 £000	30 March 2013 £000
Allotted, called up and fully paid		
445,666,667 Ordinary shares of £0.01 each	4,457	4,457
14,600,000 Key Manager shares of £0.01 each	146	146
6,400,000 Shares for all (SFA) shares of £0.01 each	64	64
	<u>4,667</u>	<u>4,667</u>

9. RESERVES

	Profit and loss account £000
At 31 March 2013	1,772
Profit for the financial period	891
	<u>2,663</u>
At 29 March 2014	<u>2,663</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 MARCH 2014

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	29 March 2014 £000	30 March 2013 £000
Opening shareholders' funds	6,439	6,084
Profit for the financial period	891	355
	<hr/>	<hr/>
Closing shareholders' funds	<u>7,330</u>	<u>6,439</u>

11. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption in FRS 8 not to disclose transactions between entities, 100% of whose voting rights are controlled within the group.

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is RailInvest Acquisitions Limited, incorporated in the United Kingdom and registered in England and Wales. The ultimate parent company and controlling party is RailInvest Funding Limited, a company incorporated and registered in the Cayman Islands.

The smallest and largest group for which consolidated accounts are prepared, is RailInvest Holding Company Limited, incorporated in the United Kingdom and registered in England and Wales. Copies of the group accounts may be obtained from The Podium, 1 Eversholt Street, London, NW1 2FL.