

Company Registration No. 03841849 (England and Wales)

PANDROL HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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PANDROL HOLDINGS LIMITED

COMPANY INFORMATION

Director	B Forster
Secretary	DJ Cooke
Company number	03841849
Registered office	Osprey House 63 Station Road Addlestone Surrey KT15 2AR
Auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

PANDROL HOLDINGS LIMITED

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PANDROL HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents the strategic report and financial statements for the year ended 31 December 2015.

Principal Activities

The principal activity of the group is the design, manufacture and marketing of resilient rail fastening systems and assemblies marketed under the 'Pandrol' and 'Pandrol Track Systems' brand names; the supply of novel maintenance products marketed under the 'Vortok' brand name; and the supply of track installation and maintenance machines under the 'Rosenqvist' brand name, to the railway industry.

The company is an investment holding company and is not involved in any operational activities.

Review of the business

1.1 Current Year Business Highlights

Significant features of the current performance of the business

The profit for the year has been in line with expectations. Future prospects of the company are dependent on the activities of its subsidiary operations.

Analysis of the financial position and critical accounting policies

The financial position of the company at the year end is considered satisfactory, concluding at a profit after tax of £13,187,000 (2014: £27,148,000) and net assets of £88,767,000 (2014: £88,580,000).

The critical accounting policies of the company are set out under note 2.

Cash flows, ability to generate cash to meet commitments and fund growth

The company continues to generate adequate cash to meet its commitments.

1.2 Business Objectives

The company's subsidiaries are reliant upon ongoing maintenance programmes; new line development and the opening of markets for its new products both in terms of resilient rail track fastening systems and assemblies; opportunities for the Vortok range of railway maintenance products; and prospects for the supply of the Rosenqvist range of track installation and maintenance machines.

The goal of the company's subsidiaries is to maintain and then increase market share whilst making reasonable improvements to its operating profits by the addition of new or improved products to the market.

1.3 Strategies for Achieving Objectives

Research and development

The group's research and development is directed towards product development and new products aligned to market needs. Where possible the company's subsidiaries look to generate technological solutions that result in new patented products.

Brand strategy

The Pandrol, Pandrol Track Systems, Vortok and Rosenqvist brand names are recognised throughout the world and are associated with technical solutions and close customer support. The company's subsidiaries' activities are directed towards retaining this healthy brand image.

Supply chain

The group's development of the supply chain is a continual endeavour and additional resources are being employed to improve its effectiveness. The company's subsidiaries and their suppliers work together to ensure that products meet customer's expectations whilst ensuring that cost control is maintained and deliveries are secure.

PANDROL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1.4 Principal Risks & Uncertainties

Financial Risk Management

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, liquidity risk, interest rate risk and foreign exchange risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring debt finance and related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's finance department implements the policies set by the board of directors. The department has a policy and procedure manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

a. Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansion.

b. Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances. Interest earned/paid is at floating rates. This is deemed acceptable as the difference is not material. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

At the date of signing, the Directors have not identified any significant risk to the company following Britain's decision to leave the European Union.

Treasury policies and objectives


The group treasury policy is to provide effective hedging to offset foreign exchange exposure.

Surplus cash generated by the company is passed at market rates to fellow subsidiaries in order to provide maximum benefits from cash management procedures, while retaining the ability to service the operations of the business.

1.5 Key Performance Indicators

The company is an investment holding company and as a result the directors do not review any key performance indicators. All key performance indicators are reviewed within the individual trading companies.

By order of the board



DJ Cooke

Secretary

27 September 2016

PANDROL HOLDINGS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his annual report and financial statements for the year ended 31 December 2015.

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £13,000,000 (2014: £23,000,000). The director does not recommend payment of a final dividend.

Director

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Bourdon

(Resigned 13 April 2016)

B Forster

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its director which were made during the year and remain in force at the reporting date.

Future developments

The directors expect the company to enjoy profitable business into the foreseeable future, based on the current strategies.

Auditor

The auditor, Mazars LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

The director is responsible for preparing the Strategic and Director's Reports and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 "Reduced Disclosure Framework". Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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.

PANDROL HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information 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 section 418 of the Companies Act 2006.

Matters covered in the strategic report

A review of the business and principal risks and uncertainties are not shown in the directors' report as this information is included within the strategic report under s.414c(11) of the Companies Act 2006.

By order of the board



DJ Cooke

Secretary

27 September 2016

PANDROL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PANDROL HOLDINGS LIMITED

We have audited the financial statements of Pandrol Holdings Limited for the year ended 31 December 2015 which comprise the Income Statement, Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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) including FRS 101 "Reduced Disclosure Framework".

Respective responsibilities of director and auditor

As explained more fully in the Director's 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. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Jonathan Seaman (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House

St Katharine's Way

London

E1W 1DD

28 September 2016

PANDROL HOLDINGS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £000	2014 £000
Income from shares in group undertakings	6	13,000	27,045
Interest receivable from group undertakings	6	234	111
		<hr/>	<hr/>
Profit on ordinary activities before taxation		13,234	27,156
Tax on profit on ordinary activities	7	(47)	(8)
		<hr/>	<hr/>
Profit for the year attributable to the company		13,187	27,148
		<hr/>	<hr/>

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 - 19 form part of the financial statements

PANDROL HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £000	2014 £000
Profit for the year	13,187	27,148
Other comprehensive income		
Other comprehensive income	-	-
Total comprehensive income for the year	13,187	27,148

The notes on pages 10 - 19 form part of the financial statements

PANDROL HOLDINGS LIMITED

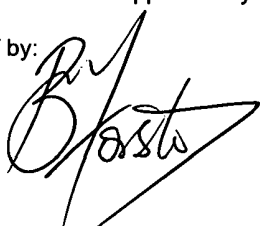
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Investments	9	79,292	79,292
Current assets			
Trade and other receivables	11	10,308	10,074
Cash at bank and in hand		1	1
		10,309	10,075
Creditors: amounts falling due within one year			
Trade and other payables	12	834	787
Net current assets		9,475	9,288
Total assets less current liabilities		88,767	88,580
Net assets		88,767	88,580
Capital and reserves			
Called up share capital	13	22	22
Share premium account	14	79,405	79,405
Profit and loss account		9,340	9,153
Total Shareholder's funds - equity		88,767	88,580

The financial statements were approved by the Board of directors and authorised for issue on 27 September 2016

Signed on its behalf by:



B Forster

Director

Company Registration No. 03841849

The notes on pages 10 - 19 form part of the financial statements

PANDROL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £000	Share premium account £000	Retained earnings £000	Total £000
Balance at 1 January 2014		22	79,405	5,005	84,432
Profit and total comprehensive income for the year		-	-	27,148	27,148
Dividends	8	-	-	(23,000)	(23,000)
Balance at 31 December 2014		22	79,405	9,153	88,580
Profit and total comprehensive income for the year		-	-	13,187	13,187
Dividends	8	-	-	(13,000)	(13,000)
Balance at 31 December 2015		22	79,405	9,340	88,767

Retained earnings

This reserve represents cumulative profits and losses of the company.

The notes on pages 10 - 19 form part of the financial statements.

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 General Information

Pandrol Holdings Limited is a company limited by shares incorporated in England and Wales. The registered office is Osprey House, 63 Station Road, Addlestone, Surrey, KT15 2AR.

The principal activity of the group is the design, manufacture and marketing of resilient rail fastening systems and assemblies marketed under the 'Pandrol' and 'Pandrol Track Systems' brand names; the supply of novel maintenance products marketed under the 'Vortok' brand name; and the supply of track installation and maintenance machines under the 'Rosenqvist' brand name, to the railway industry.

The company is an investment holding company and is not involved in any operational activities.

2 Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and in accordance with applicable accounting standards.

The company's functional currency is GBP Sterling, as this is the currency of the primary economic environment of that which the Company operates. The financial statements are presented in GBP Sterling and are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of HRT UK Limited. The results of Pandrol Holdings Limited and its immediate parent entity HRT UK Limited, are included in the consolidated financial statements of the ultimate controlling party, Delachaux S.A. The group accounts of Delachaux S.A. are available to the public and can be obtained as set out in note 17.

The financial statements have been prepared on the historical cost basis. The impact of the transition to FRS 101 can be seen in note 18. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS101:

- the requirements of IFRS 7 'Financial Instruments: Disclosures' relating to financial instruments and the nature and extent of risks arising from such instruments;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement relating to the fair value measurement disclosure of financial assets and financial liabilities that are measured at fair value;
- the applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79a, iv) and the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73e);
- the requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- the requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d), 111 relating to the presentation of a Cash Flow Statement;
- the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective;
- the requirements of IAS 24 'Related Party Disclosures' relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group.

Where required, equivalent disclosures are given in the group accounts of Delachaux S.A. The group accounts of Delachaux S.A. are available to the public and can be obtained as set out in note 17.

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Accounting Policies

(Continued)

2.2 Use of estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future earnings. Estimation uncertainty relates to the assumptions about future operating results and the determination of a suitable discount rate.

2.3 Adoption of new and revised standards

The following standards and interpretations have been adopted in the financial statements as they are mandatory for the year ended 31 December 2015:

Endorsed		Effective for periods beginning on or after:
Amendments to IAS 32	Financial Instruments: Presentation', Offsetting financial assets and financial liabilities	1 January 2014
Amendments to IAS 36	'Impairment of Assets', Recoverable amounts disclosures for non-financial assets	1 January 2014
Amendments to IAS 39	'Financial Instruments: Recognition and Measurement', Novation of derivatives and continuation of hedge accounting	1 January 2014
Annual improvements to IFRS (2011 – 2013)		1 January 2015

The adoption of the standards and interpretations above has not had a material impact on the Company's financial statements.

2.4 Going concern

The director has at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Accounting Policies

(Continued)

2.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand.

2.7 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

2.8 Financial liabilities

Financial liabilities are classified as trade and other payables.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised in interest payable.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Accounting Policies

(Continued)

Derecognition of financial liabilities

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

2.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

3 Income from other fixed asset investments

The income from other fixed asset investments amounting to £13,000,000 (2014: £27,045,000) is dividend income received from subsidiary companies.

4 Auditors remuneration

Auditors remuneration for 2015 is borne by another group company. A charge of £5,000 (2014 - £5,000) was paid by another group company in relation to the auditor's remuneration of the company.

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

5 Employees

The company has no employees other than the directors, who did not receive any remuneration (2014 - £Nil).

6 Investment income

	2015 £000	2014 £000
Interest income		
Interest receivable from group companies	234	111
Income from fixed asset investments		
Income from shares in group undertakings	13,000	27,045
Total income	<u>13,234</u>	<u>27,156</u>

7 Income tax expense

	2015 £000	2014 £000
Current tax		
Current year taxation	<u>47</u>	<u>8</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2015 £000	2014 £000
Profit before taxation	<u>13,234</u>	<u>27,156</u>
Tax at the applicable rate of 20.25% (2014: 21.50%)	2,680	5,839
Group relief	-	(15)
UK dividend income	<u>(2,633)</u>	<u>(5,816)</u>
Total tax charge for the year	<u>47</u>	<u>8</u>

8 Dividends

	2015 per share £	2014 per share £	2015 £000	2014 £000
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Final dividend paid	<u>5.83</u>	<u>10.32</u>	<u>13,000</u>	<u>23,000</u>

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

9 Investments

	Current 2015 £000	2014 £000	Non-current 2015 £000	2014 £000
Investments in subsidiaries	-	-	79,292	79,292

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Movements in non-current investments

	Shares £000
Cost	
At 1 January 2015 & 31 December 2015	79,292
Impairment	
At 1 January 2015 & 31 December 2015	-
Carrying amount	
At 31 December 2015	79,292
At 31 December 2014	79,292

10 Subsidiaries

The following is a subsidiary undertaking of the company:

Name	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Pandrol Group Limited	UK	100%		Holding Company

The investment in the subsidiary undertaking in the financial statements of the company is reviewed annually for impairment.

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Trade and other receivables

Due within one year:

	2015 £000	2014 £000
Trade receivables	1	-
Amounts due from subsidiary undertakings	10,307	10,074
	<u>10,308</u>	<u>10,074</u>

The amounts due from subsidiary undertakings are unsecured and interest is charged at LIBOR +1.5% with no set date for repayment.

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

12 Trade and other payables

Due within one year:

	2015 £000	2014 £000
Amount due to parent undertaking	749	749
Social security and other taxation	85	38
	<u>834</u>	<u>787</u>

The amounts owed to group undertakings are unsecured and interest is charged at LIBOR +1.5% with no set date for repayment.

The directors consider the carrying amount of trade and other payables approximate to their fair value.

13 Share capital

	2015 £000	2014 £000
Ordinary share capital		
<i>Authorised</i>		
2,228,559 Ordinary shares of £0.01 each	22	22
	<u>22</u>	<u>22</u>
<i>Issued and fully paid</i>		
2,228,559 Ordinary shares of £0.01 each	22	22
	<u>22</u>	<u>22</u>

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Share premium account

£000

At 1 January 2014 & 1 January 2015	79,405
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At 31 December 2014 & 31 December 2015	79,405
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15 Contingent liabilities

In September 2011, a senior facilities agreement (the Facility Agreement) was entered into between Delachaux S.A. (the Borrower), HRT SAS and Railtech International S.A. (the Original Obligors) and a group of banks.

In addition, on the same date, an Intercreditor Agreement was entered into between the Borrower, the Original Obligors and a group of banks.

Subsequent to this, the company acceded as an additional guarantor to the Facility Agreement and as an inter-group lender to the Intercreditor Agreement in November 2011.

An Accession Deed to the Facility Agreement and Intercreditor Agreement were entered into between the company, the Borrower and the banks in November 2011.

The company also entered into a Debenture in November 2011 providing a guarantee over its shares and the net assets of the company.

In January 2012, certain members of the Pandrol Group including the company (the "Borrowing Group") entered into a Collective Sterling Net Overdraft and Other Facilities Agreement (the "Facilities Agreement") with HSBC Bank plc. The Facilities Agreement is subject to a standard clause that the Bank may at any time withdraw the Facilities and/or demand repayment of all sums owing to it. In addition, the Borrowing Group provided an Unlimited Composite Company Guarantee to secure all liabilities of each other.

16 Related party transactions

Delachaux S.A. is the ultimate controlling party and ultimate investor in Pandrol Holdings Limited.

As a result of the above, Delachaux S.A. and its subsidiaries are considered to be related parties of Pandrol Holdings Limited and its subsidiaries, as defined in FRS 101.

The Company has taken advantage of exemption offered by FRS 101 from "the requirements of paragraph 17 of IAS 24 Related Party Disclosures" not to disclose key management personnel compensation and from "the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group".

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

17 Ultimate parent undertaking and controlling party

HRT UK Limited, a company registered in the United Kingdom, is the registered and beneficial holder of the company's shares.

Delachaux S.A., which is registered in the France, is the company's ultimate holding company and controlling party.

Delachaux S.A. heads the group of companies for which consolidated financial statements are prepared.

Copies of these financial statements may be obtained by application to the registered office at Immeuble West Plaza, 9 Rue du Débarcadère, CS 90029, 92707 COLOMBES Cedex - France.

18 Reconciliations on adoption of FRS 101

Reconciliation of equity

	Notes	At 1 January 2014			At 31 December 2014		
		Previous UK GAAP £000	Effect of transition £000	FRS 101 £000	Previous UK GAAP £000	Effect of transition £000	FRS 101 £000
Fixed assets							
Investments	1)	200,350	(121,058)	79,292	191,980	(112,688)	79,292
Current assets							
Trade and other receivables		5,903	-	5,903	10,074	-	10,074
Bank and cash		1	-	1	1	-	1
		5,904	-	5,904	10,075	-	10,075
Creditors due within one year							
Taxation		(15)	-	(15)	(38)	-	(38)
Other payables		(749)	-	(749)	(749)	-	(749)
		(764)	-	(764)	(787)	-	(787)
Net current assets		5,140	-	5,140	9,288	-	9,288
Total assets less current liabilities		205,490	(121,058)	84,432	201,268	(112,688)	88,580
Net assets		205,490	(121,058)	84,432	201,268	(112,688)	88,580
Equity							
Share capital		22	-	22	22	-	22
Share premium		79,405	-	79,405	79,405	-	79,405
Revaluation reserve	1)	121,058	(121,058)	-	112,688	(112,688)	-
Profit and loss		5,005	-	5,005	9,153	-	9,153
Total equity		205,490	(121,058)	84,432	201,268	(112,688)	88,580

PANDROL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

18 Reconciliations on adoption of FRS 101

(Continued)

Reconciliation of income statement and statement of other comprehensive income for the year ended 31 December 2014

	Notes	Previous UK GAAP £000	Effect of transition £000	FRS 101 £000
Income from shares in group undertakings		27,045	-	27,045
Interest receivable and similar income		111	-	111
Profit on ordinary activities before taxation		27,156	-	27,156
Tax on profit on ordinary activities		(8)	-	(8)
Profit for the year attributable to the company		27,148	-	27,148
Other comprehensive income				
Other comprehensive income		-	-	-
Total comprehensive income for the year		27,148	-	27,148

Notes to reconciliations on adoption of FRS 101

1) In accordance with IFRS 1, Investments previously held at directors valuation have been restated to cost at the date of transition and will be reviewed annually for impairment.