Registered number: 07428859

HELIX ACQUISITION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

COMPANY INFORMATION

Directors	J Curley S Jones K Ludeman A Pitt A Leness M Osborne P Robson (resigned 23 February 2024) J Carter (appointed 25 April 2024)
Chair	K Ludeman
Registered number	07428859
Registered office	5th Floor, Kings Place 90 York Way London N1 9AG
Independent auditors	Deloitte LLP Statutory Auditor 2 New Street Square London United Kingdom EC4A 3BZ
Company Secretary	C Gould (appointed 19 October 2023) L Clark-Bodicoat (resigned 11 May 2023)

HELIX ACQUISITION LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Directors present their Annual Report on the affairs of Helix Acquisition Limited and its subsidiaries ("The Group") together with the audited financial statements for the year ended 31 March 2024.

The Directors, when preparing this Strategic Report, have complied with section 414C of the Companies Act 2006.

The Business Model

The Group holds the concession through to 31 December 2040 to operate the 109-kilometre-high speed rail line connecting London's St Pancras International station to Kent, and, via the Channel Tunnel, to international destinations in Europe notably Paris, Brussels, and Amsterdam. In addition to St Pancras International, three stations are served along the route - Stratford International, Ebbsfleet International and Ashford International.
Helix Acquisition Limited is a holding company, with the ultimate parent undertaking being Betjeman Holdings JvCo Limited. HS1 Limited ('HS1'), a direct subsidiary of Helix Acquisition, is the operating company.

The Group operates under a transparent regulatory framework. Revenue is derived from a combination of charges set in the concession agreement, regulated charges determined through the 5-yearly price control overseen by the Office of Rail and Road ('ORR') and a number of passthrough charge elements. The Group generates unregulated revenues from station retail and car parking. In addition to domestic and international high-speed traffic, the rail line serves a small volume of freight traffic.

The Group has a clear goal to be recognised as a sustainable and high performing transport system connecting London, Kent, and Europe. Its strategy is to drive growth on the HS1 infrastructure and encourage modal shift towards rail travel. The strategy is underpinned by a clear purpose, vision, mission, and values as illustrated in figure 1.

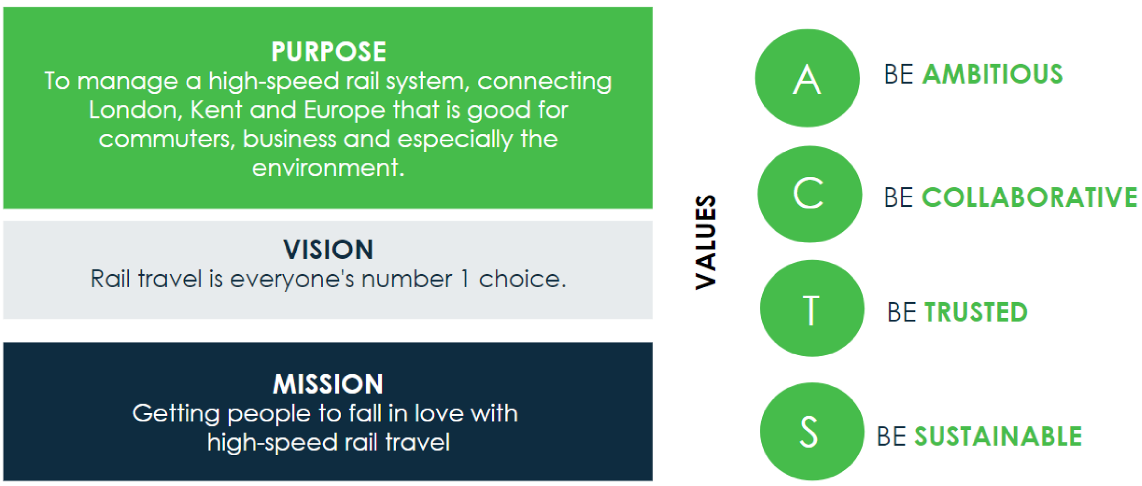

Figure 1: The Group's purpose, vision, mission, and values

Business Review

Turnover for the year ended 31 March 2024 has increased to £299.7m (2023: £230.5m) primarily driven by higher RPI, additional international train paths, and unregulated income.

International train services have continued to recover from the Global Pandemic. Eurostar ("EIL") has returned to booking a full forward working timetable ("FWT"), with a FWT for May 2024 – December 2024 that reflects 93% of pre-Covid levels.

Domestic train services, run by Southeastern Trains Limited ("SETL"), have continued to operate below the contractual underpin level set out in the UK Government domestic underpinning agreement ("DUA"). The DUA has continued to insulate the Group from the reduced timetable.

Retail income has performed well in the year, driven by the recovery in passengers, and sales have exceeded pre-Covid levels.

There were no strikes impacting staff within HS1's supply chain within the year. However, ongoing industrial action impacted train operators which was disruptive to our passengers and impacted the number of customers using our stations.

In line with contractual agreements with EIL and SETL, the Group executed its third "Volume Reopener" of the Control Period to ensure the fixed Operation, Maintenance and Renewal ("OMR") costs were recovered and allocated appropriately between our train operator customers.

The Group offers strong sustainability credentials and continues to deliver against the published sustainability strategy, which was updated in 2023. The Group's strategy is to become the green gateway to Europe, based upon providing a more sustainable alternative to air travel. The Group actively explores how it can become carbon neutral, aiming to procure as much energy as possible through carbon neutral sources by 2030/31.

The Group is publishing an in-depth Task Force for Climate-Related Financial Disclosure ("TCFD") report this year, with more details included under "Sustainability Strategy and statutory reporting". The Group's TCFD report will be published as part of our annual Environmental, Social and Governance ("ESG") report, this will be available on HS1's website (https://highspeed1.co.uk/sustainability). These reports serve as a resource for stakeholders seeking a full account of our efforts and accomplishments in driving forward our sustainability agenda, with notable progress being made throughout 2023/24.

On 30 December 2023, the Thames Tunnel was closed in both directions due to flooding from water off HS1 land flowing into the tunnel. The flood halted all services for a full day. This had an adverse impact on the operational performance of the infrastructure, which is a key performance indicator ("KPI") for the Group, as discussed in the KPI section of the Strategic Report. Detailed reviews of the root cause, the tunnel water management and operational response were conducted. Enhanced pumping and alarm arrangements were put in place in early 2024. Further work on water management in tunnels is currently being reviewed, while investigations on the source of the water are continuing. The incident has not been linked to flash flooding or any other climate-related factors.

Robert Sinclair joined HS1 as CEO in March 2024, following Dyan Perry's retirement.

A draft Rail Reform Bill was published in February 2024 and is undergoing parliamentary scrutiny. While there should not be a direct impact on HS1 and the Concession, HS1 continues to monitor the process and implications for the Concession.

HS1 continues to prioritise its people and has maintained gold standard accreditation from Investors in People for 'We Invest in People', and a silver standard accreditation for 'We Invest in Wellbeing' In 2023 our annual employee engagement survey showed a strong engagement score of 92% and a high level of satisfaction.

Key performance indicators ("KPIs")

Performance during the year to 31 March 2024 has improved with a recovery towards pre-covid levels. There were 71,102 train paths billed in the year (2023: 67,877), a 4.8% increase.

Operational performance of the infrastructure is the Group's primary performance KPI. The moving annual average ("MAA") delays per train path from the HS1 infrastructure has increased to 11.8 seconds at March 2024 (2023: 7.3 seconds) driven by a small number of isolated incidents that have caused significant disruption including the Thames Tunnel Flood on 30 December 2023. We continue to work with Network Rail High Speed ("NRHS") to limit the impact of these events in future and prevent future incidents. We note that the level remains well within the concession agreement limits. Following a formal request from HS1, NRHS has introduced improvement plans for signalling, telecoms resilience and trespass.

Safety performance remains a key business priority with the target of being a zero-harm business. The MAA Fatalities and Weighted Injuries (being a railway industry weighted measure of accidents per 1,000,000 hours worked) has reduced to 0.055 at 31 March 2024 (2023: 0.151). Safety performance remains a key business priority with the target of a zero-harm business. Safety performance has been good, and NRHS safety improvement plans have been effective in managing safety. However, we have seen a continued rise in assaults on NRHS staff which are the largest category of workforce injury. All staff are now issued with body worn cameras to reduce conflict as part of safety improvement plans, which also seek to reduce other workplace accidents. We are working closely with NRHS and the British Transport Police to combat workplace violence which is a rising trend across the UK rail industry.

The Passenger Accident Incident Rate, number of passenger accidents per 100,000 passengers, is low at 0.01 at 31 March 2024 (2023: 0.014). Locally owned safety improvement plans have been effective in reducing accidents to passengers.

The Group's financial KPIs are earnings before interest, tax, depreciation, and amortisation ("EBITDA") and the debt service cover ratio ("DSCR") – the ratio of cash available to service the annual debt interest and principal payments. The DSCR for the year to 31 March 2024 was 1.51x (2023: 1.46x).

The EBITDA for the year to 31 March 2024 was £100.9m (2023: £65.6m). The increase is driven by increased revenue in the year. A reconciliation from the statutory measure, being operating loss, is presented in the table below:

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	2024 **£m**	*2023* *£m*
Operating Profit	**51.9**	*17.0*
Depreciation and amortisation	**49.0**	*48.8*
	100.9	*65.8*

Future developments

An electronic visa Entry / Exit system ("EES") is planned for implementation in October 2024 for the Schengen Area. HS1 is working with EIL to finalise operational processes within St Pancras International and optimise the customer experience.

Several companies have expressed an interest to run international train services on HS1. HS1 welcomes competition and will continue to work with operators as they investigate the opportunity. We are considering their needs and the potential for much greater foot traffic at St Pancras Station as we develop longer-term asset plans.

The CFO, Mark Farrer, resigned from the Board on 19 April 2024. Claire Howling, previously Head of Finance was appointed as Finance Director while a search was conducted for the new CFO.

Section 172(1) Statement

The Directors discharge their duties under section 172(1) (a)-(f) of the Companies Act 2006 to act in good faith and to promote the success of the Group for the benefit of shareholders and stakeholders, and in doing so have regard (amongst other matters) to;

(a) the likely consequences of any decision in the long term,
(b) the interests of the Group's employees,
(c) the need to foster the Group's business relationships with suppliers, customers and others,
(d) the impact of the Group's operations on the community and the environment,
(e) the desirability of the Group maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly as between members of the Group.

The Strategic Report sets out the Group's vision. Through working collaboratively with Management, and listening to feedback from the Group's stakeholders, the Directors ensure that the Group is well positioned to deliver this vision.

Relevant matters are reviewed at Board meetings with Management and are assessed against strategic priorities. This collaborative approach helps promote the long-term vision of the Group and includes an assessment of the impact of major capital projects on the community and environment. The Board places high importance on employee engagement and considers the impact of decisions on HS1's employees.

The Board frequently considers whether its structure and composition are best placed to promote the success of the Group. This was supported by a third-party Board effectiveness review conducted in December 2023, which concluded that the current Board structure is appropriate.

The Board assesses the impact of its activities on its key stakeholders. The Board is supported in this by Committees, which allow the Directors to consider relevant expertise before making decisions. More information on the Board composition, and stakeholder relationships, are included in the Statement of Corporate Governance. How we engage and foster strong relationships with some of our key stakeholders:

Customers	Employees	Regulators	Lenders and shareholders	Partners and suppliers	Community and Environment
• Regular senior and working level meetings • Customer meetings at CEO level • Discussions with stakeholder groups • Monitoring industry questionnaires	• Employee Engagement survey • All Staff briefings • Employee Suggestion Board. • People Forum • Team meetings	• Quarterly BAU monitoring meetings • Quarterly (or more frequent) engagement on the regulatory Periodic Review process • Public consultations • Stakeholder working groups	• Annual lender presentation • Information disclosure, such as budgets, financial statements, and covenants • Regular meetings	• Contract review meetings • Annual supplier conference	• Social media and website • Volunteer days • Rail Safety and Standards Board ('RSSB') Working Groups • Transport Adaptation Steering Group ("TASG")

Figure 2: stakeholders

Principal risks and uncertainties

The Group's regulatory and contractual arrangements provide a low risk, stable business environment. The principal key risk factors and uncertainties for the Group are:

a) Supply chain and operations

• NRHS operational failure. The Group has contracts with NRHS to operate and maintain the infrastructure and stations (excluding Ashford International) and the Group has ongoing compliance and reporting mechanisms to ensure that contracts are delivered. The Group is in regular contact with NRHS and continually reviews potential causes of disruption including staff shortages or infrastructure closures that could impact HS1 service operation. If NRHS is unable to meet its obligations under the Operator Agreement, the Group has the right to intervene. The contract terms also include a parent company guarantee from the state-owned Network Rail Infrastructure Limited giving the Group greater security.

• A major infrastructure failure or incident. The Group mitigates the risk operationally by obtaining supply chain assurance and ensuring compliance of procedures followed by NRHS, in particular. In addition, the Group regularly tests its business continuity and recovery plans and has appropriate insurance cover in place to limit the exposure to such incidents. This includes insurance cover for off route incidents occurring within 1 mile of HS1 premises if damage occurs and cover for Police action or presence (or suspected) of harmful device. This cover meets concession requirements and would limit the short-term financial impact. Long term issues could have a materially negative financial impact.

• Payment of performance regime penalties to operators. HS1's track access agreements attribute payments to parties aligned to their role in delays. HS1's exposure is triggered in the event of failure of the Group’s infrastructure and such penalties for delays are capped at £10.9m as at 31 March 2024, of which £5.2m is passed onto our principal supplier, NRHS.

• As a key piece of infrastructure, there is a risk of a terror attack, physical or cyber. Management has carried out a risk assessment to ensure controls are optimal. HS1, with the supply chain, invests heavily in cyber and physical security measures. The Group has introduced a robust IT Disaster Recovery plan to enhance cyber security protection and controls to mitigate the risk of HS1 Data and information being lost, stolen or corrupted.

b) Economy

• Failure to adapt to structural change. The Group monitors potential long-term shifts in the market that could impact the business, such as travel, online shopping, home-working habits and the demand for green travel. The Group continues to monitor the market closely and is actively managing the stations with regular dialogue with retailers and train operators. Customer insights, and in-depth market knowledge, allow the Group to adapt to changes in customer demand.

• There is a risk of passenger flow disruption from new border control requirements, including the planned Schengen Border process coming in October 2024. Changes in immigration rules or EU border arrangements could negatively impact the passenger experience or discourage international travel. Most of the train paths that run on the infrastructure are domestic, which helps to insulate the Group from these risks. Furthermore, juxtaposed border controls, which removes the requirement for passport control at disembarkation, is a key competitive advantage over air for international travel. The Group continues engage with customers, suppliers, the regulators, government, and Border Authorities to mitigate any risks.

• There is a pressure on energy prices. The Group faces a reputational risk if this is not effectively managed. Management work with the Train Operators, and industry experts, to executive a robust energy purchasing strategy which balances affordability, price certainty and utilising renewable energy sources.

• Over the last year, inflation has been well above the trend since the start of the concession in 2010. The

Group mitigates most of its exposure to RPI changes as the contractual arrangements with the TOCs have back-to-back arrangements and RPI on Investment Recovery Charge ('IRC') revenues is partially hedged to provide further certainty. The economic situation is under constant review by the Group.

c) Reliance on two key customers (SETL and EIL).

- SETL, the only domestic operator, and the Group's largest customer, continued to operate a lower level of train paths than pre-pandemic. HS1 is insulated from domestic services being lower than 1,024 train paths per standard week, the equivalent of c. 53,000 per year, as these are underpinned by the UK Government through the DUA. The underpin agreement has successfully been applied in the year with the Department for Transport ('DfT') being billed to make up the shortfall between actual and the underpin level of services and will continue to do so if the services are below this level. The Group works with stakeholders to encourage increased train paths.

- Prolonged depressed EIL services. Paths have been running at 90% of pre-covid levels on average for all of the year to 31 March 2024, and EIL has now increased its forward booking commitment to this level. The Group has certainty up to 1 year ahead due to the advanced agreement of the timetable on which billing is raised. Demand for international travel was resilient over the global pandemic and future growth in train paths is expected, especially if there is increased competition.

d) Financial risk management objectives and policies

- The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Interest rate risk – 97% of debt held at Group is on fixed interest rates, minimising the exposure from adverse movements.

- UK tax changes – the Group is exposed to changes in tax rules. Management stays abreast of developments to mitigate risk of change.

- Counterparty credit risk – the Group has two customers, SETL and EIL. On a regular basis we review the financial strength of our two customers. Other than this, the Group is not heavily reliant on any one party or financial instrument. The Group only trades with counterparties above minimum credit risk parameters. The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

- Foreign exchange risk – the Group has US$ denominated debt but the interest and principal repayments are 100% hedged through derivative instruments.

- Liquidity risk – the Group has medium term and long-term debt finance to ensure that the Group has sufficient funds available to meet the current and future needs of the Group. Short-term liquidity risk is mitigated through the availability of undrawn credit facilities in place. For further information see note 1.2 of the accounting policies (going concern).

- The Directors regularly review these risks and approve the use of financial instruments to manage risk.

Approval

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

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Mike Osborne
Mike Osborne (Jun 12, 2024 16:55 GMT+1)
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M Osborne
Director

Date: 12 June 2024

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The Group has turnover of £299.7m and total assets of £2.3 billion for the period ended 31 March 2024, therefore it is defined as a large private Group. The Board adopted the Wates Corporate Governance Principles for Large Private Companies as its chosen corporate governance code during the period ended 31 March 2021 and continues with these for the financial year ended 31 March 2024. The Board considers the Wates Principles the best option given the nature of the business and the Wates Principles relevance to it.

Principle 1 - Purpose and leadership

The Directors of Betjeman Holdings Limited demonstrate the principles of promoting the success of the Group, act with integrity and are committed to building positive relationships with employees and all other stakeholders. The Board has a clear understanding of the views of shareholders from communications at Board meetings, Committee meetings, site visits and safety tours, an annual Strategy Away Day with Management and regular ongoing dialogue to ensure shareholder views and concerns are understood and addressed.

Values and Culture

The Group's values, purpose, and strategy are integral to the way it operates. This is included in the Strategic Report on page 1. The Group's values are embedded in personal objectives, and employees are measured against their demonstration of these values in annual performance reviews.

The Board, shareholders and Management are committed to embedding the desired culture throughout the organisation. Culture is supported by the People Strategy, is reviewed through the annual employee engagement, and is benchmarked with other companies. In addition, the Group has been awarded the Gold standard in "We Invest in People" and have recently concluded a review of our "We Invest in Wellbeing" accreditation by Investors in People. To further enhance our inclusive culture, we have signed the Equality, Diversity and Inclusion ("EDI") Charter with the Rail Industry Association.

The Group has a Staff Handbook and Speak-up Policy, which enables concerns to be raised confidentially and anonymously to the Board. There is an annual review of the Speak-up Policy, which is designed to ensure process integrity and robustness. If an investigation is required, the Group would ensure full independence and no bias in identifying an Investigating Officer.

Strategy

The Board's core focus is on business strategy, driving growth on the HS1 infrastructure safely and sustainably.

We are reviewing our operational and asset management plans to ensure the ageing asset base remains resilient as we move into the second half of our Concession. The Group submits a Five-Year Asset Management Statement for approval by the Group's regulator, the ORR, prior to the start of each control period (Control Period 3 started on 1 April 2020). The Group also prepares a rolling 5-year Business Plan that is reviewed annually by the Board and demonstrates how the Group proposes to generate longer-term sustainable value for the Group and shareholders. This is consistent with the Group's goal to be recognised as a sustainable transport system, and with the Group's values, with sustainability being considered in asset management and business planning.

The Group has also developed a Sustainability Strategy and built this into its 2030 Vision. HS1 publishes its Sustainability Strategy on its website (https://highspeed1.co.uk/sustainability). Sustainability, and progress against the strategy, is reviewed by the Board.

Principle 2 - Board composition

The Chair is an independent director appointed for an initial 3-year term. Following the year-end, the incumbent Chair's appointment was extended until March 2026. The roles of Chair and CEO are exercised by different individuals to ensure a balance of power and effective decision making.

The Group's Board is comprised of six shareholder representatives and two Non-Executive Directors. The Board members collectively are experienced in the rail industry, project and corporate finance, asset management and Health and Safety. This includes serving on the Boards of other infrastructure assets, within the transport sector and other regulated industries. The Board is kept appraised of the business's performance and shareholder interests through regular Board and Committee reporting, as well as periodic CEO Reports and topical working groups that meet between Board meetings to drive progress and decisions on identified issues.

Appointments to the Board are made with the aim of balancing key skillsets to ensure appropriate experience to oversee Management and assess the business performance. The Board considers diversity as part of Board appointments. The CEO sits on the Board of HS1 Limited.

The Board delegates detailed oversight to four core Committees (Audit and Finance; HR and Remuneration; Health & Safety; Nominations) to enable effective decision-making, see "Board Committees" below. In addition, the Board formed the Business Development Committee in 2023 to oversee growth and enhancement projects.

Effectiveness

The shareholder representative development is carried out at the shareholder level. The Board composition is decided to balance the needs of the business. The Chair reviews Board effectiveness through regular review sessions as do the shareholders. A Board effectiveness review was conducted by the Chair in December 2023. This concluded that the Board structure is appropriate for the Group. The Chair and Company Secretary are making appropriate enhancements to Board oversight based on the recommendations and in line with the company reporting cycle. With this in place, and given the size of the Company, there is no additional formal HS1 specific Board skills development programme.

Principle 3 – Director responsibilities

Accountability

The Group has established, and maintains, corporate governance practices through the Company Secretarial Team to support effective decision-making.

The Group maintains policies and practices that govern the internal affairs of the Group including, without limitation, terms of reference for the Board and various Committees, delegated authorities, and the shareholder agreement. Conflicts of interest are declared at the commencement of every Board and Committee. Documents are brought to the Board for sign-off following the recommendation of the relevant Committee, with review by the Board before this occurs.

Governance processes are periodically reviewed through meetings between the Head of Legal and the Chair, and at the Board Strategy Day held annually.

Committees

The Group's Committees are the Audit and Finance Committee, the HR and Remuneration Committee, the Nomination Committee, Health & Safety Committee, and the Business Development Committee. Each Committee is chaired by separate Board members. All Committees are attended by either the Chair and/or the CEO, and the Company Secretary.

The Committees report to the Board to inform Board decision making and act within the terms of reference, which sets out the delegated authorities. Committees are responsible for the review of certain documents and policies, ensuring that the correct expertise is involved, however final approval remains with the Board. The Board is further supported by multiple Working Groups.

Integrity of information

The Group's Committees play a part in ensuring the formal and robust internal processes are operating effectively. The Committees each report back to the Board providing reliable information to enable the Directors to monitor and challenge the business performance and make informed decisions. In addition, policies and procedures are reviewed and updated regularly to ensure they remain relevant and up to date.

Principle 4 – Opportunity and risk

The business has a vision to make rail travel everyone's number one choice by providing a sustainable and high performing transport system. All business opportunities and risks are viewed through this lens to ensure they support the long-term vision for the business.

The Group documents its principal risks and uncertainties, as well as mitigations, within the Strategic Report. Each Directorate has core key performance indicators, which link into the overall business priorities. There is also a cross-Directorate weekly meeting that discusses live risks and opportunities, which are then raised to the Senior Management Team.

The Group's Board has responsibility for overall strategic decision-making. The Audit & Finance Committee has delegated responsibility for overseeing risk management and reports this to the Board. The Group has Risk Management Procedures that are reviewed annually. The Group also monitors climate related risks and carries out climate risk reviews.

The Group has a Head of Business Development whose role includes identifying business opportunities, future opportunities for innovation and entrepreneurship. Key new business opportunities are discussed and approved at Board level.

Principle 5 – Remuneration

Setting remuneration

The HR and Remuneration Committee has the responsibility for developing and recommending to the Board the policy in relation to remuneration for the executive management. Shareholder representative Board members are not remunerated by the Group. The HR and Remuneration Committee reviews remuneration in relation to the Chair and the Senior Management Team against performance (including safety, asset, and cash delivery), behaviours, professional objectives and the business' values and strategy.

The HR and Remuneration Committee also reviews remuneration in relation to all employees. This includes an annual pay review. This considers inflation and market indexes.

Policies

Remuneration schemes and policies are clearly set up with focus on key performance indicators such as safety, asset performance and cashflow, this enables effective accountability to shareholders. The Group is required to separately comply with the same requirements for Senior Management under the Long-Term Incentive Plan ("LTIP") Rules and the Annual Bonus Plan ("ABP") Rules.

The Group has not formally assessed whether a gender pay gap exists but notes two out of five members of the Senior Management Team are female.

Principle 6 – Stakeholder relationships and engagement

Stakeholders

The Group assesses the impact of its activities on its stakeholders, in particular customers, employees, regulators, partners, suppliers and the wider community. This is further documented within the section 172(1) statement, which forms part of the Strategic Report. The Group has a formalised Risk Management Procedure to ensure risks are identified and actions are taken to reduce the impact on stakeholders. Relevant matters are reviewed at Board meetings with Management and assessed against strategic priorities. This collaborative approach helps promote the long-term vision of the Group.

Each Directorate oversees the Group's relationship with different stakeholders to ensure effective business oversight. The Group presents stakeholders a fair, balanced, and understandable assessment of the Group's position and prospects through its annual report.

Workforce

The Group has channels that enable the workforce to share ideas and concerns with Senior Management, including an employee representatives body called the "People Forum". The People Forum discuss areas such as the Employee Engagement; People Systems; policies, including the HS1 Speak Up Policy (whistleblowing); and ideas generated from the 'Suggestions Station' by employees. Staff performance is monitored through regular meetings with line managers alongside interim and annual performance reviews. Staff engagement is also assessed through an annual engagement survey.

The Speak-up Policy is reviewed annually to ensure effectiveness.

The Group's policies and practices are aligned with the Group's purpose and values, as detailed in our Strategic Report. This is monitored and updated by the HR Business Partner.

The Board demonstrates how the Group has undertaken effective engagement with material stakeholders through discussion and actions identified at the Board and Committee meetings. They are recorded in minutes and actions are recorded on a rolling action log which is reviewed on a quarterly basis.

Approval

This report was approved by the Board of Directors signed on its behalf by:

Mike Osborne
Mike Osborne (Jun 12, 2024 16:55 GMT+1)

Name M Osborne
Director

Date 12 June 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2024.

Matters covered by the Strategic Report

As permitted, under s.414c(2) of the Companies Act 2006, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included within the strategic report.

Result for the year

The profit for the year was £101.5m (2023: profit of £37.0m).

Dividends

The Group paid no dividends during the year to holders of the A or B shares (2023: £nil).

Directors

The directors who served during the year were:

J Curley
S Jones
K Ludeman
A Pitt
A Leness
M Osborne
P Robson (resigned 23 February 2024)

Directors' indemnities

The Group maintains insurance against Directors and Officers liability as permitted by the Companies Act 2006 for the benefit of the Directors and Officers of the Group. None of the Directors who served during the year had any interest in the shares of this or any other Group Company.

Health and safety

The Group has a clear objective to achieve zero harm. The Group has a commitment to continuous improvement in performance in all areas of health, safety, and the environment. The Group's policies and procedures relating to health and safety at work recognise the requirements of current legislation and are kept under constant review to ensure a safe working environment for all associated staff.

The Group actively supports and works with NRHS, its contractors, and with other suppliers, in its promotion of strict adherence to all safety standards to ensure a safe environment for all parties using the railway, including train operators and their passengers and staff and customers of the facilities in and adjacent to the stations. The Group monitors safety performance, and it is one of the key performance indicators as noted in the Strategic Report.

The Health, Safety and Assurance strategy is built around three core elements which are:
1) Understanding risk,
2) Improvement in managing risk; and
3) Assuring that the arrangements put in place remain effective.

The Group has made use of several recognised tools and guidance in developing its approach to ensure credibility and the robustness of this strategy throughout Control Period 3.

Charitable Donations

During the year ended 31 March 2024, the Group made charitable donations of £5k (2023: £24k).

Political donations

Political donations during the year were £nil (2023: £nil).

Sustainability Strategy and statutory reporting

The Group continues to deliver against its 2023 sustainability strategy, completing important milestones and supporting the Group's strategy and purpose to be the most sustainable option for transport across the UK to Europe. The Group has published milestones out to 2030/31 for each of the six priority areas within this strategy, outlining the delivery approach. The Group actively explores how it can become carbon neutral. An area of focus is aiming to procure as much energy as possible through carbon net-neutral sources, reducing scope 1 and 2 emissions. Stringent new environmental targets in our 2023 sustainability strategy focus on enhancing the Group's reputation as the Green Gateway to Europe. An external update on progress against the Group's sustainability KPIs and 2030 targets will be available in the HS1 2023/24 ESG report published on our website (https://highspeed1.co.uk/sustainability).

The Group has published an in-depth TCFD report this year, attached to the 2023/24 ESG report. In our disclosures of climate related risks and opportunities we have considered those most relevant to the HS1 value chain over a 40-year time horizon. This includes key stakeholders such as passengers, customers, and the wider environment.

The Group is voluntarily reporting under TCFD. We have ensured that our disclosures are as aligned to the requirements as possible, however we will continue to develop this, especially considering the long-term impact of climate change in our financial planning and reporting. Based upon currently available data, our external risk assessment ranked the Group on the lower end of the risk spectrum with the direct business risk for the Group of climate-change being deemed not material. Over 2024, we will consider the impact of climate into our long-term financial planning processes and forecast the implications to the extent that our data and analysis allows. The direct business risk for the Group of climate-change is not currently assessed as material. Furthermore, a robust long-term asset funding model embedded in the contracts protects the business and ensures funding.

The Group is committed to sustainability and delivering exceptional environmental stewardship, tangible climate action and net social value. The climate transition presents a business opportunity for the Group, with increased demand for sustainable travel. The climate change risk assessment confirmed this, highlighting that the Group has more opportunities than risks.

Streamlined Energy and Carbon Reporting FY2023-24

The Group has adopted the operational control boundary approach for the measurement of energy emissions which includes all non-traction energy loads and also traction infrastructure losses from this year. The main areas of measurement are from the following sites:

- St Pancras International Station
- Stratford International Station
- Ebbsfleet International Station
- Ashford International Station
- Singlewell Infrastructure Maintenance Depot
- Other small depots which fall within the High Speed One area of responsibility
- Sections 1 and 2 of the Lineside Infrastructure (signal rooms, tunnels, access shafts etc.)
- Losses on the traction electricity distribution system (17.1% of total traction power)

Notable exceptions include the actively used energy from the traction electricity distribution system (82.9% of total traction power). No changes to the Scope and Boundary of the reporting have occurred during this Financial Year. Following a reduction to the percentage of estimated energy data, this report also includes immaterial changes to 2022/23 financial year SECR data.

As part of its commitment to improving carbon reporting, the Group has included the following emissions in its Scope 3 emissions data:

- Mandatory infrastructure losses (for both non-traction and infrastructure losses on the traction power)
- Diesel consumption for maintenance vehicles

Gross Emissions	**31 March 2024**	**31 March 2023**
Scope 1 Emissions (direct emissions from owned or controlled sources) / tCO_2e	974	1,144
Scope 2 Emissions (indirect emissions from the generation of purchased electricity, steam, heating, and cooling) / tCO_2e	12,759	12,015
Scope 3 Emissions (all other indirect emissions that occur in a Company's value chain) / tCO_2e	1,312	1,297
Total gross emissions / tCO_2e	15,046	14,456
Intensity ratio / $kgCO_2e$ (gross Scope 1, 2 & 3) per user	0.316	0.348
Total electricity consumed / MWh	61,616	62,131
Total gas consumed / MWh	5,286	6,265

This thereby shows changes in environmental performance as follows:

- Increase in absolute gross emissions 4%
- Reduction in normalised gross emissions 9%

Streamlined Energy and Carbon Reporting FY2023-24 (continued)

Circa 40% of the electricity purchased in this financial year was from renewable sources through a Corporate Power Purchase Agreement (CPPA). Recalculating our emissions on this green energy basis provides the following indicators:

Carbon offset due to REGO[1]	5,619 tCO2e
Net emissions[2]	15,492 tCO2e

1. This is calculated as emissions avoided against location-based emissions using the national grid emission factor.
2. This is calculated as overall market-based emissions.

The increase of net emissions (market based) against gross emissions (location-based) this year is primarily due to a correction in the calculation methodology. From this year onwards:

- "Gross emissions" will refer to location-based emissions using conversion factors from the national grid.
- "Net emissions" will refer to market-based emissions and will be calculated by:
  - Treating the renewable portion of electrical energy as zero emissions
  - Treating the residual portion of electrical energy as non-renewable and using the supplier's residual conversion factor

This will mean that "net" market-based emissions are unlikely to be lower than "gross" location-based emissions until the purchase of Corporate Power Purchase Agreements goes above 50% of the total electricity imported.
The decrease in electricity consumption is due to a mix of factors including:

- Full implementation of the N-1 scheme (outlined below).
- Continued implementation of small-scale energy reduction initiatives across our infrastructure.

The decrease in gas consumption is due to energy optimisation schemes within the stations and SIMD, primarily focused on increasing efficiency through demand-based controls.

All other emissions from refrigerants were below the de minimis limit.

Methodology

Emissions have been calculated over the period from 1 April 2023 to 31 March 2024 in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. UK Government Conversion Factors have been utilised for UK investments and International Energy Agency Conversion Factors to calculate emissions for all UK sites.

Energy use has primarily been collected from meter data and invoices from suppliers. Of the aggregate energy usage measured:

- 99.07% has been extracted from actual meter readings for electricity
- 0.93% has been evaluated using estimates for electricity
- 95.71% has been extracted from actual meter readings for gas
- 4.29% has been evaluated using estimates for gas

Streamlined Energy and Carbon Reporting FY2023-24 (continued)

Energy Efficiency Action Taken

In the period covered by the report, HS1 completed various energy reduction initiatives through expert consultancy. The most significant scheme, N-1, involved reducing electrical system ‘loses’ by optimising feeder station schedules.

The estimated annual savings from this initiative are:
- Electricity: 3,300 MWh
- CO2e: 668 tonnes

This £67k project was funded through a cost recovery agreement with the train operators and is expected to provide a positive return on investment over a short period of time. As train electricity costs are passed through to train operators directly, the Group does not receive any financial benefit from this scheme.

Other energy reduction initiatives included:
- Ongoing Building Management System (BMS) enhancements at St Pancras, Ebbsfleet and Stratford International stations, as well as Singlewell Infrastructure Maintenance Depot (SIMD).
- An Air Handling Unit optimisation project at SIMD involving the use of sensors to regulate fan speeds based on CO2 levels

Future Efficiency Actions

HS1 has received approval from the Train Operating Companies to deliver the following energy saving initiative in 2024-25:
- Replacement of 272 fluorescent tubes with LEDs, and installation of automatic controls at London West Portal and Corsica Street headhouses.
- Requiring £78k investment.
- Providing £21k per annum return on investment.
- Reducing electricity consumption by 36.4 MWh and CO2 emissions by approximately 7.2 tonnes per annum

HS1’s third Energy Savings Opportunities Scheme (ESOS) report will be submitted in June 2024 and will provide insight for additional energy saving opportunities. Energy saving projects will be delivered by two separate energy reduction working groups. The Energy Action Group (EAG) and the Route Energy And Carbon-reduction Team (REACT) focus on station and lineside energy reduction projects respectively.

Going concern basis

For the year-ended 31 March 2024, the Directors have concluded that there is no material uncertainty that may cast significant doubt that the Group will be able to operate as a going concern. The financial statements have accordingly been prepared on a going concern basis. More information is provided in note 1.2 to the financial statements.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group'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.

Auditors

Following the completion of 10 years by the incumbent auditor at the completion of the 2024 annual report and accounts the Directors have commenced a tender process in line with audit tender and rotation requirements in the Companies Act in which Deloitte LLP as incumbents have confirmed their willingness to participate. The outcome of the tender process is scheduled to be concluded in July 2024.

Subsequent events

As per note 28 to the financial statements, there have been no events subsequent to the balance sheet date that require disclosure.

Approval

This report was approved by the Board and signed on its behalf by:

Mike Osborne
Mike Osborne (Jun 12, 2024 16:55 GMT+1)

M Osborne
Director

Date: 12 June 2024

5th Floor, Kings Place
90 York Way
London
N1 9AG

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, Directors' Report and the consolidated financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

In preparing the parent company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and financial performance; and
- make an assessment of the company’s ability to continue as a going concern.

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 are responsible for the maintenance and integrity of the corporate and financial information included on the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Mike Osborne
Mike Osborne (Jun 12, 2024 16:55 GMT+1)
....

M Osborne
Director

Date: 12 June 2024

5th Floor, Kings Place
90 York Way
London
N1 9AG

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HELIX ACQUISITION LIMITED

Independent auditor’s report to the members of Helix Acquisition Limited
Report on the audit of the financial statements

Opinion
In our opinion:
- the financial statements of Helix Acquisition Limited (the ‘parent company’) and its subsidiaries (the ‘group’) give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 March 2024 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 “Reduced Disclosure Framework”; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Our evaluation of the directors’ assessment of the group’s and parent company’s ability to continue to adopt the going concern basis of accounting included:
- obtaining an understanding of relevant controls around the going concern assessment, including management review controls;
- assessing the key assumptions made by the directors to capture potential downside risks in their forecasts, including the associated macro-economic assumptions, with a particular focus on the headroom available and the wider Betjeman Holdings Limited group’s cash resources, under severe but plausible stress

scenarios;
- assessing the group's lending facilities, their availability and compliance with covenants;

evaluating the appropriateness of the financial statement disclosures in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. This included ORR safety regulations.

We discussed among the audit engagement team and relevant internal specialists such as tax, valuations, pensions, financial instrument specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the impairment of intangible assets. To address this risk we obtained an understanding of relevant controls related to the impairment assessment, assessed the mechanical accuracy of the impairment model and agreed the key assumptions within the impairment model to relevant evidence.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report
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.

Anthony Matthews

Anthony Matthews FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London

United Kingdom

Date: 12 June 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £m	*2023 £m*
Revenue	4	**299.7**	*230.5*
Other operating expenditure	5	**(247.8)**	*(213.5)*
Operating profit	5	**51.9**	*17.0*
Finance income	9	**221.0**	*222.8*
Finance expense	9	**(171.6)**	*(194.5)*
Profit before tax		**101.3**	*45.3*
Tax credit/(charge) on profit	10	**0.2**	*(8.3)*
Profit for the financial year		**101.5**	*37.0*
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension schemes	22	**(0.6)**	*2.5*
		(0.6)	*2.5*
Items that may be reclassified subsequently to profit or loss:			
Cumulative gains arising on hedging instruments reclassified to profit or loss	21	**2.6**	*2.8*
Deferred gain/(cost) of hedging	21	**0.6**	*(1.1)*
Fair value gain arising on hedging instruments during the period	21	**27.8**	*27.2*
		31.0	*28.9*
Total comprehensive income for the year attributable to the owners of the Group		**131.9**	*68.4*

The notes on pages 33 to 91 form part of these financial statements.

All activities of the Group in the current and preceding year relate to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £m	*2023 £m*
Assets			
Non-current assets			
Right-of-use assets	12	**1.7**	*2.1*
Intangible assets	14	**812.4**	*860.2*
Financial assets	25	**1,399.0**	*1,413.2*
Trade and other receivables	15	**1,479.4**	*1,257.9*
		3,692.5	*3,533.4*
Current assets			
Financial assets	25	**14.2**	*8.3*
Trade and other receivables	16	**92.3**	*175.4*
Net pension asset	22	**-**	*0.7*
Cash and cash equivalents	24	**9.4**	*2.9*
		115.9	*187.3*
Total assets		**3,808.4**	*3,720.7*
Liabilities			
Non-current liabilities			
Trade and other payables	18	**3,154.9**	*3,244.5*
Lease liabilities - right of use asset	12	**1.7**	*2.1*
Deferred tax liability	10	**49.3**	*54.3*
		3,205.9	*3,300.9*
Current liabilities			
Trade and other payables	17	**313.5**	*262.7*
Total liabilities		**3,519.4**	*3,563.6*
Net assets		**289.0**	*157.1*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2024

	Note	2024 £m	*2023* *£m*
Capital and reserves			
Called up share capital	19	**-**	*-*
Other reserves	12	**(0.3)**	*(0.9)*
Cash flow hedge reserve	12	**(331.8)**	*(358.4)*
Profit and loss account	12	**621.1**	*516.4*
Total equity		**289.0**	*157.1*

The financial statements on pages 3 to 91 were approved and authorised for issue by the board of Directors on 12 June 2024 and were signed on its behalf by:

Mike Osborne
Mike Osborne (Jun 12, 2024 16:55 GMT+1)
....
M Osborne
Director

The notes on pages 33 to 91 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £m	*2023 £m*
Assets			
Non-current assets			
Investment in subsidiaries	13	**0.1**	*0.1*
Trade and other receivables	15	**1,508.3**	*1,436.2*
		1,508.4	*1,436.3*
Current assets			
Trade and other receivables	16	**40.6**	*54.9*
Total assets		**1,549.0**	*1,491.2*
Liabilities			
Non-current liabilities			
Trade and other payables	18	**1,508.3**	*1,422.2*
		1,508.3	*1,422.2*
Current liabilities			
Trade and other payables	17	**40.7**	*71.2*
Total liabilities		**1,549.0**	*1,493.4*
Net liabilities		**-**	*(2.2)*
Capital and reserves			
Called up share capital		**-**	*-*
Profit and loss account		**-**	*(2.2)*
Total equity		**-**	*(2.2)*

The Company's profit for the year was £2.2m (2023: profit of £34.8m). Helix Acquisition Limited has taken the exemption from disclosing an individual company statement of profit or loss.

The financial statements on pages 3 to 91 were approved and authorised for issue by the board of Directors on 12 June 2024 and were signed on its behalf by:

Mike Osborne
Mike Osborne (Jun 12, 2024 16:55 GMT+1)
....

M Osborne
Director

Date:12 June 2024

The notes on pages 33 to 91 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Other reserve	Cash flow hedge reserve	Profit and loss account	Total attributable to equity holders of parent	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 April 2022	0.2	(387.2)	475.8	88.8	88.8
Comprehensive income/(loss) for the year					
Profit for the year	-	-	37.0	37.0	37.0
Other comprehensive income/(loss)	(1.1)	29.9	2.5	31.3	31.3
Total comprehensive income/(loss) for the year	(1.1)	29.9	39.5	68.3	68.3
Transfer to/from retained earnings	-	(1.1)	1.1	-	-
Balance as at 31 March 2023	**(0.9)**	**(358.4)**	**516.4**	**157.1**	**157.1**
At 1 April 2023	(0.9)	(358.4)	516.4	157.1	157.1
Comprehensive income for the year					
Profit for the year	-	-	101.5	101.5	101.5
Other comprehensive income/(loss)	0.6	30.4	(0.6)	30.4	30.4
Total comprehensive income/(loss) for the year	0.6	30.4	100.9	131.9	131.9
Transfer to/from retained earnings	-	(3.8)	3.8	-	-
Balance as at 31 March 2024	**(0.3)**	**(331.8)**	**621.1**	**289.0**	**289.0**

The notes on pages 33 to 91 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Profit and loss account £m	Total equity £m
At 1 April 2022	(37.0)	(37.0)
Comprehensive income for the year		
Profit for the year	34.8	34.8
Total comprehensive income for the year	34.8	34.8
At 31 March 2023	**(2.2)**	**(2.2)**
At 1 April 2023	(2.2)	(2.2)
Comprehensive income for the year		
Profit for the year	2.2	2.2
Total comprehensive income for the year	2.2	2.2
At 31 March 2024	**-**	**-**

The notes on pages 33 to 91 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £m	2023 (restated*) £m
Cash flows from operating activities			
Profit for the year		**101.5**	*37.0*
Adjustments for			
Amortisation	14	**48.6**	*48.4*
Depreciation of right-of-use assets	12	**0.4**	*0.4*
Interest receivable and similar income		**(221.0)**	*(222.8)*
Interest payable and similar charges		**171.6**	*194.5*
Taxation charge	10	**(0.2)**	*8.3*
		100.9	*65.8*
Operating cash flows before movements in working capital:			
Decrease/(increase) in trade and other receivables		**1.3**	*(13.8)*
Increase in trade and other payables		**10.4**	*39.3*
RPI swap payments		**(19.4)**	*(7.3)*
Net cash from operating activities		**93.2**	*84.0*
Cash flows from investing activities			
Acquisition of intangible and financial assets	14	**(0.8)**	*(0.1)*
Repayment of financial asset	25	**150.0**	*135.5*
Net cash from investing activities		**149.2**	*135.4*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £M	2023 £M
Cash flows from financing activities			
Interest paid on group borrowings		**(60.2)**	*(79.7)*
Interest paid on external borrowings		**(74.8)**	*(23.6)*
Repayment of external borrowings		**(66.4)**	*(53.6)*
Repayment of group borrowings		**(29.3)**	-
Payment of lease liabilities		**(27.7)**	*(19.9)*
Cash inflow for renewals		**40.1**	*32.3*
Cash outflow into escrow		**(39.6)**	*(37.3)*
Net cash used in financing activities	23	**(257.9)**	*(181.8)*
Net (decrease)/increase in cash and cash equivalents		**(15.5)**	*37.6*
Cash and cash equivalents at the beginning of year	24	**(12.1)**	*(49.7)*
Cash and cash equivalents at the end of the year	24	**(27.6)**	*(12.1)*

The notes on pages 33 to 91 form part of these financial statements.

*Following a review of the nature of the cash inflow for renewals (and associated cash outflow into the associated escrow accounts), and to align with the disclosure of cash outflows within financing, the cash inflows for renewals previously within operating activities has been reclassified within financing activities with the comparatives restated. Accordingly, this has resulted in an decrease in cash from operating activities and increase in cash used in investing financing activities in the comparative period by £32m. There has been no other impact on the financial statements from this change.

1. Accounting policies

General information

Helix Acquisition Limited (the “Company”) is a private company limited by shares and incorporated under Companies Act 2006, and domiciled in the United Kingdom. The consolidated financial statements for the year ended 31 March 2024 were prepared under United Kingdom adopted international accounting standards and were authorised for issue in accordance with a resolution of the Directors on 12 June 2024.

Helix Acquisition Limited is a Holding Company whereas HS1 Limited is the Operating Company of the Group.

The parent company is included in the consolidated financial statements and is a qualifying entity under FRS 101. The following exemptions available under FRS 101 in respect of certain disclosures for the parent company financial statements have been applied:

(a) the requirements of IFRS 7 “Financial Instruments”: Disclosures; this exemption requires that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

(b) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations this exemption requires that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

(c) the requirements of paragraphs 91-99 of IFRS 13 “Fair Value Measurement”; this exemption requires that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

(d) the requirement in paragraph 38 of IAS 1 “Presentation of Financial Statements” to present comparative information in respect of:
(i) paragraph 79(a)(iv) of IAS 1;
(i) paragraph 118(e) of IAS 38 “Intangible Assets”;

(e) the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 “Presentation of Financial Statements”;

(f) the requirements of IAS 7 “Statement of Cash Flows”;

(g) the requirements of paragraph 17 of IAS 24 “Related Party Disclosures”;

(h) the requirements in IAS 24 “Related Party Disclosures” to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and

(i) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 “Impairment of Assets”. this exemption requires that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

(j) the requirements in IAS 8.30 to disclose new standards and interpretations.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

1. Accounting policies (continued)

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

The material accounting policies adopted by the Company are set out below.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and financial instruments classified at fair value through the profit or loss account.

1.2 Going concern

The financial statements have been prepared using the going concern basis of accounting. The Directors have prepared a range of forecast scenarios to reflect the economic uncertainty. The Directors have reviewed business forecasts against the cashflow, and covenant requirements of the Group and concluded the Group is able to meet its obligations as they fall due. While the Group is in a Current liability position, under all the cases the Group can meet its covenants, has sufficient liquidity, including undrawn facilities of £208.8m, and is able to pay its scheduled borrowing repayments as they fall due. These forecasts also benefit from the security of revenue reflecting the UK Government underpinning arrangements. They also show that the Group can meet its short-term liabilities, as it is in a current liability position. The financial statements have accordingly been prepared on a going concern basis.

The Group also considers climate change in its going concern analysis. Group does not consider this to be material to the Group, including during the going concern assessment period, i.e. 12 months following the signing of the financial statements.

1. Accounting policies (continued)

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2024. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit or loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

• The contractual arrangement(s) with the other vote holders of the investee
• Rights arising from other contractual arrangements
• The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1.4 Investments in subsidiary undertakings

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

The carrying value of these investments is reviewed annually by the Directors to determine whether there has been any impairment to their values.

1.5 Foreign currency

Transactions in foreign currencies are translated into the functional currencies of individual companies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

1. Accounting policies (continued)

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. *Financial assets and financial liabilities*

Initial recognition and measurement

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade-date, which is the date on which the Group has committed to purchase or sell the instrument in question.

Classification and measurement of financial assets and financial liabilities

On initial recognition financial assets are classified and measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). The classification depends on both the business model for managing the financial assets and their contractual cash flow characteristics. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (“SPPI”)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

On initial recognition, financial liabilities are classified as measured at either amortised cost or FVTPL. The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement - Financial assets at amortised cost

This category is the most relevant to the Group (trade receivables, non-current financial assets) and includes the Group’s financial asset arising from its service concession arrangement. The Group measures financial assets at amortised cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is

1. Accounting policies (continued)

derecognised, modified or impaired.

Subsequent measurement - Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets designated as hedging instruments in an effective hedge, or financial assets mandatorily required to be measured at fair value. There are no such assets held for trading. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss except to the extent they are subject to hedge accounting.

Derecognition

A financial asset is primarily derecognised when:

• The rights to receive cash flows from the asset have expired or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

When assessing whether there has been a significant increase in credit risk management have used qualitative elements such as changes to the economy, late payment of interest, operating results of the borrower, credit management approach, whether interest has been waived and whether there has been evidence from internal reporting to indicate economic performance would be worse than expected.

In calculating the ECL the outstanding net exposure was discounted using the effective interest rate. A recovery rate of 40% (2023: 40%) is applied to arrive at the ECL.

During the year management reviewed the ECLs previously recognised on loans with subsidiary undertakings. See note 15 for further information.

An ECL of £0.1m has been recognised against trade receivables the Group’s financial statements for the ECL for the year ended 31 March 2024 on its trade receivables. For trade receivables, the Group applies a simplified approach to calculating ECL: A loss allowance, based on lifetime ECLs at each reporting date, is recognised. To correctly reflect the current economic environment, the Company has established a provision matrix which completes a risk assessment based upon commercial risk and liquidity risk.

Subsequent measurement - financial assets

1. Accounting policies (continued)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

For ECL's with our group companies, Management has reviewed the assumptions used in ECL calculation, no reasonably possible changes in assumptions would result in an a material charge in the profit and loss account.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

b. Derivative financial instruments and hedge accounting Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income (“OCI”). Any ineffective portion of the hedge is recognised immediately in the profit or loss account.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability.

Alternatively, when the hedged item is recognised in the profit or loss account the hedging gain or loss is reclassified to the profit or loss account.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1. Accounting policies (continued)

1.7 Service concession assets

As the provision of the high speed rail infrastructure services is performed through a contract with a public sector entity to 31 December 2040 whereby the public sector:

• Controls or regulates the services to be provided;

• Controls or regulates the price at which these services can be provided; and

• Holds a residual interest in the assets at the end of the term of the arrangement in December 2040. The asset is accounted for as a service concession asset.

To the extent that the future consideration relates to revenue that is underpinned through the Domestic Underpinning Agreement (“DUA”), a financial asset is recognised. Cash inflow is allocated to the financial asset using effective interest rate method giving rise to interest income. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

To the extent that the future consideration relates to all other revenues, except that which is underpinned through the DUA, an intangible asset is recognised. The intangible asset is amortised to the profit or loss account on a straight line basis over the life of the concession, running to 31 December 2040. At each reporting date, the intangible asset is measured for any impairment.

Additions to the intangible assets are amortised from the start of the following six monthly period in which they are available for use. Additions to the intangible asset include capital expenditure, as these relate to revenues apart from the DUA.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as part of the service concession asset. All other leases are classified according to requirements of IFRS16.

See note 25 for further information.

1.8 Renewals income and expenditure

Income from the renewals element of the charges to customers is initially recognised as deferred income in the balance sheet. The cash receipts held in escrow is recognised within other debtors due in more than one year. The deferred income is released when spend from the Escrow is incurred.

1. Accounting policies (continued)

1.9 Impairment excluding deferred tax assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss account. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

During the year management noted that the Group is in a current liability position, therefore they carried out a review and noted no indicators that the carrying amount exceeds the recoverable amount.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. Consideration was also given to whether any indicators of impairment reversal was applicable but no significant change from the economic and commercial circumstances assumed at the time of the last impairment being processed have arisen.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

The Group also considers climate change in its impairment analysis. This includes analysis of transition risks that the Company will face as it transitions to net zero emissions. The Group does not consider any of these risks to be material to the Group, with any risks expected to be offset by growth opportunities due to greater demand for sustainable travel. The risk is also offset due to the long-term asset funding model. The Group has also analysed physical risks from climate change, such as extreme weather. External analysis shows that the probability of this causing an impairment is remote. The Group has supported this judgement by performing sensitivity analysis, analysing the level of climate related disruption that would be required to cause an impairment.

1.10 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1. Accounting policies (continued)

1.11 Employee benefits

Defined contribution plans

The Group offers a defined contribution pension scheme for all employees who joined HS1 after 17 February 2011. A defined contribution plan is a post-employment benefit plan under which HS1 pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

The HS1 section of the defined benefit Railways Pension Scheme was closed to new entrants on 17 February 2011. The Group accounts for this scheme using the balance of cost approach. In accordance with IFRS, the service cost of pension provision relating to the period, together with the cost of any benefits relating to past service if the service has vested, is charged to the profit and loss account. A charge equal to the increase in present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the Group's long-term expected return on assets (based on the market value of the scheme assets at the start of the year), are included in the profit and loss account under interest payable and similar charges. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
• The date of the plan amendment or curtailment, and

• The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'cost of sales', 'administration expenses' and 'selling and distribution expenses' in the consolidated statement of profit or loss (by function):

• Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

• Net interest expense or income

1. Accounting policies (continued)

1.12 Guarantees

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

While inter-group guarantees do exist, these do not provide any financial benefit nor allow any entities to benefit from a lower interest rate on their borrowings. Thus, the Group does not recognise a contingent liability.

1.13 Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on an identifiable asset, whether the group obtains substantially all the economic benefits from the use of that asset, and whether the group has the right to direct use of the asset.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date; discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the country, term and currency of the contract.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date; discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments; variable payments that depend on an index or rate known at the commencement date; and extension option payments or purchase options, if the Group is reasonably certain to exercise. The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in of reassessment of options.

At inception the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any Incentives granted by the lessors.

The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘impairment of tangible and intangible assets’ policy.

1. Accounting policies (continued)

1.14 Revenue from contracts with customers

The Company has applied IFRS 15 since 1 April 2018. IFRS 15 requires a contract as well as the various performance obligations contained in the contract to be identified. IFRS 15 provides a 5 step model for revenue recognition which is summarised below:-

Step 1: Identify the contract with the customer: The Company has combined the Concession Agreement and the Domestic Underpinning Agreement because it and its predecessor entities have negotiated and varied these contracts over the concession term as a package with a single commercial objective of making the rail infrastructure available to TOCs and FOCs.

Step 2: Identify the performance obligation: The promise and therefore single performance obligation in the contract is to make the rail infrastructure available to TOCs and FOCs running domestic and international rail services. Hence, the obligation is to make train paths available over some or all the infrastructure such that the relevant TOC or FOC can meet its timetable obligations. If the Company fails to meet this obligation such that as a result a TOC or FOC must either delay or cancel a service, the Company may need to pay compensation to the TOC or FOC that suffers the delay, and the compensation may be an indemnity against loss of profit, a penalty for suboptimal performance, or a rebate of potentially all the IRC that the Company received in the year. This last rebate is therefore substantially similar to an availability deduction in a standard form Private Finance Initiative (‘PFI’) project.

Step 3: Identify the transaction price: The contract specifies the level of income and its relationship to the volume of train paths that TOCs or FOCs can access. There are both fixed and variable elements of the transaction price which the Company has identified at the inception of the contract. Variable revenue from the contract is reassessed on a regular basis by management.

Steps 4 and 5: Allocate the transaction price and recognise revenue: As there is only one performance obligation, this being to make the rail infrastructure available for train services, the last two steps have been combined. Therefore, the Company applies the following accounting policies to recognise revenue:

• Apply the IFRC’s Underpinning Payment to the financial asset that has been recorded under IFRIC 12. As a result, the Company allocates the Underpinning Payment pro-rata to Baseline Domestic Services under Step 5 above. The Company has then divided those allocations between amortising the financial asset and financial asset interest following IFRIC 12’s principles.

• Allocate IRC elements additional to the Underpinning Payment to profit and loss pro-rata to any domestic train paths additional to the number of Baseline Domestic Services and all international train paths in each railway period.

• Allocate OMRC pro-rata to all train paths in each Railway Period following the method for IRC, while also deferring applicable OMRC to future renewal episodes based on management’s estimate of the timing of these amounts.

Practical expedients

The Company has elected to make use of the following practical expedients:

• Contract costs incurred related to contracts with an amortisation period of less than one year have been expensed as incurred.

• Application of paragraph 121 of IFRS 15, which allows not to disclose information about remaining performance obligation that have original expected duration of one year or less.

1. **Accounting policies (continued)**

• No adjustment of the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

1.15 Finance income and expenses

Interest payable

Interest payable and similar charges include interest payable and finance changes on finance leases recognised in the profit or loss account using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit or loss account (see foreign currency accounting policy).

Interest bearing bank loans, overdrafts and other loans are recorded at proceeds received net of direct issue costs.

Finance charges, including premium payable on settlement or redemptions and direct issue costs are accounted for on an accruals basis and taken to the profit or loss account using the effective interest rate method and are added to the carrying value of the instrument to the extent that they are not settled in the period in which they arise.

Interest receivable

Interest receivable includes interest receivable on funds invested and net foreign exchange gains.

1. Accounting policies (continued)

1.16 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit or loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.
Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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 the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

• where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction effects neither accounting nor taxable profit or loss;

• in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

• deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

• When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

• When receivables and payables are stated with the amount of sales tax included.

1. Accounting policies (continued)

1.17 Dividends

Dividends payable

Dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

Dividends receivable

Dividends receivable from subsidiary undertakings are recorded in the profit or loss account in the period in which they are received.

2. Adoption of new and revised standards

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.

Standards now in effect as of 1 April 2024

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)
The group has considered this standard and notes that, while inter-group guarantees do exist, these do not provide any financial benefit nor allow any entities to benefit from a lower interest rate on their borrowings. Therefore, this is not material and applicable to the group reporting.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies
The group 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.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The group 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
This standard is not expected to have a material impact on the Group's financial statements.

Amendments to IAS 8 Accounting Polices, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates
The group 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.

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
This standard is not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current
This standard is not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants
This standard is not expected to have a material impact on the Group's financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements
This standard is not expected to have a material impact on the Group's financial statements.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback
This standard is not expected to have a material impact on the Group's financial statements.

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3. Significant accounting estimates and assumptions

In the application of the Group's accounting policies, described in note 1, 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.

Critical judgements in applying the Group's accounting policies

The Directors do not consider there to be any critical judgments involved in the application of the accounting policies for the preparation of the financial statements.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of intangible assets

Management had to make significant judgements and estimates when determining what the future cash flows would be. The Group bases its impairment calculation on board reviewed business plans and forecasts. Key assumptions in the cash flow forecasts are train paths and the discount rate. A business plan has been prepared by the Directors, reflecting the recovery future train path forecasts.

Judgement is required in selecting a discount rate which reflects the Group's risk profile. A Capital Asset Pricing Model (CAPM) was used to determine a range of discount rates. More detail is provided in note 14.

Consideration was also given to whether any indicators of impairment reversal was applicable but no significant change from the economic and commercial circumstances assumed at the time of the last impairment being processed have arisen.

Valuation of derivatives

The derivative financial instruments are carried at fair value in the financial statements. The fair value is calculated on the basis of market parameters, calculated by external experts, therefore giving rise to an areas of estimation uncertainty. More information is provided in note 23 to these financial statements.

Provision for expected credit losses of trade receivables and contract assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

Reflecting the stabilisation and increased travel following the Covid pandemic the ECL is considered a less material estimate for the current financial statements than in previous years but the ongoing areas of estimation are set out below.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

In calculating an ECL on intercompany balances management have determined whether the default risk on the loan has increased and consequently if there has been a significant increase in credit risk. This evaluation of the default rate is open to significant judgements, estimates and assumptions. The Group assumes a recovery rate of 40%, which is consistent with market practice.

For trade receivables, the Group applies a simplified approach to calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. To correctly reflect the current economic environment. the Company has established a provision matrix is based upon historic loss rates. The ECL for trade receivables has been calculated as £0.1m (2023: £0.3m).

4. Revenue

All revenue from contracts with customers arises in the United Kingdom from operating the HS1 railway network.

4.1 Disaggregated revenue information

The following is an analysis of the Group's revenue for the year from continuing operations:

	2024 **£m**	*2023* *£m*
Revenue from operating, maintaining and renewing high speed rail concession	**299.7**	*230.5*
	299.7	*230.5*

Total revenue from contracts with customers

• The Investment Recovery Charge (‘IRC’) comprises an amount per train mile that varies with indexation and recovers the costs of constructing the high-speed rail infrastructure.
• The Operations, Maintenance and Renewals Charge (‘OMRC’), relates to costs of operating and maintaining the infrastructure.
• Station access charges comprises qualifying operation and maintenance costs including management fee.
• Unregulated income relates to income from car parks and retail tenants.

4.2 Performance obligations

Information about the Group’s performance obligations are summarised below. The Group has a single performance obligation under IFRS 15, which is to make the rail infrastructure available to a specific standard. Management has made this judgement based on the following information:

•The contracts in the arrangement are combined into a single arrangement with a common commercial objective of making the infrastructure available to its customers;

•All of the Group’s revenue streams fall within IFRS 15’s scope fund that performance obligation;

•While the contracts require the Group to maintain and renew the infrastructure, these obligations apply to the extent necessary for the Group to meet the standards applicable to the rail infrastructure rather than to complete this maintenance and renewal to specific standards and at specific times.

5. Operating profit/(loss)

	2024 **£m**	*2023* *£m*
Operating (profit) / loss is stated after charging/(crediting):		
Depreciation of right-of-use assets	**0.4**	*0.4*
Amortisation of intangible assets	**48.6**	*48.4*
Movement on ECL on trade receivables	**0.2**	*0.1*
Staff costs (note 7)	**8.5**	*8.4*

. Adjustment for prior year ECL

The prior year financial statements included £34.8m for reversal of provision for expected credit losses, which was separated from operating expenditure. As the Group does not have any material ECLs on its intercompany debtors, this should not have been displayed, therefore is not shown in the comparatives. There was no impact on the net profit or reserves for the prior year, as the amount was removed from other operating expenditure and shown elsewhere on the statement of profit or loss.

6. Auditors' remuneration

	2024 **£000**	*2023* *£000*
Fees payable to the Group's auditors and their associates for the audit of the Company's financial statements	**16.0**	*14.8*
Fees payable to the 's auditors and their associates in respect of:		
The auditing of accounts of subsidiaries of the Company	**118.3**	*109.5*
Audit-related assurance services	**6.5**	*6.0*

There is £6.5k included in 2024 on agreed audit procedure work performed in respect of audit-related assurance services (2023: £6k).

7. Staff numbers and costs

Group

The aggregate payroll were as follows:

	2024	*2023*
	£m	*£m*
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**7.3**	*7.1*
Cost of defined contribution scheme	**0.3**	*0.4*
Cost of defined benefit scheme	**0.2**	*0.2*
Social security costs	**0.7**	*0.7*
	8.5	*8.4*

The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

	2024	*2023*
Senior management team	**5**	*6*
Other	**55**	*56*
Total	**60**	*62*

Company

The Company had no employees during either the current or prior year.

8. Directors' remuneration

	2024 £000	2023 £000
Directors' emoluments	**160.0**	*160.0*
Remuneration paid to the highest paid Director	**110.0**	*110.0*

Directors' remuneration consists entirely of salary.

The above discloses the total salaries of all Directors borne by HS1 Limited for the services performed across the Group. No further allocation of salaries to each group company has been performed given HS1 Limited is the main operating company of the Group.

9. Finance income and expense

Recognised in profit or loss

	2024 £m	2023 £m
Finance income		
Financial asset interest	**131.8**	*132.1*
Other interest receivable	**108.6**	*98.1*
Net impact of revenue swaps	**(19.4)**	*(7.4)*
Total finance income	**221.0**	*222.8*
Finance expense		
Interest payable to parent undertaking	**61.4**	*61.1*
Interest payable in respect of loans and facilities	**20.5**	*19.9*
Interest payable on other loans	**82.9**	*104.4*
Interest on lease liabilities	**26.7**	*26.5*
Net interest on defined benefit liability	**-**	*0.1*
Movement in assets/liabillities measured in fair value	**(19.9)**	*(17.5)*
Total finance expense	**171.6**	*194.5*
Net finance income recognised in profit or loss	**49.4**	*28.3*

10. Taxation

10.1 Income tax recognised in profit or loss

	2024 £m	2023 £m
Current tax		
Deferred tax expense		
Origination and reversal of timing differences	**7.5**	*7.2*
Adjustments in respect of prior years	**-**	*(1.2)*
Effect of rate change	**-**	*2.3*
Impact of revisions to tax bases in the period - brought forward losses	**1.8**	*-*
Impact of revisions to tax bases in the period - capital allowances	**(9.5)**	*-*
Total deferred tax expense/(credit)	**(0.2)**	*8.3*

The aggregate deferred tax relating to items that are recognised as items of other comprehensive income is credit of £4.8m (2023: credit of £5.6m). No current tax has been recognised as items of other comprehensive income or equity in the year (2023: £nil).

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2024 £m	2023 £m
Profit before income taxes	**101.3**	*45.3*
Tax using the Company's domestic tax rate of 25% (2023: 19%)	**25.4**	*8.6*
Expenses not deductible for tax purposes	**6.0**	*5.7*
Prior year deferred tax adjustment	**(7.8)**	*(1.2)*
Group relief received for nil consideration	**(13.0)**	*-*
Change in deferred tax rate	**-**	*3.0*
Transfer pricing adjustments	**(10.8)**	*(7.8)*
Total tax expense	**(0.2)**	*8.3*

Changes in tax rates and factors affecting the future tax charges

The Finance Act 2021 included an increase to the UK’s main corporation tax rate from 19% to 25%, which took effect from 1 April 2023.

The Pillar Two framework does not apply to the Group as it does not have any international operations.

10. Taxation (continued)

10.2 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2024 £m	*2023 £m*
Deferred tax liabilities	**(49.3)**	*(54.3)*
	(49.3)	*(54.3)*

2024

Deferred tax assets in relation to:	**Opening balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Exchange differences	21.7	-	(5.6)	16.1
Cash flow hedges	3.0	-	(0.9)	2.2
Corporate interest restriction	18.4	-	-	18.4
Tax losses carried forward	112.9	1.9	-	114.9
Total deferred tax asset	**156.0**	**1.9**	**(6.5)**	**151.6**
Deferred tax liabilities in relation to:				
Property, plant and equipment	(97.1)	1.9	-	(95.2)
Other financial assets - including derivatives	(20.8)	-	6.0	(14.9)
Interest rate swaps	(92.2)	(3.6)	5.0	(90.8)
Net pension liability	(0.2)	-	0.2	-
Total deferred tax liability	**(210.3)**	**(1.7)**	**11.2**	**(200.9)**
Net deferred tax liability	**(54.3)**	**0.2**	**4.7**	**(49.3)**

2023

Deferred tax assets in relation to:	**Opening balance**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Exchange differences	19.1	-	2.6	21.7
Cash flow hedges	3.9	-	(0.9)	3.0
Corporate interest restriction	18.4	-	-	18.4
Tax losses carried forward	118.6	(5.7)	-	112.9
Total deferred tax asset	**160.0**	**(5.7)**	**1.7**	**156.0**
Deferred tax liabilities in relation to:				
Property, plant and equipment	(98.8)	1.7	-	(97.1)
Other financial assets - including derivatives	(17.3)	-	(3.5)	(20.8)
Interest rate swaps	(92.7)	(4.3)	4.8	(92.2)
Net pension liability	0.6	-	(0.8)	(0.2)
Total deferred tax liability	**(208.2)**	**(2.6)**	**0.5**	**(210.3)**
Net deferred tax liability	**(48.2)**	**(8.3)**	**2.2**	**(54.3)**

11. Dividends

Dividends receivable

During the year the Group received £nil (2023: £nil) from subsidiary undertakings.

Dividends payable

No dividends were paid in respect of A shares (2023: £nil) and B shares (2023: £nil) in the year.

12. Right-of-use assets

Group

	£m
Cost or valuation	
At 1 April 2022	2.0
Additions	2.1
At 31 March 2023	4.1
Disposals	(2.0)
At 31 March 2024	**2.1**

	£m
Accumulated depreciation and impairment	
At 1 April 2022	1.6
Charge owned for the year	0.4
At 31 March 2023	2.0
Charge owned for the year	0.4
Disposals	(2.0)
At 31 March 2024	**0.4**
Net book value	
At 1 April 2022	0.4
At 31 March 2023	2.1
At 31 March 2024	1.7

	2024 £000	*2023 £000*
Lease related income and expenses		
Interest expense on lease liabilities	**92.8**	*23.7*

Lease liabilities

The total cash outflow for the Group's lease arrangements in 2024 was £0.4m (2023: £0.4m).

	2024 £m	*2023 £m*
Maturity analysis - contractual discounted cash flows:		
Less than one year	**0.4**	*0.4*
One to five years	**1.3**	*1.7*
More than five years	**-**	*-*
Total discounted lease liabilities	**1.7**	*2.1*

The lease relates to the HS1 Limited office at 90 York Way, London N1 9AG. During the prior year the Group extended the lease for a further 10 years, with a break clause after 5 years. As the Group is not reasonably certain that they will choose to extend the lease, the term has been recognised as 5 years, with a remaining term of 3 years and 11 months.

The disposal of the previous lease should have been recognised in the year ended 31 March 2023. Therefore it has been recognised in the current year. This has no net impact on the balance sheet, as the cost of the asset is offset by an equal amount of accumulated depreciation.

13. Investment in subsidiary undertaking

	2024 £	2023 £
Class A shares in HS1 Limited	**989**	*989*
Class B shares in HS1 Limited	**800**	*800*
Ordinary shares in High Speed Rail Finance plc	**50,000**	*50,000*
Ordinary shares in High Speed Rail Finance (1) plc	**50,000**	*50,000*
Class A shares in CTRL (UK) Limited	**1**	*1*
Class B shares in CTRL (UK) Limited	**4**	*4*
	101,794	*101,794*

The companies in which the Company's interest at the year-end is more than 20% are as follows:

Company	Principal activity	Class and percentage of shares
HS1 Limited	Holding Company	100% of A shares 60% of B shares 40% of B shares
High Speed Rail Finance plc	Finance company	100% of ordinary shares
High Speed Rail Finance (1) plc	Finance company	100% of ordinary shares
High Speed One (HS1) Limited	Dormant company	100% of ordinary shares
CTRL (UK) Limited	Dormant company	100% of A shares 60% of B shares 40% of B shares

* Shares held by a subsidiary undertaking

The above companies have a registered office and principal place of business of 5th Floor, Kings Place, 90 York Way, London N1 9AG.

The holders of A shares carry all voting rights with the exception of the rights to appoint Directors which are held by holders of the B shares.

In the opinion of the Directors the value of the investment is not less than the amount stated in the balance sheet.

14. Intangible assets

Group

	Licence £m
Cost	
At 1 April 2022	1,380.1
Additions - internal	0.1
At 31 March 2023	1,380.2
Additions - internal	0.8
At 31 March 2024	**1,381.0**

	Licence £m
Accumulated amortisation and impairment	
At 1 April 2022	471.6
Amortisation	48.4
At 31 March 2023	520.0
Charge for the year - owned	48.6
At 31 March 2024	**568.6**
Net book value	
At 1 April 2022	908.5
At 31 March 2023	860.2
At 31 March 2024	812.4

14. Intangible assets (continued)

The licence held is in respect of the service concession held to 31 December 2040 to operate, maintain and renew the 109 kilometre high speed rail line. The remaining amortisation period of the licence is 19 years.

All goodwill was written off in a prior year.

Cash generating unit (CGU)

The carrying value of the concession assets as at 31 March 2024 is £2,225.6m (2023: £2,281.7m). This figure represents the intangible licence asset of £812.4m (2023: £860.2m) and the financial asset of £1,413.2m (2023: £1,421.5m).

The recoverable amount of the CGU is determined based on value-in-use calculations. The concession has 16 years remaining in the 30-year concession to December 2040. The value-in-use is derived from pre-tax cash flows of a long-term financial model and a short-term business plan. The present value of the expected cash flows of the CGU is determined by applying a discount rate reflecting current market assessments of the time value of money and risks specific to the concession assets.

Discount rates

Management estimates discount rates using pre-tax rates that reflect the latest market assumptions for the risk-free rate, the equity risk premium and the net cost of debt, which appropriately capture both the time value of money and the specific risks associated with the concession assets. Management have calculated a discount rate of 8.40% (2023: 7.45%) using a CAPM model. An increase in the discount rate of 1.00% would decrease the recoverable amount of the intangible asset by £112.0m.

Future cash flows

The Group has a forecast long-term financial model and a short-term business plan. Pre-tax cash flows available for debt service is used to calculate the value in use. The Group bases its impairment calculation on board reviewed business plans and forecasts. The business plan generally covers a period of five years and the forecasts for the remaining life of the concession to 2040 is in the financial model. The business plan has been estimated by the Directors using the best available information.

A key sensitivity in the cash flow assumptions are the inflation rates. The Group relies upon third-party inflation forecasts. Key estimates include long-term growth rates in train paths. An increase in international train paths of 1% over the life of the concession would increase the recoverable amount of the intangible asset by £12.4m.

15. Trade and other receivables: amounts falling due after one year

	Group 2024 £m	*Group 2023 £m*	**Company 2024 £m**	*Company 2023 £m*
Amounts owed by parent undertakings	**1,158.3**	*1,053.1*	**890.2**	*793.2*
Amounts owed by subsidiary undertakings	**-**	*-*	**618.1**	*645.2*
Less allowance for expected credit losses	**-**	*-*	**-**	*(2.2)*
Other debtors	**240.6**	*102.0*	**-**	*-*
Derivative financial assets	**60.9**	*84.7*	**-**	*-*
Prepayments and accrued income	**19.6**	*18.1*	**-**	*-*
	1,479.4	*1,257.9*	**1,508.3**	*1,436.2*

For terms, maturities and currencies of loans advanced to fellow group undertakings please refer to note 18.

Other debtors represent funds invested on behalf of the Secretary of State and held by them to fund future renewals and replacements, together with railway related spares where the risk of ownership lies with NRHS. The funds can be accessed by HS1 with the written agreement of the Secretary of State for agreed expenditure but are not cash and cash equivalents of the Company and not expected to be available for use in the period to 31 March 2025.

During the year management reviewed the ECLs previously recognised on loans with subsidiary undertakings. Due to the improved financial performance of the group, management have reclassified these loans from stage 2, implying an increased risk of default since origination, to stage 1, implying that the risk of default is the same at origination or that the credit risk is low. At stage 1, default rates are calculated over one year, rather than the life of the loan. As a result, the ECL calculated for the year ended 31 March 2024 of £0.8m (2023: £2.2m) is no longer considered material. Therefore, it has not been posted in the accounts and the ECL recognised at 31 March 2023 has been reversed through the profit and loss. If the default rate were to increase by 0.2 percentage points, then the ECL would increase to £1.4m.

The fair value of derivatives has been determined using discounted future cash flows associated with the instrument and this has been checked to counterparty valuations for reasonableness. The amount owed by subsidiary undertakings after more than one year relate to a 9.75% (2023: 9.75%) fixed rate loan to HS1 Limited repayable by agreement of both the borrower and lender. This loan has a value of £618.1m at 31 March 2024 (2023: £645.2m). HS1 Limited intends to settle £6.7m of this within the next 12 months.

16. Trade and other receivables: amounts falling due within one year

	Group 2024 £m	*Group 2023 £m*	**Company 2024 £m**	*Company 2023 £m*
Trade receivables and accrued income	**16.4**	*12.3*	**-**	-
Less allowance for expected credit losses	**(0.1)**	*(0.3)*	**-**	-
Amounts owed by parent undertakings	**32.0**	*28.3*	**23.8**	*37.6*
Amounts owed by group undertakings	**-**	-	**16.8**	*17.3*
Other debtors	**15.8**	*97.4*	**-**	-
Prepayments	**28.2**	*37.7*	**-**	-
	92.3	*175.4*	**40.6**	*54.9*

For terms, maturities and currencies of loans advanced to fellow group undertakings please refer to note 15.

Other debtors represent cash amounts held in escrow to fund certain future renewals and replacements, together with railway related spares where the risk of ownership lies with NRHS. Access to the escrow funds is restricted under the terms of the revised concession agreement.

17. Trade and other payables: amounts falling due within one year

	Group 2024 £m	*Group 2023 £m*	**Company 2024 £m**	*Company 2023 £m*
Bank loans and overdrafts	**37.0**	*23.7*	**-**	-
Trade creditors	**9.6**	*7.0*	**-**	-
Amounts due to parent undertakings	**16.9**	*17.4*	**16.9**	*49.8*
Amounts due to group undertakings	**-**	-	**23.8**	*21.4*
Other loans	**92.3**	*74.2*	**-**	-
UKPN lease liabilities	**29.0**	*27.7*	**-**	-
Other creditor including taxation and social security	**9.7**	*8.4*	**-**	-
Accruals and deferred income	**119.0**	*104.3*	**-**	-
	313.5	*262.7*	**40.7**	*71.2*

For terms, maturities and currencies of loans owed to fellow group undertakings please refer to note 18. Deferred income represent cash amounts held in escrow to fund certain future renewals and replacements, together with railway related spares where the risk of ownership lies with NRHS. Access to the escrow funds is restricted under the terms of the revised concession agreement. Accrued expenses relate to services used but not yet billed for and deferred income relates to billing done in advance to TOCs, NRHS and retail tenants where a performance obligation has not yet been satisfied at year end. Amounts owed on other loans relates to elements of the listed bonds and USPP notes due within one year, see note 18 for further information.

18. Trade and other payables: amounts falling due after more than one year

	Group 2024 £m	*Group 2023 £m*	**Company 2024 £m**	*Company 2023 £m*
Amounts due to parent undertakings	**618.1**	*645.2*	**618.1**	*612.8*
Amounts due to group undertakings	**-**	*-*	**890.2**	*809.4*
Listed bonds	**999.4**	*978.5*	**-**	*-*
USPP notes	**717.4**	*809.5*	**-**	*-*
UKPN lease liabilities	**161.6**	*163.8*	**-**	*-*
Escrow deferred income	**232.3**	*185.9*	**-**	*-*
Accruals and deferred income	**0.6**	*1.6*	**-**	*-*
Derivative financial liabilities	**425.5**	*460.0*	**-**	*-*
	3,154.9	*3,244.5*	**1,508.3**	*1,422.2*

Lease liabilities relate to the UKPNS finance lease. UKPNS own, operate and maintain the electricity infrastructure, which HS1 has a lease to access. This was originally recognised under IAS 17. This lease was grandfathered in upon the application of IFRS 16, so IAS 17 is still followed by the entity in this case. The amount due to the parent undertaking after more than one year relate to a 9.75% (2023: 9.75%) fixed rate loan to Helix Midco Limited repayable by agreement of both the borrower and lender. This loan has a value of £618.1m at 31 March 2024 (2023: £645.2m). The Company intends to settle £6.7m of this within the next 12 months.

Escrow deferred income recognises the deferral of income put into escrow. The deferred income is only recognised when renewals expenditure is incurred in the future. The difference between the opening and closing balances of the Group’s contract liabilities primarily results from the timing difference between the Group’s performance obligations being satisfied and the customer’s billings. Other changes from cumulative catch up adjustments arising from contract modifications as well as variances with the estimate of the transaction price may occur but are estimated to be immaterial overall compared to the total change during the period.

The listed bonds of £999.4m (2023: £978.5m) consist of £610m with a fixed rate of 4.38% and £384.5m of index-linked bonds with a rate of 1.57%. These loans were advanced on 14 February 2013 and are due for repayment on 1 November 2038. These are listed on the London Stock Exchange.

The USPP notes of £717.4m (2023: £809.5m) consist of five separate loans. £229.4m is denominated in USD with an interest rate of 3.79%. The group hedges against foreign exchange risk using cross currency swaps. £58m is on a variable rate of SONIA + 1.64%, which is not hedged against. The remainder is denominated in GBP with varying fixed interest rates. These loans were advanced on 29 October 2012 and are due for repayment as per their repayment schedule, with the final balances to be repaid on 31 December 2039. See note 23 for further information on derivative financial liabilities.

18. Trade and other payables: amounts falling due after more than one year (continued)

The bank loans, excluding amortising gilt lock payments are as follows. See note 23 for maturity analysis of listed bonds and USPP notes.

	2024 £m	*2023 £m*
Amounts due:		
In less than one year	**37.0**	*23.7*
Less: debt issue costs	**(0.1)**	*(0.1)*
	36.9	*23.6*

Bank Loans

On 14 February 2013 HS1 Limited ("HS1"), a fully owned subsidiary of the Group, entered into £221.3m of loans, a working capital facility of £65m and an annual rolling liquidity facility of £90m with a consortium of banks.

On 17 April 2015, HS1 refinanced its existing bank loans (Tranche A and B) totalling £198m at that date by entering into the following transactions:

- A £96m tap (inflation adjusted amount of £100m) on the existing 1.566% 2038 maturing index linked bond held by HSRF1 (see above).
- A £98m extension of bank loan tranche A with an amortising maturity profile to 31 March 2022 at an interest rate of LIBOR plus 0.85%.
- Interest rate swaps were entered into for a nominal value of £98m to fully hedge the bank loan extension of £98m and mitigate against future interest rate risk.

On 29 March 2021, HS1 extended the terms of the bank loan tranche A via an amend and restatement agreement. This extended the loan repayments from 31 March 2022 to 31 March 2024 and the loan was converted from LIBOR to SONIA.

In addition to the above the working capital facility was increased to £84m and maturity extended on 15 April 2022 at an interest rate of SONIA plus 0.75% (with a utilisation fee ranging between 0.10% to 0.20%). On 28 March 2023 the liquidity fund was increased to £160m at an interest rate of SONIA plus CAS plus 1.00%.

At the balance sheet date £37m (2023: £15.0m) was drawn down in respect of the working capital facility. This amount has been included in "bank loans and overdrafts due within one year" (note 17) and cash and cash equivalents (note 24).

On 22 February 2024 a voluntary prepayment was made on the bank loan Tranche A to fully prepay the facility.

At the balance sheet date £nil was drawn down in respect of the liquidity facility.

The significant terms of the loans are as follows:

	Working capital facility	**Liquidity facility**
Currency	GBP	GBP
Amount	£84.0m	£160.0m
Type	Floating	Floating
Interest rate	GBP SONIA + 0.75% (plus utlisation fee)	GBP SONIA + CAS + 1.0%
Term	3 years	1 years
Maturity	15 Apr 2026	28 Mar 2025

At the balance sheet date £nil was drawn down in respect of the liquidity facility. The liquidity facility was renewed for a further year for the same amount and terms listed above.

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Loans with parent undertakings

Including in debtors due in more than one year is a loan of £890.2m (2023: £809.4m) advanced to its immediate parent undertaking, Helix Bufferco Limited. This loan carries interest at 9.75% and is repayable by agreement of both the borrower and lender. This loan is included in debtors due in more than one year as no significant repayment is expected in the next 12 months.

During the year the Company with the agreement of the Helix Bufferco Limited capitalised accrued loan interest of £80.8m (31 March 2023: £73.5m) in accordance with the terms of the loan agreement.

Included in debtors due in more than one year is a loan of £268.1m (2023: £243.7m) advanced to Betjeman Holdings Limited. This loan is subject to interest at 9.75% per annum and is repayable by agreement of both the borrower and lender. No significant repayment is expected in the next 12 months.

During the year the Company with the agreement of the Betjeman Holdings Limited capitalised accrued loan interest of £24.3m (31 March 2023: £22.1m) in accordance with the terms of the loan agreement.

Included within creditors due in more than one year is a loan of £618.1m (2023: £645.3m) advanced from Helix Bufferco Limited. This loan is subject to interest at 9.75% per annum and is repayable by agreement of both the borrower and lender. The Group intends to repay £6.7m in the next 12 months, which is classed within creditors falling due within one year (note 17).

All other balances owed to or from group undertakings, unless stated above, are non-interest bearing and repayable by agreement of both the borrower and lender.

Loans with subsidiary undertakings

Company only

Included in debtors due in more than one year is a loan of £618.1m (2023: £645.3m) advanced to HS1 Limited. The loan carries interest at 9.75% per annum and is repayable by agreement of both the borrower and lender. The Group intends to repay £6.7m in the next 12 months, which is classed within creditors falling due within one year (note 17).

Included in creditors due in more than one year is a loan of £890.1m (2023: £809.4m) advanced from HS1 Limited. This loan is subject to interest at 9.75% per annum and is repayable by agreement of both the borrower and lender. No significant repayment is expected in the next 12 months.

All other balances owed to or from group undertakings, unless stated above, are non-interest bearing and repayable by agreement of both the borrower and lender.

. Lease liabilities

Lease liabilities relate to the UKPNS finance lease. UKPNS own, operate and maintain the electricity infrastructure, which HS1 has a lease to access. This was originally recognised under IAS 17. This lease was grandfathered in upon the application of IFRS 16, so IAS 17 is still followed by the entity in this case. The discounted cash flow maturity of these lease liabilities is as follows:

	2024 **£m**	*2023* *£m*
Less than one year	**29.0**	*27.7*
One to five years	**126.4**	*122.2*
More than five years	**464.8**	*497.9*
	620.2	*647.8*

Maturity analysis for the right-of-use asset, relating to the Groups' office lease, can be seen in note 12.

19. Share capital

	2024 **£**	*2023* *£*
Authorised, alloted, called up and fully paid		
990 A shares of £1 each	**990.0**	*990.0*
10 B shares of £1 each	**10.0**	*10.0*
	1,000.0	*1,000.0*

Holders of A shares and B shares are entitled to income distributions. The amount of distribution and the right to payment of the distribution need not be the same per each share class. In the event of liquidation, the surplus of assets, after the Company’s liabilities have been met, will be distributed to A shareholders and B shareholders to the sum of £1 in respect of each share held. Any remaining surplus will be distributed to A shareholders only. The holders of A shares carry all voting rights with the exception of the rights to appoint Directors which are held by holders of the B shares.

20. Reserves

Profit and loss account

The profit and loss account contains the balance of retained earnings to carry forward. Dividends are paid from this reserve. No dividends were paid in respect of ordinary shares during the period.

Following a review of certain additional adjustments to the calculation of fair values of financial instruments in preparing the 31 March 2024 financial statements it was identified that an adjustment to increase the profit and loss account and reduce the hedging reserve by £3.8m was required which has been processed through the statement of changes in equity. No other changes were required to be made to the primary statements.

Following a review of certain additional adjustments to the calculation of fair values of financial instruments in preparing the 31 March 2023 financial statements it was identified that an adjustment to increase the profit and loss account and reduce the hedging reserve by £1.1m was required which has been processed through the statement of changes in equity. No other changes were required to be made to the primary statements.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions not yet occurred.

Other Reserves (Cost of hedging)

The cost of hedging reserve includes the effects of the following:

- changes in fair value of the time value of option when only the intrinsic value of the option is designated as the hedging instrument;
- changes in fair value of the forward element of a forward contract when only the change in the value of the spot element of the forward contract is designated as the hedging instrument (consistent with the Group’s accounting policy to recognise non-designated component of forward contracts in equity); and
- changes in fair value of the foreign currency basis spread of a financial instrument when the foreign currency basis spread of a financial instrument is excluded from the designation of that financial instrument as the hedging instrument (consistent with the Group’s accounting policy to recognise non-designated component of foreign currency derivative in equity).
- The changes in fair value of the time value of an option, forward element of a forward contract and foreign currency basis spread of a financial instrument, in relation to a transaction-related hedged item accumulated in the cost of hedging reserve, are reclassified to profit or loss only when the hedged transaction affects profit or loss, or included as a basis adjustment to the non-financial hedged item.
- The changes in fair value of the time value of an option, forward element of a forward contract and foreign currency basis spread of a financial instrument, in relation to a time-period related hedged item accumulated in the cash flow hedging reserve, are amortised to profit or loss on a rational basis over the term of the hedging relationship.

21. Analysis of amounts recognised in other comprehensive income

	Other reserve £m	Cash flow hedge reserve £m	Profit and loss account £m
Year to 31 March 2024			
Deferred cost of hedging	0.6	-	-
Other comprehensive income/(loss)	-	24.6	2.0
Amortisation of novated swaps	-	3.2	-
Amounts recycled out of cash flow hedge reserve	-	2.6	-
Amounts recycled into retained earnings	-	-	(2.6)
	0.6	**30.4**	**(0.6)**

	Other reserve £m	Cash flow hedge reserve £m	Profit and loss account £m
Year to 31 March 2023			
Deferred cost of hedging	(1.1)	-	-
Amortisation of novated swap	-	1.1	-
Other comprehensive income/(loss)	-	26.0	5.3
Amounts recycled out of cash flow hedge reserve	-	2.8	-
Amounts recycled into retained earnings	-	-	(2.8)
	(1.1)	**29.9**	**2.5**

22. Pension scheme

Net employee defined benefit liabilities

Defined contribution pension scheme

The Group offers a defined contribution scheme for all employees. The Group contributions to the defined contribution scheme are disclosed in note 7.

Defined benefit scheme

The Group operates a defined benefit scheme for qualifying employees with assets held in a separately administered fund. This scheme was closed to new entrants on 17 February 2011.

The HS1 Limited Section (“Section”) is part of the Railways Pension Scheme, but its assets and liabilities are identified separately from the remainder of the scheme.

The Group uses the balance sheet accounting approach and recognises the full asset or net liability of this pension scheme, subject to a deduction for actual member contributions.

The most recent actuarial valuation of the HS1 Limited Section of the Railways Pension Scheme was completed at 31 December 2022. The present value of the defined benefit liability and the related current service costs and past service cost were measured using the projected unit credit method.

Employer contributions were 21.24% of section pay to 31 March 2024.

Key assumptions:	**2024** **%**	*2023* *%*
Discount rate	**5.00**	*4.95*
Price inflation (RPI measure)	**3.20**	*3.30*
Increases to deferred pensions (CPI measure)	**2.80**	*2.90*
Pension increases (CPI measure)	**4.00**	*4.50*
Pensionable salary increases	**2.80**	*2.90*

The assumed average expectation of life in years at age 65 is as follows:

	2024	*2023*
Retiring today		
- Males	**87.3**	*87.4*
- Females	**88.3**	*88.4*
Retiring in 20 years		
- Males	**88.8**	*89.0*
- Females	**90.1**	*90.3*

22. Pension scheme (continued)

The assets in the scheme at the balance sheet date were as follows:

Fair value	**2024 £m**	*2023 £m*
Equities	**3.7**	*4.2*
Government bonds	**4.5**	*4.5*
Non-Government bonds	**1.6**	*1.8*
Total fair value of section assets	**9.8**	*10.5*

Movements in fair value of Section assets

	2024 £m	*2023 £m*
At the beginning of year	**10.5**	*10.9*
Interest income on assets	**0.5**	*0.3*
Return on plan assets greater than discount rate	**(1.0)**	*(0.6)*
Employer contributions	**0.2**	*0.2*
Actual benefits paid	**(0.4)**	*(0.3)*
End of the year	**9.8**	*10.5*

Reconciliation of Defined Benefit Obligation (“DBO”)

	2024 £m	*2023 £m*
At beginning of year	**9.8**	*13.1*
Service cost	**0.2**	*0.3*
Interest cost on DBO	**0.5**	*0.4*
(Loss)/gain on DBO	**(0.2)**	*(3.7)*
Actual benefit payments	**(0.5)**	*(0.3)*
End of the year	**9.8**	*9.8*

22. Pension scheme (continued)

Defined benefit liability at end of year

	2024 £m	2023 £m
DBO at end of year	9.8	9.8
Fair value of assets at end of year	(9.8)	(10.5)
(Surplus)/Deficit at end of year	-	(0.7)
Net defined benefit (asset)/liability at end of year	-	(0.7)

Reconciliation of net defined benefit liability

	2024 £m	2023 £m
Net defined benefit liability at beginning of year	(0.7)	2.2
Employers share of expense	0.1	0.4
Employers contributions	(0.2)	(0.2)
Total (loss)/gain recognised in other comprehensive income ("OCI")	0.8	(3.1)
Net defined benefit (asset)/liability at end of year	-	(0.7)

Analysis of amounts charged to the profit and loss account

	2024 £m	2023 £m
Employer's share of service cost	0.1	0.4
Total employer's share of profit and loss account expense (excluding employer's contributions)	0.1	0.4

Analysis of amounts charged to the statement of OCI

	2024 £m	2023 £m
Liability income/(loss) arising during the year	0.8	(3.1)
Deferred tax recognised on movement in pension valuation	(0.2)	0.6
Total income/(loss) recognised in OCI	0.6	(2.5)

23. Financial instruments

23.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
31 March 2024	**Fair value**	**Other financial liabilities**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Financial assets measured at fair value								
Cross currency swaps	60.9	-	-	60.9	-	60.9	-	60.9
	60.9	-	-	60.9				
Financial assets not measured at fair value								
Trade and other receivables	-	-	85.9	85.9	-	-	-	-
Concession assets	-	-	1,413.2	1,413.2	-	-	-	-
Escrow deposits	-	-	234.7	234.7	-	-	-	-
Amounts owed by parent undertaking	-	-	1,190.3	1,190.3	-	-	-	-
Cash and cash equivalents	-	-	9.4	9.4	-	-	-	-
	-	-	2,933.5	2,933.5				
Financial liabilities measured at fair value								
Interest rate swaps	31.2	-	-	31.2	-	31.2	-	31.2

23. Financial instruments (continued)

23.1 Accounting classifications and fair values (continued)

31 March 2024	Carrying amount				Fair value			
	Fair value - hedging instruments £m	FVOCI - equity instruments £m	Amortised cost £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Inflation swaps	394.3	-	-	394.3	-	394.3	-	394.3
Financial liabilities not measured at fair value								
Trade and other payables	-	125.1	-	125.1	-	-	-	-
Loans from parent undertakings	-	635.0	-	635.0	-	722.6	-	722.6
Finance lease liabilities	-	190.5	-	190.5	-	-	-	-
Bank loans and overdrafts	-	37.0	-	37.0	-	37.0	-	37.0
USPP notes	-	805.6	-	805.6	-	796.5	-	796.5
Listed bonds	-	999.4	-	999.4	809.0	-	-	809.0
	-	2,792.6	-	2,792.6				

23. Financial instruments (continued)

23.1 Accounting classifications and fair values (continued)

31 March 2023	Carrying amount Fair value £m	Other financial liabilities £m	Amortised cost £m	Total £m	Fair value Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets measured at fair value								
Cross currency swaps	84.7	-	-	84.7	-	84.7	-	84.7
	84.7	-	-	84.7				
Financial assets not measured at fair value								
Trade and other receivables	-	-	267.2	267.2	-	-	-	-
Concession asset	1,421.5	-	-	1,421.5	-	-	-	-
Amounts owed to parent undertaking	-	-	1,081.5	1,081.5	-	-	-	-
Cash and cash equivalents	-	-	2.9	2.9	-	-	-	-
	(1,421.5)	-	1,351.6	(69.9)				
Financial liabilities measured at fair value								
Interest rate swaps	45.5	-	-	45.5	-	45.5	-	45.5
Inflation swaps	414.5	-	-	414.5	-	414.5	-	414.5
	460.0	-	-	460.0				

23. Financial instruments (continued)

23.1 Accounting classifications and fair values (continued)

31 March 2023	Carrying amount				Fair value			
	Fair value - hedging instruments £m	FVOCI - equity instruments £m	Amortised cost £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial liabilities not measured at fair value								
Trade and other payables	-	107.9	-	107.9	-	-	-	-
Loans from parent undertakings	-	662.6	-	662.6	-	822.4	-	822.4
Financial lease liabilities	-	191.5	-	191.5	-	-	-	-
Bank loans and overdrafts	-	23.8	-	23.8	-	23.8	-	23.8
USPP notes	-	883.8	-	883.8	-	859.9	-	859.9
Listed bonds	-	992.7	-	992.7	810.7	-	-	810.7
	-	2,862.3	-	2,862.3				

23. Financial instruments (continued)

23.2 Financial risk management objectives

The Group's financial risk management operations are ultimately carried out by the Board of Directors.

The Group is exposed to a number of financial risks in the normal course of its business operations, the key ones being:

- Interest rate risk
- Market risk
- Credit risk
- Foreign currency risk
- Liquidity risk

The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below. These polices have remained unchanged throughout the period.

The Group's financial instruments (other than derivatives) comprise listed bonds, loan notes, US Private Placement notes ("USPP notes"), bank loans, cash and various items such as trade receivables and creditors that arise directly from operations. The Group finances operations from these financial instruments.

The Group also enters into interest rate derivatives to manage interest rate risk arising from the Group's borrowings and cross currency swaps to manage currency risk on foreign currency borrowings. The Group does not undertake speculative treasury transactions. The Group does not trade in financial instruments. All of the Group's financial instruments are denominated in GBP with the exception of the US$ USPP notes. The Group's borrowings are secured by a fixed and floating charge over all the assets of the Helix Acquisition Limited group and a charge over the shares of that company.

As part of financial risk management, the Group holds certain uncollateralised derivative financial instruments, including interest rate, inflation, and cross-currency swaps. These are valued using relevant inputs which are considered market-observable, such as forward rates risk-free interest rates, and FX rates from available market data. Therefore they are classed as level 2 on the fair value heirachy.

The Directors have reflected valuation adjustments ("XVA") to certain derivatives due to evolving market practices and therefore represents a change in accounting estimate.

Valuation adjustments are an umbrella term for adjustments made to the fair value of a derivatives contract to take into account the funding, credit risk, and regulatory capital costs. The inclusion of XVAs has led to the following:

- a decrease in the fair valuation of the interest rate swap liability of £0.3m (2023: £0.8m)
- a decrease in the fair valuation of the cross-currency swap asset of £1.1m (2023: £2.8m)
- a decrease in the fair valuation of the RPI swap liability of £49.8m (2023: £70.4m)

23. Financial instruments (continued)

23.3 Liquidity risk management

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Carrying amount £m	Total £m	0 - 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
31 March 2024						
Bank loans and overdrafts	37.0	37.0	37.0	-	-	-
Trade and other payables	125.1	125.0	124.4	0.6	-	-
Amounts owed to parent	635.0	1,658.2	60.3	60.3	180.9	1,356.7
USPP notes	805.6	814.5	93.7	108.8	335.8	276.2
Bonds	999.4	1,528.7	32.7	33.0	120.8	1,342.2
Finance lease liabilities	190.7	644.5	29.1	60.8	95.3	459.3
	2,792.8	4,807.9	377.2	263.5	732.8	3,434.4

23. Financial instruments (continued)

23.3 Liquidity risk management (continued)

31 March 2023	Carrying amount £m	Total £m	0 - 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Bank loans and overdrafts	23.7	23.7	23.7	-	-	-
Trade and other payables	121.4	121.4	119.8	1.6	-	-
Amounts owed to parent	662.6	1,794.1	63.1	62.9	188.9	1,479.2
USPP notes	825.7	895.6	103.8	99.0	339.4	353.4
Bonds	978.5	1,548.9	32.5	32.7	99.2	1,384.5
Finance lease liabilities	191.5	617.9	27.7	29.0	96.4	464.8
	2,803.4	5,001.6	370.6	225.2	723.9	3,681.9

23. Financial instruments (continued)

23.3 Liquidity risk management (continued)

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Carrying amount £m	Total £m	0 - 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
31 March 2024						
Concession asset	1,413.2	1,413.2	14.2	20.0	85.2	1,293.8
Trade and other receivables	320.6	320.6	60.4	260.2	-	-
Amounts owed by parent	1,190.3	1,355.4	110.9	1,244.5	-	-
Cash and cash equivalents	9.4	9.4	9.4	-	-	-
	2,933.5	3,098.6	194.9	1,524.7	85.2	1,293.8

23. Financial instruments (continued)

23.3 Liquidity risk management (continued)

31 March 2023	Carrying amount £m	Total £m	0 -1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Concession asset	1,421.4	1,421.4	8.3	14.2	80.4	1,318.5
Trade and other receivables	267.2	267.2	54.1	213.1	-	-
Amounts owed by parent	1,081.5	1,258.8	102.7	1,156.1	-	-
Cash and cash equivalents	2.9	2.9	2.9	-	-	-
	2,773.0	2,950.3	168.0	1,383.4	80.4	1,318.5

23. Financial instruments (continued)

23.3 Liquidity risk management (continued)

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

	0 - 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
31 March 2024				
Net settled:				
Interest rate swaps	(16.7)	(16.6)	-	-
Revenue swaps	20.8	20.9	65.8	385.2
Cross currency swaps	63.8	69.4	115.9	-
	67.9	73.7	181.7	385.2

23. Financial instruments (continued)

23.3 Liquidity risk management (continued)

31 March 2023	0 - 1 year £m	1 - 2 years £m	2 - 5 years £M	More than 5 years £m
Net settled:				
Interest rate swaps	(16.5)	(16.7)	(16.6)	-
Revenue swaps	(4.2)	(4.7)	(14.4)	(44.6)
Cross currency swaps	62.9	63.8	185.2	-
	42.2	42.4	154.2	(44.6)

US Private Placement ("USPP") notes

On 29 October 2012 High Speed Rail Finance plc ("HSRF"), a fully owned subsidiary of the Group, entered into USPP notes with seventeen institutional investors over a range of terms, maturities and base currencies (tranches A-D). On 15 December 2016 HSRF entered into USPP notes with nine institutional investors over a range of terms and maturities (tranches E-F).

The significant terms of the USPP notes are as follows:

	Tranche A1	**Tranche A2**	**Tranche B1**	**Tranche B2**
Currency	USD	USD	GBP	GBP
Listed	No	Jersey	No	Jersey
Amount	$530.0m	$20.0m	£70.0m	£47.0m
Type	Fixed	Fixed	Fixed	Fixed
Interest rate	3.79%	3.79%	4.21%	4.21%
Term	15.5 years	15.5 years	18.5 years	18.5 years
Maturity	30 Mar 2028	30 Mar 2028	30 Mar 2031	30 Mar 2031

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	Tranche C	**Tranche D**	**Tranche E**	**Tranche F**
Currency	GBP	GBP	GBP	GBP
Listed	No	No	No	No
Amount	£58.0m	£50.0m	£184.0m	£130.0m
Type	Floating	Fixed	Fixed	Fixed
Interest rate	GBP 6m SONIA + CAS + 1.64%	4.72%	2.30%	2.81%
Term	18.5 years	23.5 years	22.5 years	23.0 years
Maturity	30 Mar 2031	30 Mar 2036	31 Mar 2039	31 Dec 2039

Listed bonds

On 14 February 2013, the Company listed £760m bonds on the London Stock Exchange.

On 17 April 2015 the Company successfully completed a new Sterling index-linked bond issue. The issue of new bonds was in the form of a tap (the “Tap”). The Tap amount was £96.5m, indexed to £100.4m. The bonds were issued pursuant to the base prospectus dated 8 April 2015 relating to the £5,000,000,000 Multicurrency Programme for the Issuance of Bonds of the Company. The proceeds of the Tap were lent on to a fellow Group undertaking to refinance existing bank debt.

The significant terms of the listed bonds are as follows:

	Tranche A	**Tranche B**
Currency	GBP	GBP
Amount	£610.0m	£246.5m
Type	Fixed	Index-linked
Interest rate	4.375%	UKTI 0.75% + 1.566%
Term	25.7 years	25.7 years
Maturity	1 Nov 2038	1 Nov 2038

The inflationary increase to the nominal value of Tranche B of the listed bonds has been reflected in amounts due in more than one year (note 18).

. Reconciliation of liabilities arising from financing activities

	Current and non-current borrowings, leases and interest accruals	Gross debt	Other assets and liabilities Cash and cash equivalents	Adjusted net (debt)/cash
Group adjusted net (debt)/cash at 1 April 2022	**(3,390.9)**	**(3,390.9)**	**(49.6)**	**(3,440.5)**
Interest paid	103.3	103.3	(103.3)	-
Cash outflow for repayment of borrowings	53.6	53.6	(53.6)	-
Payment of lease liabilities	19.9	19.9	(19.9)	-
Cash outflow into escrow	37.0	37.0	(37.0)	-
Cash inflow for renewals	(32.3)	(32.3)	32.3	-
Remaining cash inflow	-	-	251.3	251.3
Group adjusted net (debt)/cash at 31 March 2023	**(3,209.4)**	**(3,209.4)**	**20.2**	**(3,189.2)**
Interest paid	135.0	135.0	(135.0)	-
Cash outflow for repayment of borrowings	95.7	95.7	(95.7)	-
Payment of lease liabilities	27.7	27.7	(27.7)	-
Cash outflow into escrow	45.8	45.8	(45.8)	-
Cash inflow for renewals	(46.3)	(46.3)	46.3	-
Remaining cash inflow	-	-	242.4	242.4
Group adjusted net (debt)/cash at 31 March 2024	**(2,951.5)**	**(2,951.5)**	**4.7**	**(2,946.8)**

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The working capital facility is classified as cash and cash equivalents on the statement of cash flows, but as a short term liability on the statement of financial position. This can be seen in note 17 within bank loans and overdrafts.

. Amounts recognised in Group's statement of profit or loss for derivative financial instruments

	Group 2024 £M	*Group 2023 £M*
Interest rate swaps	**10.0**	*17.1*
	10.0	*17.1*

The interest rate swaps were taken out to hedge against a loan that has now been settled. Therefore they are not in a hedging relationship and movements on these swaps are recognised in the statement of profit or loss. The interest rate swaps are carried at fair value through profit or loss, and are not in hedge accounting relationships.

. Amounts recognised in Group's other comprehensive income for the derivative financial instruments

	Group 2024 £M	*Group 2023 £M*
Cross currency swaps	**2.6**	*3.9*
RPI swaps	**25.2**	*10.0*
	27.8	*13.9*

. Amounts recognised on Group's Balance Sheet for derivative financial instruments

	Group 2024 £M	*Group 2023 £M*
Cross currency swaps	**60.9**	*84.7*
Interest rate swaps	**(31.2)**	*(45.5)*
RPI swaps	**(394.3)**	*(414.5)*
	(364.6)	*(375.3)*

The cross currency swaps and RPI swaps are designated and effective as hedging instruments and carried at fair value. All derivatives are classified as level 2 on the IFRS 13 fair value hierachy as their valuation requires observable inputs other than quoted market prices. All derivatives are uncollateralised. The terms of the derivatives allow for netting.

24. Cash and cash equivalents

	Group 2024 £m	*Group 2023 £m*
Cash at bank and in hand	**9.4**	*2.9*
Cash equivalents - working capital facility	**(37.0)**	*(15.0)*
	(27.6)	*(12.1)*

25. Financial asset

	2024 £m	2023 £m
As at 1 April	**1,421.5**	*1,424.6*
Additions	**-**	*-*
Capital repayment of financial asset	**(150.0)**	*(135.5)*
Financial asset interest	**131.8**	*132.1*
Revaluation of asset	**9.9**	*0.3*
As at end of year	**1,413.2**	*1,421.5*

Revaluation of the asset is the difference between the opening balance, capital repayment of financial asset (domestic underpin income received), financial asset interest, and the closing balance, which was forecast at the start of the concession. Domestic underpin income is indexed to RPI, therefore increased RPI would result in an increased revaluation to account for a higher than expected capital repayment.

	2024 £m	2023 £m
Analysed as:		
Less than one year	**14.2**	*8.3*
More than one year	**1,399.0**	*1,413.2*
	1,413.2	*1,421.5*

The financial asset relates entirely to the service concession held to 31 December 2040 to operate, maintain and renew the 109 kilometre high speed rail line. See note 1.7 for further information.

26. Related party transactions

Identity of related parties which the Group has transacted with:

The total remuneration for key management personnel for the year totalled £2.5m (31 March 2023: £2.8m). This amount is included in the staff costs in note 7.

In the year ended 31 March 2024, there have been no transactions with the Company's Directors or parties related to them (2023: none).

Helix Bufferco Limited and Betjeman Holdings Limited are related parties by virtue of being an intermediary parent undertakings. Betjeman Holdings JvCo Limited is a related party by virtue of being the ultimate parent undertaking (note 27).

During the financial year the Group completed the following transactions with related parties within the Betjeman Holdings JvCo Limited group of companies:

26.1 Loans to related parties

	2024 £m	2023 £m
Helix Bufferco Limited	**914.0**	*830.7*
Helix Midco Limited	**0.5**	*0.1*
Helix Holdings Limited	**0.5**	*0.5*
Betjeman Holdings Limited	**275.4**	*250.2*
	1,190.4	*1,081.5*

26.2 Loans from related parties

	2024 £m	2023 £m
Helix Bufferco Limited	**634.9**	*662.5*
	634.9	*662.5*

26.3 Other related party transactions

Other related party transactions are as follows:

Related party relationship	Interest receivable		Interest payable	
	2024 £m	2023 £m	2024 £m	2023 £m
Helix Bufferco Limited	**83.2**	*75.4*	**61.3**	*61.1*
Betjeman Holdings Limited	**25.1**	*22.7*	**-**	-

27. Parent undertaking and controlling party

The Company's immediate parent undertaking is Betjeman Holdings Limited, a company incorporated in the United Kingdom.

The Company's ultimate parent undertaking is Betjeman Holdings JvCo Limited, a company incorporated in the United Kingdom.

The smallest group in which the results of the Company are consolidated is Helix Acquisition Limited. The largest group in which the results of the Company are consolidated is Betjeman Holdings JvCo Limited, a company incorporated in the United Kingdom.

Copies of the consolidated financial statements of Helix Holdings Limited are available from 5th Floor, Kings Place, 90 York Way, London, N1 9AG.

28. Subsequent events

There have been no events subsequent to the balance sheet date that require disclosure.