Registered number: 07428859

HELIX ACQUISITION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

COMPANY INFORMATION

Directors	J Curley S Jones K Ludeman A Pitt A Leness D Harding S Springett (resigned 11 June 2021) O Racine (appointed 11 June 2021)
Chairman	K Ludeman
Company secretary	L Clarke-Bodicoat
Registered number	07428859
Registered office	5th Floor, Kings Place 90 York Way London N1 9AG
Independent auditors	Deloitte LLP Statutory Auditor London United Kingdom

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their Annual Report on the affairs of Helix Acquisition Limited and it subsidiaries ("The Group") together with the audited financial statements for the year ended 31 March 2022.

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, maintain and renew the 109-kilometre-high speed rail line connecting London’s St Pancras International station to Kent, and international destinations in Europe notably Paris, Brussels and Amsterdam via the Channel Tunnel. In addition to St Pancras International, three stations are served along the route - Stratford International, Ebbsfleet International and Ashford International.

The Group has a clear goal to be recognised as a sustainable transport system connecting London, Kent and Europe. Its strategy is to Protect the core business, Evolve to meet the future requirements of the asset and stakeholders, whilst Recovering from Covid-19 and seeking opportunities to Grow the business.

The strategy is underpinned by a set of values and core delivery work streams.

Figure 1: The Group’s values and long-term vision

A fair review of the business

Key developments during the year ended 31 March 2022 include:

• Covid-19 has had a significant impact on the UK and global economy. Domestic and international travel have been affected as well as the Retail Industry. Since the removal of both UK and International travel restrictions, post the Omicron variant, the Group has seen immediate signs of recovery in the International and Retail revenue streams, but not yet to pre-covid levels.

• Turnover for the year ended 31 March 2022 was £149.7m (31 March 2021: £191.8m).

• Eurostar (“EIL”) train paths are recovering from the troughs of Covid-19, with demand responding quickly to the lifting of travel restrictions. Although EIL had booked a minimal forward booked timetable (“FWT”) for the period May 2021 to December 2021, it operated a level of spot bid train paths significantly above this FWT. Demand for train paths has continued to grow and EIL have booked an FWT for May 2022 – December 2022 that reflects 45% pre-Covid levels, indicating future growth and a return to more stabilised operations.

• The London Southeastern Railways (“LSER”) direct award was not extended in October 2021 and the Government’s Operator of Last Resort (“OLR"), Southeast Trains Limited (“SET”), has taken over the service. The OLR takes over a service when a rail franchise contract has ended, as the Government is required to maintain continuity of passenger rail travel. This change has not impacted HS1 operationally or financially. SET have continued to book a lower timetable than pre-pandemic levels, with services running below the underpin agreement.

• The Group has a UK Government underpinning arrangement for domestic services, the Group’s largest revenue stream. The underpin agreement has partially insulated HS1 from the reduction in domestic passenger numbers.

• Retail income has been sensitive to Covid-19 restrictions but towards the end of March 2022 had recovered to around 86% of pre-Covid levels, with 91% of units trading.

• The Group completed the second year of Control Period Three. The operating, maintenance and renewal (“OMR”) charge was set by the Office of Rail and Road (“ORR”) for a 5 year period commencing in April 2020.

• Due to the changes in the booked timetable from both EIL and SET, the Group executed its second “Volume Reopener” of the Control Period to amend the allocation of Control Period Three charges and ensure the fixed OMR costs were recovered.

• Operationally, the Group performed strongly despite the extra complexity brought about by Covid-19. See key performance indicators (page 7).

• St Pancras International, Stratford International and Ebbsfleet International have all been awarded the Certificate of Assurance from Bureau Veritas as recognition for the cleaning measures in place which reduces the risk of transmission of Covid-19. The National Rail Passenger Survey for overall passenger satisfaction is still on hold due to Covid-19.

• HS1 offers strong sustainability credentials, being the first UK railway to operate entirely on renewable electricity. HS1 hosted a workshop at the World Climate Summit Investment Conference of Parties ("COP") this year, which presented High Speed Railways as an integral part of a decarbonised transport network.

• To support our customers with the ongoing energy price challenges, whilst maintaining the overall sustainability strategy, HS1 is transitioning from electricity backed by general Renewable Energy Guarantees of Origin (“REGOs”) to the progressive introduction of renewable energy sourced through Corporate Power Purchase Agreements with dedicated REGOs. The first trade was completed in April 2022. HS1 will continue to explore further sustainability opportunities for High-Speed rail travel to Kent and the continent.

Future developments

Members of the Rail, Maritime and Transport Workers (“RMT”) and the Associated Society of Locomotive Engineers and Firemen (“ASLEF”) unions have recently balloted its members for strike action or action short of a strike (working to contract). The RMT has now voted for strike action in relation to its members pay, guarantees over redundancies and changes to maintenance practices. More information is provided in note 27 to these financial statements.

EIL has recently merged with Thalys, another European highspeed train operator, to form Greenspeed. The combined entity is owned by four shareholders, the majority shareholding will remain indirectly owned by the French and Belgian governments (74.25%) with the remaining 25.75% stake being owned by private investors. This is not expected to impact the EIL risk profile.

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.

Through working collaboratively with Management and listening to feedback from the Group's stakeholders, the Directors believe that the Group is well positioned to use the feedback in delivering its vision. The Group assesses the impact of its activities on its stakeholders, in particular customers, employees, regulators, partners and suppliers and the wider community.

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.

<u>The Group's values</u>
The Group's purpose is to deliver the world's leading high-speed rail experience through its vision, strategy, and values. The Group's values and strategy (see Figure 1) ensure key resources are allocated appropriately and key relationships are maintained to support the generation and preservation of value in the Group, and to ensure that the Group continues to serve all stakeholders well in the long-term. The Group is in the process of reviewing the strategy and values to ensure they reflect its current requirements.

Throughout the pandemic, HS1 has continued to lead system wide conversations involving customers, regulators and the supply chain on the best way to respond to the short-term reduction in passenger travel. The aim is to find a way by working together that drives a stronger recovery than if we operated in isolation. The discussions are currently on-going.

Alongside this system engagement, we also have more structured engagement with a wider range of stakeholders as demonstrated below:

How we engage and foster strong relationships with some of our key stakeholders

Customers	Employees	Regulators	Lenders and shareholders	Partners and suppliers	Community
• Customer surveys • Discussions with stakeholder groups • Monitoring industry questionnaires	• Employee Engagement survey • Town halls • Employee Suggestions Board	• Regulatory review • Public consultations • Stakeholder working groups	• Quarterly lender presentations • Information disclosure, such as budgets, financial statements and covenants • Ad-hoc meetings	• Contract review meetings • Annual supplier conference • Supplier Audits	• Social media and website • Social investment programmes • Multi stakeholder groups • Newsletters

Key performance indicators ("KPIs")

Performance during the year to 31 March 2022 was impacted by Covid-19 travel restrictions. The number of train paths billed during the year decreased to 59,184, a 15% decrease on the 69,868 for the year ended 31 March 2021. Train paths run have increased from the prior year, however billings were lower due to calendar year 2020/21 benefitting from the advance bookings carried over from before the pandemic began.

Operationally, the infrastructure continues to perform well; the average delays per train path for HS1 Limited infrastructure (the Group's primary performance KPI) continues to be low during the year to 31 March 2022 at 4.16 seconds (31 March 2021: 2.92 seconds). Initiatives continue to be delivered to reduce delays and maintain safe operations.

Our supply chain continues to improve safety culture amongst its employees which is demonstrated through the Fatalities and Weighted Injuries per 1,000,000 hours worked index, which has remained low at 0.064 at 31 March 2022 (31 March 2021: 0.028). The Group continues to monitor and challenge the supply chain through regular review meetings and oversight is provided through both the safety and asset subcommittees.

The Passenger Accident Incident Rate, number of passenger accidents per 100,000 passengers, is low at 0.02 at 31 March 2022 (31 March 21: 0.03). Station safety groups help improve passenger safety and have been instrumental in reducing accidents.

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 2022 was 1.24x (31 March 2021: 1.25x), driven by continued effects of Covid-19.

The EBITDA for the year to 31 March 2022 was £20.5m (31 March 2021: £55.1m). A reconciliation from the statutory measure, being operating (loss) / profit, is presented in the table below:

	2022 £m	2021 £m
Operating (Loss) / Profit	**(28.3)**	*6.3*
Depreciation and Amortisation	**48.8**	*48.8*
EBITDA	**20.5**	*55.1*

Principal risks and uncertainties

The Group's regulatory and contractual arrangements generally provide a low risk, stable business environment. However, the global pandemic has caused an unprecedented impact on the economy and the Group.

The Group has identified the following key risk areas and strategies to preserve the health and wellbeing of staff whilst maintaining business continuity:

a) Workforce

- Impact of Covid-19 on workforce. The Group applied and adapted measures in line with changing restrictions, to protect employees from Covid-19. This has meant applying Government guidelines, which have been in place for the majority of the year, to mitigate the spread of infection. Post the lifting of all restrictions in the early part of 2022, the Group has monitored risk through periodic office risk assessments.

b) Supply chain & operations

- Network Rail High Speed ("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. If NRHS is unable to meet its obligations under the Operator Agreement, the Group has the right to step in. The contract terms also include a parent guarantee giving the Group greater security. The Group is in regular contact with NRHS and other parts of the supply chain. The Group continually reviews potential causes of disruption, this includes insufficient operational NRHS staff or closures of the HS1 infrastructure that could restrict the operation of HS1 services.

- A major infrastructure failure or incident. The Group has appropriate insurance cover in place, so the exposure is expected to be limited to the insurance excess of £2.5m. The Group also mitigates the risk operationally by obtaining supply chain assurance and ensuring compliance of procedures followed by NRHS. In addition, the Group regularly tests its business continuity and recovery plans.

- Payment of performance regime penalties to operators. This is triggered on failure of the Group's infrastructure and this is capped at £8.5m as at 2021/22 but in most instances the first £4.1m (February 2021 prices) is passed onto our principal supplier NRHS.

- Failure of off-Group infrastructure such as the Channel Tunnel. Contractual arrangements such as continued domestic train services and £20m insurance cover for off route incidents occurring within 1 mile of HS1 premises if Damage occurs and £10m if due to Police action or presence (or suspected) of harmful device. This would limit the short-term financial impact. Long term issues could have a materially negative financial impact.

c) Economy

- Covid-19. The implementation of lockdown measures has led to a significant decline in passenger journeys. The Group has revised its forecasts for the implications of the current Covid-19 situation and applied appropriate sensitivities to ensure that we operate within our available financing arrangements. This is discussed in further detail in the going concern section in note 1.2 to the financial statements. The long-term view remains unchanged with the business expecting to return to pre-pandemic levels by 2024/25. The Group is monitoring potential long term structural shifts in the economy that could impact the business, such as business travel, commuting, home working and internet shopping.

- There is a risk of passenger flow disruption from new border control requirements. Changes in immigration rules, increased public health measures, or future changes in EU border arrangements could all lead to a worsening passenger experience which could 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 disembarcation, is a key competitive advantage over air for international travel. The Group continues to have conversations with customers, suppliers, the regulators and government to mitigate any risks.

- There is pressure on Energy prices. The Group faces a reputational risk if it does not effectively manage this. Management are working with the train operators to execute an agreed energy purchasing strategy balancing affordability, certainty and ensuring renewable energy sources. The first delivery milestone Corporate Power Purchase Agreement 1 was completed in April 2022.

- Inflation is 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 train operators have back to back arrangement and RPI on IRC revenues is partially hedged to provide further certainty. The economic situation is under constant review by the Company.

d) Reliance on two key Customers (LSER/SET and Eurostar)

- SET, the only domestic operator, is the Group's largest customer. The Direct Award with LSER was not extended in October 2021 and the government's OLR has taken over the service as a result with no material impact to HS1.

The Group is paid on the number of timetabled train paths on HS1 infrastructure during the year, adjusted for spot bids and cancellations. 1,024 train paths per standard week are underpinned by the UK Government through the Domestic Underpinning Agreement. In addition, the Group has certainty up to one year ahead due to the advanced agreement of the timetable on which billing is raised. The domestic train path volumes are currently timetabled below the underpin arrangement for the period from May 2022 to December 2022. The underpin agreement has successfully been enforced in the year with the Department for Transport ("DfT ") billed the shortfall of services. There is a risk the timetable remains at this level and the Group relies on the underpin on an on-going basis.

- Eurostar, the only international operator, continued to operate a lower level of train paths than pre-pandemic, but recovery is continuing and they are currently timetabled to return to 45% of pre-covid levels from May 2022 to December 2022. As outlined in Further Developments, the merger of EIL and Thalys is not expected to negatively impact the operations of HS1 and as the majority shareholder is still indirectly owned by the French and Belgium governments, the current risk profile is maintained.

- Eurostar had booked a minimal timetable submission this year and booked "spot bid" paths to give itself flexibility to react to demand. Due to the uncertainty of demand, the Group expect to execute a regulated cost "volume reopener" annually during the Control Period 3 that allows regulated OMR charges to be spread over a lower number of train paths.

e) Unregulated market

- Footfall across all 4 stations was significantly impacted by Covid-19 government restrictions and despite signs of recovery, a steady state has not been reached yet. The Group receives unregulated revenues from retail units, advertising space and car-parking. Changes in the wider retail market, with a move towards online shopping and a change in consumer behaviour, causes a further risk.

- The Group continues to monitor the market closely and is actively managing the stations, with regular dialogue with retailers. Several factors could influence the Group's unregulated performance which includes economic recovery and the return of passengers to the station. Customer insights, and in-depth market knowledge, allows the Group to adapt to changes in customer demand.

f) Political Environment

- As a key piece of infrastructure, there is a risk of a terror attack, physical or cyber. Management have carried out a risk assessment to ensure controls are optimal. HS1, with the supply chain, invests heavily in cyber and physical security measures.

- The post-pandemic impact combined with the new border control changes is being monitored and the Group is working with stakeholders to ensure they are as frictionless as possible to support the recovery. International travel via rail is supported by juxtaposed border controls which is a significant benefit compared with air travel, in particular on arrival.

- Geo-Political tensions have been rising since the war in Ukraine, while not directly impacting HS1, the indirect consequences such as cost of living/inflation, Energy costs, travel patterns and supply chain availability are all being monitored.

The principal financial risks and uncertainties faced by the Company are:

• Interest rate risk – the Group is exposed to adverse movements in interest rates on only 4% of the current external debt.

• UK tax changes – the Group is exposed to changes in tax rules. Management stays abreast to changes in order to mitigate risk of losing "low" HMRC risk rating. Most recently, the tax changes include Corporation tax increase from 2023/24 and the National Insurance increase from 1 April 2022.

• Counterparty credit risk – the Group has two customers, SET and EIL. On a regular basis we review their financial positioning. 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.

• 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.

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.

....
D Harding
Director

Date: 14 June 2022

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

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The Group has turnover of £149.7m and total assets of £3.5 billion for the period ended 31 March 2022, 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 in the previous year and continues with these for the financial year ended 31 March 2022. 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 Helix Acquisition Limited demonstrate the principles of promoting the success of the Group, act with integrity and lead by example, 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, Board sub-committees 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. The Group's strategy aims to respond to the challenges of the pandemic and support the High Speed rail system. The Group values are core to internal processes, with integration into all functions and operations of the business. Employees are measured against their demonstration of Group's values in annual performance reviews, to ensure that their behaviours and practices are aligned with Group's purpose, and strategy.

The Board, shareholders and Management are committed to embedding the desired culture throughout the organisation. Culture is supported by People Strategy and is reviewed through the annual employee engagement and Pulse surveys and is benchmarked to other companies. In addition, the Group has been awarded the "We Invest in People" and "We Invest in Wellbeing" gold accreditation by Investors in People.

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

Strategy

Alongside a Five-Year Asset Management Statement, submitted to and approved 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 prepares a rolling 5-year business plan that is reviewed annually which demonstrates how the Group proposes to generate long-term sustainable value for the Group and stakeholders like the DFT and the train operating companies ("TOCs").

Principle 2 - Board composition

Chair

The Chair is an independent appointment for a 3-year term. The roles of Chair and CEO are exercised by different individuals to ensure a balance of power and effective decision-making.

Balance and Diversity

The Group's Board is comprised of professionals experienced in the rail industry, project and corporate finance, asset management and Health and Safety. The Board is kept appraised of the business's performance and shareholder interests through regular Board and Subcommittee reporting, as well as periodic CEO Reports.

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 will consider diversity as part of any future Board appointments.

Size and Structure

In addition to shareholder directors, the Group has two appointed independent non-executive Directors. The Board delegates detailed oversight to three core subcommittees (Audit and Finance; HR and Remuneration; Health & Safety) to enable effective decision-making, see "Board Committees" below. In the year the asset; contracts and Covid-19 Recovery Subcommittee (which was formed in 2020 in response to the Coronavirus pandemic) ceased to function at the end of the year as they were no longer required. The subcommittees were replaced with further board meetings, as set out below.

Effectiveness

The Group does not have a formalised professional development programme for the Board, the shareholder representative development is carried out at the shareholder level and the Board composition is decided to balance the needs of the business. The chairman reviews Board effectiveness through regular review sessions as do the shareholders, following the board effectiveness review in March 2022 the number of subcommittees has been streamlined (see Size and Structure above) and additional board meetings have been introduced to become monthly.

Principle 3 - Director responsibilities

Accountability

The Group has established, and maintains, corporate governance practices through the Company Secretary 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 Sub-committees, delegated authorities, and the shareholder agreement.

Conflicts of interest are declared at the commencement of every Board and Sub-committee.

Governance processes are periodically reviewed through meetings between the General Counsel and the Chair, and at the Board Strategy Day held annually.

Committees

The Group's core subcommittees (Audit and Finance, HR and Remuneration and Health & Safety) are chaired by separate Board members or the CEO. All subcommittees are attended by either the Chairman and/or the CEO, and the General Counsel as Company Secretary.

The Sub-committees report to Board to inform Board decision making and act within the terms of reference for each Sub-committee, which sets out the authorities delegated.

Integrity of information

The Group's subcommittees play a part in ensuring the formal and robust internal processes are operating effectively. The Subcommittees each report back to the Board on a periodic basis 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

Opportunity

The Group's strategy is to protect the core business, evolve to meet future challenges and seek opportunities to grow the business while generating returns for our shareholders. Each Directorate measures how the Group generates and preserves value over the long term through the application of these principles. The Group is now focused on working with the High-Speed Rail system to deliver high quality value for money infrastructure to support customers post pandemic strategies.

The business has a vision to be Contemporary, Agile, Sustainable and Trusted. All business opportunities and objectives are viewed through this lens to ensure they support the long-term vision for the business.

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.

Risk

The Group's Board has responsibility for overall strategic decision-making. The Audit & Finance Subcommittee has delegated responsibility for overseeing risk management and reports this to the Board on a quarterly basis and risks are also reviewed annually by the Board.

The Group has Risk Management Procedures that are reviewed annually.

Principle 5 - Remuneration

Setting remuneration

The HR and Remuneration Subcommittee 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 formally reviewed by the Group.

The HR and Remuneration Subcommittee 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.

Policies

Remuneration schemes and policies are clearly set up with focus on metrics for business imperatives, 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 the male/female ratio of Senior Management is 50:50.

Principle 6 - Stakeholder relationships and engagement

External impacts

The Group recent strategy reflects the need of the Group to focus on its core business and support the High-Speed rail system recover from the pandemic, while generating returns for our shareholders. Each Directorate reviews how the Group generates and preserves value over the long-term through the application of these strategies.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The Group has a formalised an ongoing Risk Management Procedure to ensure risks are identified, assessed and actions are taken to reduce business impacts.

The Group has also developed a Sustainability strategy and built this into its 10-year vision.

Stakeholders

The Group assesses the impact of its activities on its stakeholders, in particular customers, employees, regulators, partners and suppliers and the wider community.

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 stakeholder groups 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 the informal staff suggestions, as well as a number of employee representatives on the "Employee Forum" who discuss issues with Management. The Employee Forum discuss areas such as the Whistleblowing Policy, the staff engagement survey results and the PEG Board ideas. Staff performance is monitored through regular one-to-one meetings with line management plus interim and annual performance reviews and annual calibration of reviews. The Board has reinstated face-to-face engagement with the wider staff as pandemic restrictions lifted.

The Whistleblowing Policy is reviewed annually to ensure effectiveness.

The Group's policies and practices are aligned with the Group's purpose and values. 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 Subcommittee meetings. They are recorded in minutes and actions are recorded on a rolling action log reviewed every quarter.

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

....
D Harding
Director

Date 14 June 2022

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

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. These matters relate to future developments.

Result for the year

The profit for the year was £30.1m (2021: profit of £51.7m).

Dividends

The Company paid no dividends during the year to holders of the A or B shares (2021: £nil).

Directors

The directors who served during the year were:

J Curley
S Jones
K Ludeman
A Pitt
A Leness
D Harding
S Springett (resigned 11 June 2021)
O Racine (appointed 11 June 2021)

Political donations

Political donations during the year were £nil (2021: £nil).

Sustainability Strategy and statutory reporting

The Group launched its sustainability strategy in September 2020, supporting the Group strategy, providing the most sustainable option for transport across the UK and Europe. The Company presented at the Investment COP, a satellite event of COP 26 in Glasgow in November 2021 to share the ideas and how the system worked together to deliver our ambitions. The Company made use of this same presentation and ran a similar event locally in Kent to engage local businesses in supporting a modal shift to rail.

A key tenet of this is that the business has pledged to be fully carbon neutral within a decade; stringent new environmental targets in our new sustainability strategy focus on enhancing the Group's reputation as the Green Gateway to Europe. To demonstrate commitment, a detailed ESG report was published for the 2020-21 reporting year to describe how The Company is progressing against its targets.

Alongside this the Group endeavours to protect and reduce our impacts on the natural environment and on our local communities, and in turn achieve wider societal benefits.

The Group has developed its 2030 Sustainability vision and KPIs which it is delivering and there will be an external update in the HS1 Annual ESG Report. Taskforce for Climate Change (“TCFD”) financial disclosures are being matured and will be published in line with UK Government requirements.

The streamlined energy and carbon report (“SECR”) identifies the future efficiency actions the Group will look to implement over the next financial year. A more detailed ESG report is anticipated to be published later in 2022.

Streamlined Energy and Carbon Reporting FY2021-22

The Group has adopted the operational control boundary approach for the measurement of energy emissions which includes all non-traction energy loadsand 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 Network Rail (High Speed) 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)

The changes to the scope and boundaries of the measurement of energy emissions that have taken place are as follows:

• Losses on the traction electricity distribution system which provides power to the trains has been predicted at 17.1% of the total traction power. This has been allocated to HS1 (who own, operate and maintain the infrastructure) with the remaining 82.9% being allocated to the train operators.

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 loses on the traction power)
• Diesel consumption for maintenance vehicles

Gross Emissions	31 March 2022	31 March 2021
	UK and offshore	UK and offshore
Scope 1 Emissions (direct emissions from owned or controlled sources)	1,427 tCO2e	1,681 tCO2e
Scope 2 Emissions (indirect emissions from the generation of purchased electricity, steam, heating and cooling)	13,553 tCO2e	7,653 tCO2e
Scope 3 Emissions (all other indirect emissions that occur in a Company's value chain)	1,462 tCO2e	875 tCO2e
Total gross emissions / tCO2[1]	16,442tCO2e	10,209 tCO2e
Intensity ratio: kg CO2e (gross Scope 1, 2 & 3) per user[2]	0.6454 kg CO2e per user	1.299 kg CO2e per user
Total MWh of electricity consumed	63,828 MWh	32,825 MWh
Total MWh of gas consumed	7,740 MWh	9,142 MWh

Note 1: Increase in gross emissions due to services coming back online and increase in passenger footfall.
Note 2 :Users are counted using gateline footfall as ORR data is one year in arrears.

This thereby shows environmental performance improvements as follows:

• Increase in absolute gross emissions 63%
• Reduction in normalised gross emissions 50%

Normalised gross emissions are calculated by CO2 emissions per passenger using gateline statistics.

From the previous financial year purchased the majority of our electricity from renewable sources and this reporting year being the first with all electricity covered by Renewable Energy Guarantee of Origin (REGO). Recalculating our emissions on this green energy basis provides the following indicators:

Carbon offset due to REGO	13,553 tCO2e
Net emissions	2,889 tCO2e
CO2 per user using net emissions	0.113 kg CO2e per user
Decrease in normalised net emissions	69%

The decrease in normalised gross emissions has been due to the increase in passenger numbers during this financial year when the Covid-19 restrictions became relaxed and passenger travel has seen a steady increase.

Further indicators of changes in consumption usage include:
• Increase in electricity consumption 95%
• Decrease in gas consumption 15%

The sudden increase in electricity consumption is due to a change of boundary and we will continue to use this as our baseline going forward. The boundary change consists of HS1 taking responsibility for the losses on the traction electricity infrastructure that supplies power to the trains. This is a 29 MWh/an increase in the footprint this year in addition to the previous scope of 35 MWh for stations, depots and non-traction lineside infrastructure.

The decrease in gas consumption is due to energy optimisation schemes within the stations including more precise control, demand-based operation etc.

Other GHG emissions

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

Methodology

Emissions have been calculated 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:
• 99.5% has been extracted from actual meter readings
• 0.5% has been evaluated using estimates

Transport emissions have been excluded as:
•Staff transport is below the de minimis limit.

Emissions have been measured over the period 1 April 2021 to 31 March 2022.

Energy Efficiency Action Taken

In the period covered by the report the following initiatives were undertaken:
• Ongoing optimisation of the heating and chilled water generation control.
• Various optimisation tasks on each site's Building Management System including improved pump control, more accurate time schedules and temperature control for air conditioning, ensuring our main heating and cooling plant doesn't operate in the non-heating and cooling seasons, and better use of demand-based supply of air.
• Air handling unit optimisation
• Various areas of energy management improvement through expert consultancy.

The estimated aggregate annual savings from these initiatives are:
• Electricity: 806 MWh
• Gas: 261 MWh
• CO_2: 236 tonnes

The total cost of these investments was £164k with an expected annual return on investment of £134k.

Future Efficiency Actions To Be Taken

In 2022-23, the following investment has been applied for funding to the Train Operators Committee:
• 5 project types across St Pancras, Stratford and Ebbsfleet
• Requiring £105k investment
• Providing £299k per annum return on investment
• Reducing CO_2 emissions by approximately 165 tonnes per annum and reducing utility consumption by:
  o Electricity 944 MWh
  o Gas 161 MWh

Additionally, commitment has been made to reduce energy usage of the lineside infrastructure facilities (nontraction) through the following actions:
• BMS and control enhancements of pumps and chillers at various sites
• Approximate investment of £50k
• Providing £78k per annum return on investment
• Reducing CO_2 emissions by approximately 135 tonnes per annum and reducing utility consumption by:
  o Electricity 448 MWh
  o Gas 135 MWh

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.

Going concern basis

The Directors have considered the use of the going concern basis in the preparation of these financial statements and concluded that this remains appropriate. The current economic environment, including the ongoing impact of Covid-19 and strike action by RMT members which could impact HS1's main supplier, NRHS, were considered as part of the going concern assessment.

The Group has prepared a range of forecast scenarios to reflect the economic uncertainty, forecasting monthly cashflows to December 2023. The scenarios range from a medium-term delay in the recovery of international train paths and unregulated income to a longer period of reduced demand for international travel and a more gradual recovery of unregulated income in addition to the impact of potential strike action. The Directors have reviewed business forecasts against the cashflow, and covenant requirements of the Group and the Group is able to meet its obligations as they fall due.

More information is provided in note 1.2 to these 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

Deloitte LLP have indicated their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed to be re-appointed in the absence of an Annual General Meeting.

Subsequent events

Details of significant events since the balance sheet date are contained in note 27 to the financial statements.

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

....
D Harding
Director

Date: 14 June 2022

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

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 “Reduced Disclosure Framework”. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

....

D Harding
Director

Date: 14 June 2022

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

INDEPENDENT AUDITORS' 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 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 27.

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.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HELIX ACQUISITION LIMITED

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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HELIX ACQUISITION LIMITED

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions, and industry 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 following areas, and our specific procedures performed to address them are described below:

- Management's trading forecasts used within the service concession-related intangible asset impairment test – there is a potential fraud risk in management's ability to manipulate the forecast trading data used within the value in use impairment model. To address this fraud risk, we have challenged the key assumptions in management's forecasts through an assessment of historical forecasting accuracy and benchmarking assumptions against third party research, to ensure the underlying assumptions are valid and reasonable.

- Validity of data used by management in the estimation of the fair value of derivative financial instruments – there is a potential fraud risk in management's ability to influence the input data within the derivative valuations. To address this fraud risk, alongisde our internal valuation specialists, we have challenged the inputs and assumptions supporting the valuations and assessed whether these capture the impact of recent market movements.

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 (Senior statutory auditor)

for and on behalf of Anthony Matthews

Deloitte LLP

Statutory Auditor

London
United Kingdom

14 June 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £m	*2021 £m*
Revenue from contracts with customers	4	**149.7**	*191.8*
Other operating expenditure	5	**(178.0)**	*(185.5)*
Operating (loss) / profit	5	**(28.3)**	*6.3*
Interest receivable and similar income	9	**229.8**	*214.4*
Interest payable and similar charges	9	**(176.0)**	*(160.8)*
Profit before taxation		**25.5**	*59.9*
Tax on profit	10	**4.6**	*(8.2)*
Profit for the financial year		**30.1**	*51.7*
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit pension liability	23	**(0.2)**	*(0.8)*
		(0.2)	*(0.8)*
Items that may subsequently be reclassified to profit or loss:			
Amounts recycled to the profit and loss account		**3.1**	*3.1*
Deferred cost of hedging		**(2.0)**	*(0.8)*
Effective portion of changes in fair value of cash flow hedges		**(440.5)**	*(86.0)*
		(439.4)	*(83.7)*
Total comprehensive loss		**(409.5)**	*(32.8)*

The notes on pages 34 to 88 form part of these financial statements.

All activities of the Group relate to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £m	2021 £m
Assets			
Non-current assets			
Intangible assets	12	**908.5**	*956.9*
Right-of-use assets	13	**0.4**	*0.8*
Financial assets	25	**1,424.6**	*1,423.1*
Debtors: amounts falling due after more than one year	15	**1,206.3**	*1,124.2*
		3,539.8	*3,505.0*
Current assets			
Debtors: amounts falling due within one year	16	**66.5**	*52.5*
Cash at bank		**4.3**	*8.6*
		70.8	*61.1*
Total assets		**3,610.6**	*3,566.1*
Liabilities			
Non-current liabilities			
Creditors: amounts falling due after more than one year	18	**3,243.2**	*2,854.4*
Net pension liability	23	**2.2**	*2.0*
Lease liabilities - right-of-use asset	13	**0.3**	*0.8*
Deferred taxation		**48.2**	*-*
		3,293.9	*2,857.2*
Current liabilities			
Creditors: amounts falling due within one year	17	**227.9**	*211.3*
		227.9	*211.3*
Total liabilities		**3,521.8**	*3,068.5*
Net assets		**88.8**	*497.6*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

	Note	**2022** **£m**	*2021* *£m*
Capital and reserves			
Called up share capital	19	**-**	*-*
Other reserves	20	**0.2**	*2.2*
Hedging reserve	20	**(387.2)**	*62.0*
Profit and loss account	20	**475.8**	*433.4*
Shareholders' funds		**88.8**	*497.6*

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

....
D Harding
Director

Date: 14 June 2022

The notes on pages 34 to 88 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £m	*2021 £m*
Assets			
Non-current assets			
Investment in subsidiary undertakings		**0.1**	*0.1*
Debtors: amounts falling due after more than one year	15	**1,307.6**	*1,191.8*
		1,307.7	*1,191.9*
Current assets			
Debtors: amounts falling due within one year	16	**35.7**	*58.6*
		35.7	*58.6*
Total assets		**1,343.4**	*1,250.5*
Liabilities			
Non-current liabilities			
Creditors: amounts falling due after more than one year	18	**1,344.6**	*1,224.9*
		1,344.6	*1,224.9*
Current liabilities			
Creditors: amounts falling due within one year	17	**35.8**	*58.6*
		35.8	*58.6*
Total liabilities		**1,380.4**	*1,283.5*
Net liabilities		**(37.0)**	*(33.0)*

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

	Note	2022 £m	*2021 £m*
Capital and reserves			
Called up share capital	20	**-**	*-*
Profit and loss account	20	**(37.0)**	*(33.0)*
Shareholders' deficit		**(37.0)**	*(33.0)*

The Company's loss for the year was £4.0m (2021 - loss of £33m).

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

....
D Harding
Director

Date: 14 June 2022

The notes on pages 34 to 88 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £m	*2021 £m*
Cash flows from operating activities			
Profit for the year		**30.1**	*51.7*
Adjustments for			
Amortisation	12	**48.4**	*48.4*
Depreciation of right-of-use assets	13	**0.4**	*0.4*
Interest receivable and similar income	9	**(229.8)**	*(214.4)*
Interest payable and similar charges	9	**176.0**	*160.8*
Taxation	10	**(4.6)**	*8.2*
		20.5	*55.1*
(Increase)/decrease in debtors		**(11.5)**	*0.5*
Increase/(decrease) in creditors and deferred income		**8.9**	*(29.3)*
RPI swap payments		**9.1**	*1.8*
Net cash from operating activities		**27.0**	*28.1*
Cash flows from investing activities			
Disposal of intangibles	12	**-**	*0.5*
Repayment of financial asset	25	**122.3**	*118.0*
Net cash from investing activities		**122.3**	*118.5*
Cash flows from financing activities			
Interest paid		**(108.6)**	*(106.8)*
Repayment of borrowings		**(11.3)**	*(50.5)*
Payment of lease liabilities		**(22.7)**	*(22.4)*
Cash outflow into escrow		**(15.0)**	*2.7*
Net cash used in financing activities		**(157.6)**	*(177.0)*
Net cash decrease in cash and cash equivalents		**(8.3)**	*(30.4)*
Cash and cash equivalents at the beginning of year		**(41.4)**	*(11.0)*
Cash and cash equivalents at the end of the year		**(49.7)**	*(41.4)*

The notes on pages 34 to 88 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Other reserve	Hedging reserve	Profit and loss account	Total attributable to equity holders of parent	Total equity
	£m	£m	£m	£m	£m
At 1 April 2020	3.0	148.0	379.4	530.4	530.4
Comprehensive income for the year					
Profit for the year	-	-	51.7	51.7	51.7
Other comprehensive income	(0.8)	(86.0)	2.3	(84.5)	(84.5)
Total comprehensive income for the year	(0.8)	(86.0)	54.0	(32.8)	(32.8)
Transfer to/from retained earnings	-	-	-	-	-
At 31 March 2021	**2.2**	**62.0**	**433.4**	**497.6**	**497.6**
At 1 April 2021	2.2	62.0	433.4	497.6	497.6
Comprehensive income for the year					
Profit for the year	-	-	30.1	30.1	30.1
Other comprehensive loss	(2.0)	(439.8)	2.9	(438.9)	(438.9)
Total comprehensive income for the year	(2.0)	(439.8)	33.0	(408.8)	(408.8)
Transfer to/from retained earnings	-	(9.4)	9.4	-	-
At 31 March 2022	**0.2**	**(387.2)**	**475.8**	**88.8**	**88.8**

The notes on pages 34 to 88 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Profit and loss account	Total equity
	£m	£m
Comprehensive income for the year		
Profit for the year	(33.0)	(33.0)
Total comprehensive income for the year	(33.0)	(33.0)
At 31 March 2021	**(33.0)**	**(33.0)**
At 1 April 2021	(33.0)	(33.0)
Comprehensive income for the year		
Profit for the year	(4.0)	(4.0)
Total comprehensive income for the year	(4.0)	(4.0)
At 31 March 2022	**(37.0)**	**(37.0)**

The notes on pages 34 to 88 form part of these financial statements.

1. Accounting policies

Helix Acquisition Limited (the "Company") is a company limited by shares and incorporated and domiciled in the United Kingdom.

The consolidated financial statements for the year ended 31 March 2022 were prepared under IFRS and were authorised for issue in accordance with a resolution of the Directors on 14 June 2022.

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;

ii. 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.

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.

1. Accounting policies (continued)

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 Group has 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. The Directors have also reviewed the plans to protect the Group's liquidity, including working capital and cost reduction options. These forecasts also benefit from the security of revenue reflecting the UK Government underpinning arrangements. The financial statements have accordingly been prepared on a going concern basis.

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 2022. 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. Accounting policies (continued)

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.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.
Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into sterling at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

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 it 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 held for trading, financial assets designated as hedging instruments in an effective hedge, or financial assets mandatorily required to be measured at fair value. 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, 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 a comparable market average default rate which is provided by a third-party expert. A recovery rate of 40% is applied to arrive at the ECL.

An ECL of £37.0m has been posted to the Company's financial statements for the year ended 31 March 2022 against amounts owed by subsidiary undertakings. This reflects the increased credit risk on some intercompany loans. A reversal of the ECL will be considered in future years once the associated credit risk reduces again.

An ECL of £0.5m has been entered into the Group's financial statements for the ECL for the year ended 31 March 2022 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. These assessments reflect

1. Accounting policies (continued)

the current market pressures and limited trading because of Covid-19.

Subsequent measurement - financial liabilities

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.

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.

c. Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16

The reporting requirements and amendments under the Interest Rate Benchmark Reform address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows arising from the replacement of an interest benchmark with alternative. The amendments require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by the interest rate benchmark reform by updating the effective interest rate of the financial asset or liability. Additionally, the Company is required to disclose additional information about its exposure to risks arising from interest rate benchmark reform and related risk management activities. The Company is required to amend their hedging relationships to reflect designating an alternative benchmark rate as the hedged risk; changing the description of the hedged item, including the designated portion, or of the hedging instrument.

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.

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.

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. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

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.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

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

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. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

1.10 Cash and short term deposits

Cash and short-term deposits 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 net finance 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 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

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.

1.13 Leases

The Group assess 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 a specified 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 recognizes a right-of-use (ROU) asset and lease a liability at the lease commencement date, except for short term-leases of 12 months or less which are expensed in the income statement on a straight-line basis over the lease term.

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 ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

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. The term of the combined contract has been determined to be 30 years.

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 Other expenses and income

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.

Deferred tax

Deferred tax is an accounting adjustment which reflects where more or less tax is expected to arise in the future due to differences between the accounting and tax rules. 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. New standards and interprepations not applied

The following standards and interpretations which have not been applied in these consolidated financial statements were in issue but not yet effective for the financial period.

The Directors plan to adopt these standards in line with their effective dates stated. The current status of the Group's assessment of these standards is set out below.

Standards issued but not yet effective

- IFRS 17 Insurance Contracts
This standard is not applicable to the Group.

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. Since the Group operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

- Amendments to IFRS 9: Prepayment Features with Negative Compensation
These amendments have no impact on the consolidated financial statements of the Group.

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will apply these amendments when they become effective.

- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted.

2. New standards and interprepations not applied (continued)

These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

- Amendments to IAS 28: Long-term interests in associates and joint ventures

Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

- Annual Improvements 2015-2017 Cycle (issued in December 2017)

IFRS 3 Business Combinations - These amendments will apply on future business combinations of the Group.

IFRS 11 Joint Arrangements - These amendments are currently not applicable to the Group but may apply to future transactions.

IAS 12 Income Taxes – These amendments will apply to the Group but the Group does not expect any effect on its consolidated financial statements. IAS 23 Borrowing Costs - These amendments will apply to the Group but the Group does not expect any effect on its consolidated financial statements.

3. Significant accounting judgements, estimate and assumptions

In the application of the Group's accounting policies, described in note 1, the Directors are required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumption are based on historical experience and other factors considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis.

Critical judgements in applying the Group's accounting polices

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.

Key sources of estimation uncertainty

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. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3. Significant accounting judgements, estimate and assumptions (continued)

• Provision for expected credit losses of trade receivables and contract assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECL charges have been posted against some intercompany balances and trade receivables.

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.

For trade receivables, the Company 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 Group has established a provision matrix is based upon commercial risk and liquidity risk.

Due to the uncertainties surrounding Covid-19, management have had to use significant judgement, estimates and assumptions related to the assessment of commercial and liquidity risk of its customers.

An ECL of £0.5m has been entered into the Group's financial statements for its trade receivables.

• Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

• Impairment of intangible 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.

During the year management determined that there was no indication that the intangible asset had been impaired. Management derived the value in use of the intangible asset by discounting the forecast future cash flows using an appropriate discount rate.

Management had to make significant judgements and estimates when determining what the future cash flows would be. The Company bases its impairment calculation on board reviewed business plans and forecasts. A key sensitivity in the cash flow assumptions are inflation rates and Covid-19 recovery. The Company relied upon third-party inflation forecasts. A range of cash flow scenarios have been prepared by the Directors, reflecting optimistic to pessimistic Covid-19 recovery scenarios.

3. Significant accounting judgements, estimate and assumptions (continued)

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. A third-party study specific to the Company's risk profile was commissioned and used for the inputs into the model. More detail is provided in note 12.

• 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 24 to these financial statements.

• Defined benefit pension schemes

The assumptions used in calculating the balance sheet assets and liabilities of the defined benefit pension scheme include estimates as set out in note 23.

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:

	2022 **£m**	*2021* *£m*
Revenue from operating, maintaining and renewing high speed railconcession	**143.7**	*191.8*
Revenue from the surrender of leased land	**6.0**	-
	149.7	*191.8*

Total revenue from contracts with customers

•The Investment Recovery Charge ('IRC') comprises an amount per train mile that varies with indexation and recovers its 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
•Land Sale income relates to proceeds paid to HS1 for compensation for the surrendering of the HS1 Lease Land

4.2 Performance obligations

Information about the Company's performance obligations are summarised below. The Company 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;

•The majority of the Company's revenue streams falling within IFRS 15's scope fund that performance obligation;

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

The single performance obligation is being transferred over time to the customer with the period of the contract being 30 years based on access to the high speed rail infrastructure.

5. Operating profit

	2022 **£m**	*2021* *£m*
Operating profit is stated after charging:		
Depreciation of right-of-use assets	**0.4**	*0.4*
Amortisation on intangible assets	**48.4**	*48.4*
ECL on trade receivables	**(2.2)**	*2.8*
Staff costs (note 7)	**7.9**	*7.0*

6. Auditors' remuneration

	2022 **£000**	*2021* *£000*
Fees payable to the Group's auditors and their associates for the audit of the Company's financial statements	**12.0**	*11.0*
Fees payable to the Group's auditors and their associates in respect of:		
The auditing of accounts of subsidiaries of the Group	**90.0**	*79.0*
Audit-related assurance services	**5.0**	*4.0*

There is £5k included in 2021 on agreed audit procedure work performed in respect of audit-related assurance services. (2021: £4k)

7. Staff numbers and costs

Group

The aggregate payroll were as follows:

	2022 **£m**	*2021* *£m*
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**6.6**	*6.0*
Social security costs	**0.7**	*0.5*
Cost of defined benefit scheme	**0.2**	*0.1*
Cost of defined contribution scheme	**0.4**	*0.4*
	7.9	*7.0*

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

	2022	*2021*
Senior management team	**6**	*6*
Other	**52**	*50*
Total	**58**	*56*

Company

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

8. Directors' remuneration

	2022 **£000**	*2021* *£000*
Directors' emoluments	**157.0**	*135.0*
Excess retirement benefits paid to directors and past directors	**108.0**	*90.0*

9. Finance income and expense

Recognised in profit or loss

	2022 £m	2021 £m
Finance income		
Financial asset interest	**133.8**	*133.2*
Other interest receivable	**96.0**	*81.2*
Total finance income	**229.8**	*214.4*
Finance expense		
Interest payable to parent undertaking	**57.9**	*54.2*
Interest payable on bank borrowings	**20.2**	*20.6*
Interest payable on other loans	**82.7**	*63.9*
Interest on lease liabilities	**26.0**	*25.6*
Net interest on defined benefit liability	**-**	-
Movement in assets/liabilities measured at fair value	**(10.8)**	*(3.5)*
Total finance expense	**176.0**	*160.8*
Net finance income recognised in profit or loss	**53.8**	*53.6*

10. Taxation

10.1 Income tax recognised in profit or loss

	2022 £m	2021 £m
Current tax		
Current tax on profits for the year	**-**	-
Adjustments in respect of prior years	**-**	-
Total current tax	**-**	-
Deferred tax expense		
Origination and reversal of timing differences	**(4.6)**	*8.2*
Total deferred tax	**(4.6)**	*8.2*
	(4.6)	*8.2*

10. Taxation (continued)

10.1 Income tax recognised in profit or loss (continued)

The aggregate deferred tax relating to items that are recognised as items of other comprehensive income is debit of £85.1m (31 March 2021: credit of £20.2m). No current tax recognised as items of other comprehensive income or equity in the year (2021: £nil).

Tax expense	**(4.6)**	*8.2*
	(4.6)	*8.2*

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:

	2022 £m	*2021 £m*
Profit for the year	**30.1**	*51.7*
Income tax expense	**(4.6)**	*8.2*
Profit before income taxes	**25.5**	*59.9*
Tax using the Company's domestic tax rate of 19% (2021:19%)	**4.8**	*11.4*
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	**7.9**	*7.7*
Group relief received for nil consideration	**(4.0)**	*(6.4)*
Change in tax rates	**(8.1)**	-
Transfer pricing adjustments	**(5.2)**	*(4.5)*
Total tax expense	**(4.6)**	*8.2*

Changes in tax rates and factors affecting the future tax charges

The Finance Act 2021 includes an increase to the UK's main corporation tax rate from 19% to 25%, which is due to take effect from 1 April 2023. The legislation was substantively enacted at the balance sheet date, so the new rate has been reflected in the measurement of deferred tax balances at the period end.

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:

	2022 £m	*2021 £m*
Deferred tax assets	**-**	*32.3*
Deferred tax liabilities	**(48.2)**	*-*
	(48.2)	*32.3*

	Opening balance £m	**Recognised in profit or loss £m**	**Recognised in other comprehensive income £m**	**Closing balance £m**
2022				
Property, plant and equipment	70.2	28.6	-	98.8
Other financial assets	10.6	0.4	6.3	17.3
Exchange differences	(11.3)	-	(7.8)	(19.1)
Other financial liabilities	0.6	4.9	87.2	92.7
Net pension liability	(0.4)	-	(0.2)	(0.6)
Cash flow hedges	(3.6)	-	(0.3)	(3.9)
Corporate interest restriction	(14.0)	(4.4)	-	(18.4)
Tax losses carried forward	(84.5)	(34.1)	-	(118.6)
	(32.3)	(4.6)	85.1	48.2

10. Taxation (continued)

10.2 Deferred tax balances (continued)

	Opening balance £m	Recognised in profit or loss £m	Recognised in other comprehensive income £m	Closing balance £m
2021				
Property, plant and equipment	63.2	7.0	-	70.2
Other financial assets	21.3	(0.8)	(9.9)	10.6
Exchange differences	(19.3)	-	8.0	(11.3)
Other financial liabilities	17.5	2.1	(19.0)	0.6
Net pension liability	(0.2)	-	(0.2)	(0.4)
Cash flow hedges	(4.4)	-	0.8	(3.6)
Corporate interest restriction	(14.0)	-	-	(14.0)
Tax losses carried forward	(84.4)	(0.1)	-	(84.5)
	(20.3)	8.2	(20.2)	(32.3)

11. Dividends

Dividends receivable

During the year the Group received £nil (2021: £nil) from subsidiary undertakings.

Dividends payable

No dividends were paid in respect of A shares (31 March 2021: £nil) and B shares (31 March 2021: £nil) in the year.

12. Intangible assets

Group

	Licence £m	Total £m
Cost		
At 1 April 2020	1,380.6	1,380.6
Disposals	(0.5)	(0.5)
At 31 March 2021	1,380.1	1,380.1
At 31 March 2022	**1,380.1**	**1,380.1**

	Licence £m	Total £m
Accumulated amortisation and impairment		
At 1 April 2020	374.8	374.8
Charge for the year - owned	48.4	48.4
At 31 March 2021	423.2	423.2
Charge for the year - owned	48.4	48.4
At 31 March 2022	**471.6**	**471.6**
Net book value		
At 1 April 2020	1,005.8	1,005.8
At 31 March 2021	956.9	956.9
At 31 March 2022	908.5	908.5

12. Intangible assets (continued)

Cash generating unit (CGU)

The carrying value of the concession assets as at 31 March 2022 is £2,333.1m (2021: £2,380m). This figure represents the intangible license asset of £908.5m (2021: £956.9m) and the financial asset of £1,424.6m (2021: £1,423.1m). The carrying value of these assets in totality has then been compared with the value in use (or recoverable amount) of the CGU. It was found that the recoverable amount of the intangible asset was above the carrying value and therefore no impairment charge has been recorded.

The recoverable amount of the CGU is determined based on value-in-use calculations. The concession has 18 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.

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 incorporates the Covid-19 impact and 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.

13. Right-of-use assets

Group

	Right-of-use assets £m	Total £m
Cost or valuation		
At 1 April 2020	2.0	2.0
At 31 March 2021	2.0	2.0
At 31 March 2022	**2.0**	**2.0**

13. Right-of-use assets (continued)

	Right-of-use assets £m	Total £m
Accumulated depreciation and impairment		
At 1 April 2020	0.8	0.8
Charge owned for the year	0.4	0.4
At 31 March 2021	1.2	1.2
Charge owned for the year	0.4	0.4
At 31 March 2022	**1.6**	**1.6**
Net book value		
At 1 April 2020	1.2	1.2
At 31 March 2021	0.8	0.8
At 31 March 2022	0.4	0.4

	2022 £000	*2021 £000*
Lease related income and expenses		
Interest expense on lease liabilities	**47.7**	*38.5*
	47.7	*38.5*

Lease liabilities

The total cash outflow for the Group’s lease arrangements in 2022 was £0.5m (2021: £0.5m).

	2022 £m	*2021 £m*
Maturity analysis - contractual undiscounted cash flows:		
Less than one year	**0.3**	*0.5*
One to five years	**-**	*0.3*
More than five years	**-**	-
Total undiscounted lease liabilities	**0.3**	*0.8*

14. Investment in subsidiary undertaking

	2022 £	2021 £
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 place of business	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	5th Floor, Kings Place, 90 York Way, London, N1 9AG	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 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.

15. Debtors: amounts falling due after one year

	Group 2022 £m	*Group 2021 £m*	**Company 2022 £m**	*Company 2021 £m*
Amounts owed by parent undertakings	**957.5**	*870.6*	**735.9**	*669.1*
Amounts owed by subsidiary undertakings	**-**	*-*	**608.7**	*555.7*
Less allowance for expected credit losses	**-**	*-*	**(37.0)**	*(33.0)*
Other debtors	**161.9**	*147.3*	**-**	*-*
Deferred tax assets (note 10)	**-**	*32.3*	**-**	*-*
Derivative financial assets	**70.9**	*60.0*	**-**	*-*
Prepayments and accrued income	**16.0**	*14.0*	**-**	*-*
	1,206.3	*1,124.2*	**1,307.6**	*1,191.8*

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

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.

Other financial assets relate to derivate financial instruments measured at fair value. The fair value has been determined using discounted future cash flows associated with the instrument and this has been checked to counterparty valuations for reasonableness.

16. Debtors: amounts falling due within one year

	Group 2022 £m	*Group 2021 £m*	**Company 2022 £m**	*Company 2021 £m*
Trade receivables and accrued income	**13.9**	*21.1*	**-**	*-*
Less allowance for expected credit losses	**(0.5)**	*(3.0)*	**-**	*-*
Amounts owed by parent undertakings	**25.8**	*23.5*	**19.5**	*17.7*
Amounts owed by group undertakings	**-**	*-*	**16.2**	*40.9*
Other debtors	**1.0**	*0.8*	**-**	*-*
Prepayments	**26.3**	*10.1*	**-**	*-*
	66.5	*52.5*	**35.7**	*58.6*

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

17. Creditors: amounts falling due within one year

	Group 2022 £m	*Group 2021 £m*	Company 2022 £m	*Company 2021 £m*
Bank loans and overdrafts	**58.5**	*50.0*	**-**	*-*
Trade creditors	**1.5**	*0.7*	**-**	*-*
Amounts due to parent undertakings	**16.3**	*40.9*	**16.3**	*40.9*
Amounts due to group undertakings	**-**	*-*	**19.5**	*17.7*
Other loans	**49.3**	*11.5*	**-**	*-*
Finance lease creditor	**23.3**	*23.0*	**-**	*-*
Other creditor including taxation and social security	**3.3**	*12.1*	**-**	*-*
Accruals and deferred income	**75.7**	*73.1*	**-**	*-*
	227.9	*211.3*	**35.8**	*58.6*

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

18. Creditors: amounts falling due after more than one year

	Group 2022 £m	*Group 2021 £m*	Company 2022 £m	*Company 2021 £m*
Bank loans	**8.4**	*12.9*	**-**	*-*
Amounts due to parent undertakings	**608.7**	*555.8*	**608.7**	*555.8*
Amounts due to group undertakings	**-**	*-*	**735.9**	*669.1*
Listed bonds	**935.9**	*914.0*	**-**	*-*
USPP notes	**872.7**	*904.5*	**-**	*-*
Finance lease creditor	**166.2**	*163.2*	**-**	*-*
Escrow deferred income	**153.6**	*137.8*	**-**	*-*
Accruals and deferred income	**1.5**	*2.2*	**-**	*-*
Derivative financial liabilities	**496.2**	*164.0*	**-**	*-*
	3,243.2	*2,854.4*	**1,344.6**	*1,224.9*

Escrow deferred income recognises the deferral of income put into escrow. The deferred income is only recognised when expenditure is incurred in the future to offset the operating cost or depreciation on the capital item.

18. Creditors: amounts falling due after more than one year (continued)

The bank loans, excluding amortising gilt lock payments are as follows:

	2022 £m	2021 £m
Amounts due:		
In less than one year	**58.3**	*50.0*
Between two and five years	**8.7**	*13.0*
Less: debt issue costs	**(0.3)**	*(0.2)*
	66.7	*62.8*

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 the 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%). The liquidity fund was maintained at £125m and was renewed to 29 March 2022 at an interest rate of SONIA plus CAS plus 1.00%.

At the balance sheet date £54m 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).

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

18. Creditors: amounts falling due after more than one year (continued)

The significant terms of the loans are as follows:

	Tranche A	Working capital facility	Liquidity facility
Currency	GBP	GBP	GBP
Amount	£98.0m	£84.0m	£125.0m
Type	Floating	Floating	Floating
Interest rate	GBP SONIA + 1.20%	GBP SONIA + 0.75% (plus utlisation fee)	GBP SONIA + CAS + 1.0%
Term	9 years	3 years	1 years
Maturity	31 Mar 2024	15 Apr 2025	28 Mar 2023

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.

18. Creditors: amounts falling due after more than one year (continued)

Loans with parent undertakings

Including in debtors due in more than one year is a loan of £735.9m (31 March 2021: £669.1m) 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 £66.8m (31 March 2021: £61.0m) in accordance with the terms of the loan agreement.

Included in debtors due in more than one year is a loan of £221.6m (31 March 2021: £201.5m) 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.

Included within creditors due in more than one year is a loan of £608.7m (31 March 2021: £555.8m) 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. No significant repayment is expected in the next 12 months.

All other balances owed to / 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 £608.7m (31 March 2021: £555.8m) advanced to HS1 Limited. The loan carries interest at 9.75% per annum and is repayable by agreement of both the borrower and lender as no significant repayment is expected in the next 12 months.

Included in creditors due in more than one year is a loan of £735.9m (31 March 2021: £669.1m) 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 / from group undertakings, unless stated above, are non-interest bearing and repayable by agreement of both the borrower and lender.

19. Share capital

	2022 £	2021 £
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 FY22 financial statements it was identified that an adjustment to increase the profit and loss account and reduce the hedging reserve by £9.4m 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 face value of cash flow hedging instruments related to hedged transactions not yet occurred.

Other Reserves (Cost of hedging)

This reflects the fair value movement in the currency basis spread excluded from the designated hedging instrument and recognised in other comprehensive income.

21. 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.

22. Analysis of amounts recognised in other comprehensive income

	Other reserve £m	Hedging reserve £m	Profit and loss account £m
Year to 31 March 2022			
Deferred cost of hedging	(2.0)	-	-
Other comprehensive loss	-	(440.5)	2.9
Amortisation on novated swaps	-	0.7	-
	(2.0)	**(439.8)**	**2.9**

	Other reserve £m	Hedging reserve £m	Profit and loss account £m
Year to 31 March 2021			
Deferred cost of hedging	(0.8)	-	-
Other comprehensive loss	-	(86.0)	2.3
	(0.8)	**(86.0)**	**2.3**

23. 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 net liability of this pension scheme, subject to a deduction for actual member contributions. This is a change from prior year where the net liability was recognised on a shared cost arrangement whereby the Company was only responsible for a share of the cost.

The most recent actuarial valuation of the HS1 Limited Section of the Railways Pension Scheme was completed at 31 December 2019. 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 2022. The employer has also committed to pay lump sums of £74,000 each year from 2021 to 2023.

Key assumptions:	**2022** **£m**	*2021* *£m*
Discount rate	**2.75**	*2.15*
Price inflation (RPI measure)	**3.65**	*3.20*
Increases to deferred pensions (CPI measure)	**3.25**	*2.80*
Pension increases (CPI measure)	**5.00**	*2.80*
Pensionable salary increases	**3.25**	*3.70*

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

	2022	*2021*
Retiring today		
- Males	**87.6**	*87.6*
- Females	**88.6**	*88.5*
Retiring in 20 years		
- Males	**89.3**	*89.2*
- Females	**90.4**	*90.4*

23. Pension scheme (continued)

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

Fair value	2022 £m	2021 £m
Growth assets	8.8	8.0
Government bonds	2.1	2.1
Total fair value of section assets	**10.9**	10.1

Movements in fair value of Section assets

	2022 £m	2021 £m
At the beginning of year	10.1	8.9
Interest income on assets	0.2	0.2
Return on plan assets greater than discount rate	0.6	1.1
Employer contributions	0.2	0.2
Employee contributions	-	-
Actual benefits paid	(0.2)	(0.3)
At end of year	**10.9**	10.1

Reconciliation of Defined Benefit Obligation (“DBO”)

	2022 £m	2021 £m
At beginning of year	13.4	10.8
Service cost	0.2	0.2
Interest cost on DBO	0.3	0.3
Loss/(gain on DBO)	(0.6)	2.4
Actual benefit payments	(0.2)	(0.3)
End of year	**13.1**	13.4

23. Pension scheme (continued)

Defined benefit liability at end of year

	2022 £m	2021 £m
DBO at end of year	13.1	13.4
Fair value of assets at end of year	(10.9)	(10.1)
Deficit at end of year	2.2	3.3
Adjustment for members' share of deficit	-	(1.3)
Net defined benefit liability at end of year	2.2	2.0

Reconciliation of net defined benefit liability

	2022 £m	2021 £m
Net defined benefit liability at beginning of year	2.0	1.1
Employers share of expense	0.2	0.2
Employers contributions	(0.2)	(0.1)
Total loss recognised in other comprehensive income (“OCI”)	0.2	0.8
Net defined benefit liability at end of year	2.2	2.0

Analysis of amounts charged to the profit and loss account

	2022 £m	2021 £m
Employer's share of service cost	0.2	0.2
Total employer's share of profit and loss account expense (excluding employer's contributions)	0.2	0.2

Analysis of amounts charged to the statement of OCI

	2022 £m	2021 £m
Liability loss arising during the year	0.2	0.8
Total loss recognised in OCI	0.2	0.8

24. Financial instruments

24.1 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 2022	Fair value	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m	£m	£m	£m
Financial assets measured at fair value							
Concession asset	1,424.6	-	1,424.6	-	-	1,424.6	1,424.6
Cross currency swaps	70.9	-	70.9	-	70.9	-	70.9
	1,495.5	-	1,495.5				
Financial assets not measured at fair value							
Trade and other receivables	-	218.5	218.5	-	-	218.5	218.5
Amounts owed by parent undertaking	-	983.4	983.4	-	-	1,023.5	1,023.5
Cash and cash equivalents	-	4.3	4.3	4.3	-	-	4.3
	-	1,206.2	1,206.2				
Financial liabilities measured at fair value							
Interest rate swaps	62.6	-	62.6	-	62.6	-	62.6
Inflation swaps	433.6	-	433.6	-	433.6	-	433.6
	496.2	8.4	504.6				
Financial liabilities not measured at fair value							
Trade and other payables	-	68.7	68.7	-	-	68.7	68.7

24. Financial instruments (continued)

24.1 Accounting classifications and fair values (continued)

31 March 2022	Carrying amount			Fair value			
	Fair value £m	Amortised cost £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Loans from parent undertakings	-	625.1	625.1	-	-	779.5	779.5
Financial lease liabilities	-	189.5	189.5	-	-	247.6	247.6
Bank loans and overdrafts	-	66.9	66.9	-	66.9	-	66.9
USPP notes	-	921.5	921.5	-	905.1	-	905.1
Index linked security bonds	-	949.8	949.8	-	1,030.0	-	1,030.0
	-	2,821.5	2,821.5				

24. Financial instruments (continued)

24.1 Accounting classifications and fair values (continued)

	Carrying amount			Fair value			
31 March 2021	Fair value £m	Amortised cost £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets measured at fair value							
Concession asset	1,423.1	-	1,423.1	-	-	1,423.1	1,423.1
Cross currency swaps	60.0	-	60.0	-	60.0	-	60.0
	1,483.1	-	1,483.1				
Financial assets not measured at fair value							
Trade and other receivables	-	190.3	190.3	-	-	190.3	190.3
Amounts owed by parent undertaking	-	894.1	894.1	-	-	1,049.7	1,049.7
Cash and cash equivalents	-	8.6	8.6	8.6	-	-	8.6
	-	1,093.0	1,093.0				
Financial liabilities measured at fair value							
Interest rate swaps	78.0	-	78.0	-	78.0	-	78.0
Inflation swaps	86.0	-	86.0	-	86.0	-	86.0
	164.0	-	164.0				
Financial liabilities not measured at fair value							
Trade and other payables	-	76.0	76.0	-	76.0	-	76.0
Loans from parent undertakings	-	596.7	596.7	-	-	714.5	714.5
Financial lease liabilities	-	186.2	186.2	-	-	206.2	206.2

24. Financial instruments (continued)

24.1 Accounting classifications and fair values (continued)

31 March 2021	Carrying amount Fair value £m	Amortised cost £m	Total £m	Fair value Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Bank loans and overdrafts	-	62.8	62.8	-	62.8	-	62.8
USPP notes	-	904.5	904.5	-	943.9	-	943.9
Index linked security bonds	-	927.7	927.7	-	1,097.3	-	1,097.3
	-	2,753.9	2,753.9				

24. Financial instruments (continued)

24.2 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 observable, such as forward rates risk-free interest rates, and FX rates from available market data.

For the derivative valuations for the year ended 31 March 2022, the Directors have reflected a funding valuation adjustment ("FVA") to certain derivatives due to evolving market practices and therefore represents a change in accounting estimate.

A FVA is the estimate of the adjustment to the fair value a market participant would make to account for funding costs and are calculated based on the future valuation of the derivative, based on the present value of expected exposures of a derivative, using management's best estimate of the implied cost of funding. The inclusion of an FVA has led to the following:

• a decrease in the fair valuation of the interest rate swap liability of £0.6m
• a decrease in the fair valuation of the cross-currency swap asset of £0.9m
• a decrease in the fair valuation of the RPI swap liability of £20.4m

Following a review of certain additional adjustments to the calculation of fair values of financial instruments it was identified that an adjustment to increase the profit and loss account and reduce the hedging reserve was required. More information is provided in note 20 to these financial statements.

24. Financial instruments (continued)

24.3 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.

31 March 2022	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	68.7	66.7	58.3	8.4	-	-
Trade and other payables	81.9	81.9	80.5	1.4	-	-
Amount owed to parent	625.1	1,768.3	75.7	59.5	178.0	1,455.1
USPP notes	921.5	952.5	90.5	96.9	310.6	454.5
Bonds	949.8	1,530.6	31.8	32.1	97.2	1,369.5
Finance lease liabilities	189.5	540.8	23.3	24.0	78.2	415.3
	2,836.5	4,940.8	360.1	222.3	664.0	3,694.4

24. Financial instruments (continued)

24.3 Liquidity risk management (continued)

31 March 2021	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	63.0	63.0	50.0	4.3	8.7	-
Trade and other payables	76.0	88.1	85.9	2.2	-	-
Amount owed to parent	596.7	1,694.7	95.1	54.2	162.7	1,382.7
USPP notes	915.4	1,140.0	43.7	87.4	284.1	724.8
Bonds	927.7	1,519.9	31.4	31.5	95.4	1,361.6
Finance lease liabilities	186.2	624.3	23.2	24.0	76.6	500.5
	2,765.0	5,130.0	329.3	203.6	627.5	3,969.6

24. Financial instruments (continued)

24.3 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.

31 March 2022	Carrying amount £m	Total £m	0 - 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Concession asset	1,424.6	1,424.6	3.1	8.3	60.8	1,352.4
Trade and other receivables	218.5	218.6	40.7	177.9	-	-
Amounts owed by parent	983.4	1,097.7	46.8	1,050.9	-	-
Cash and cash	4.3	4.3	4.3	-	-	-
	2,630.8	2,745.2	94.9	1,237.1	60.8	1,352.4

24. Financial instruments (continued)

24.3 Liquidity risk management (continued)

31 March 2021	Carrying amount £m	Total £m	1 - 3 months £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Concession asset	1,423.1	1,423.1	(1.5)	3.1	42.5	1,379.0
Trade and other receivables	190.3	190.3	29.0	161.3	-	-
Amounts owed by parent	894.1	998.1	42.6	955.5	-	-
Cash and cash equivalents	8.6	8.6	8.6	-	-	-
	2,516.1	2,620.1	78.7	1,119.9	42.5	1,379.0

24. Financial instruments (continued)

24.3 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.

31 March 2022	0 - 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Net settled:				
Interest rate swaps	(16.5)	(16.5)	(33.3)	-
Revenue swaps	(3.7)	(4.2)	(14.9)	(48.8)
Cross currency swaps	61.0	62.9	209.3	39.8
	40.8	42.2	161.1	(9.0)

24. Financial instruments (continued)

24.3 Liquidity risk management (continued)

31 March 2021	0 - 1 year £m	1 - 2 years £m	2 - 5 years £m	More than 5 years £m
Net settled:				
Interest rate swaps	(16.6)	(16.5)	(49.8)	-
Revenue swaps	(3.2)	(3.7)	(14.2)	(53.6)
Cross currency swaps	23.1	61.0	196.0	115.9
	3.3	40.8	132.0	62.3

24. Financial instruments (continued)

IBOR reform

The Group has managed the IBOR reform by transitioning all LIBOR linked debt and derivatives to RfRs and where transitioned, fixed credit adjustment spreads have been in line with the ISDA guidance and Bloomberg technical notice on IBOR fallbacks.

The below table indicates the carrying amount of the non-derivative financial liabilities as well as the nominal amount of derivates in hedging relationships that have been transitioned from LIBOR to SONIA.

Instrument	Non-derivative financial liabilities £m	Derivative nominal amount £m
Series C USPP	**58.0**	**-**
Term loan	**13.0**	**-**
Working capital facility	**54.0**	**-**
Liquidity facility	**-**	**-**
Interest rate swaps	**-**	**800.0**
Interest rate counter swaps	**-**	**(800.0)**
	125.0	-

The Group is not exposed to any additional material risk and there has been no change in the Group's risk management strategy as a result of the transition.

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	Index-linked
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

24. Financial instruments (continued)

	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 17).

25. Financial asset

	2022 £m	2021 £m
As at 1 April	**1,423.0**	*1,417.5*
Additions	**-**	*-*
Capital repayment of financial asset	**(122.3)**	*(118.0)*
Financial asset interest	**132.0**	*131.4*
Revaluation of asset	**(8.1)**	*(7.8)*
As at end of year	**1,424.6**	*1,423.1*

	2022 £m	2021 £m
Analysed as:		
Less than one year	**3.1**	*(1.5)*
More than one year	**1,421.5**	*1,424.6*
	1,424.6	*1,423.1*

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.

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 £2.3m (31 March 2021: £2.3m). This amount is included in the staff costs in note 6.

In the year ended 31 March 2022, there have been no transactions with the Company's Directors or parties related to them (31 March 2021: 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 19).

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

	2022 **£m**	*2021* *£m*
Helix Bufferco Limited	**755.3**	*686.7*
Helix Midco Limited	**0.1**	*0.1*
Helix Holdings Limited	**0.5**	*0.4*
Betjeman Holdings Limited	**227.5**	*206.9*
	983.4	*894.1*

26.2 Loans from related parties

	2022 **£m**	*2021* *£m*
Helix Bufferco Limited	**625.0**	*596.6*
	625.0	*596.6*

26.3 Other related party transactions

Other related party transactions are as follows:

Related party relationship	**Interest receivable**		**Interest payable**	
	2022 **£m**	*2021* *£m*	**2022** **£m**	*2021* *£m*
Helix Bufferco Limited	**68.6**	*62.4*	**57.9**	*54.2*
Betjeman Holding Limited	**20.7**	*18.8*	**-**	-

27. Subsequent events

The Rail, Maritime and Transport Workers ("RMT") and the Associated Society of Locomotive Engineers and Firemen ("ASLEF") unions have recently balloted its members for strike action or action short of a strike (working to contract). The RMT has now voted for strike action in relation to its members pay, guarantees over redundancies and changes to maintenance practices.

The Group is monitoring developments and reviewing the impact any industrial action may have on the ability to operate trains on the network.