Registered number: 07428859

HELIX ACQUISITION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

COMPANY INFORMATION

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

HELIX ACQUISITION LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Directors present their Annual Report on the affairs of Helix Acquisition Limited and its subsidiaries ("The Group") together with the audited financial statements for the year ended 31 March 2025.

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

The Business Model

The Group holds the Concession through to 31 December 2040 to operate the 109-kilometre-high speed rail line connecting London's St. Pancras International station to Kent, and, via the Channel Tunnel, to international destinations in Europe notably Paris, Brussels, and Amsterdam. In addition to St. Pancras International, three stations are served along the route - Stratford International, Ebbsfleet International and Ashford International.

Helix Acquisition Limited is a holding company, with the ultimate parent undertaking being Betjeman Holdings JvCo Limited. HS1 Limited ('HS1'), an indirect subsidiary of Betjeman Holdings Limited, is the operating company.

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

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

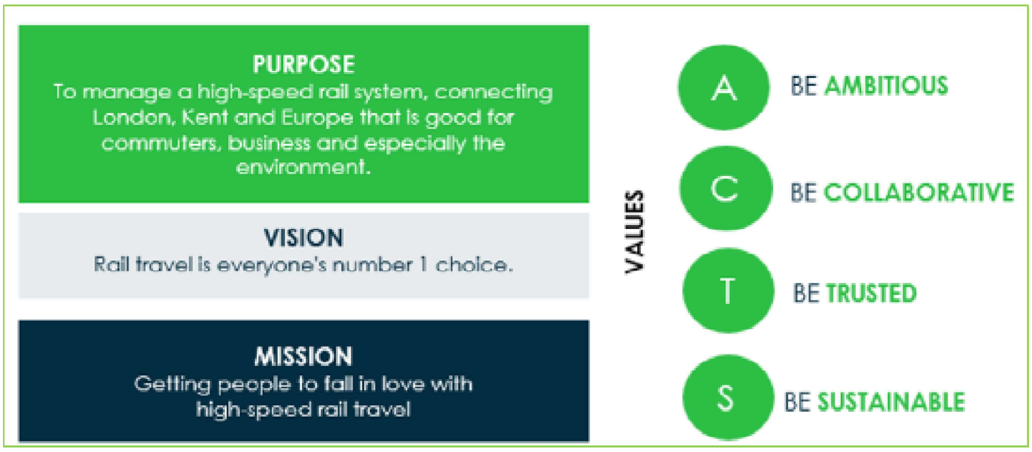

Figure 1: The Group's purpose, vision, mission, and values

Business Review

Turnover for the year ended 31 March 2025 has decreased to £293.4m (2024: £299.7m) with the decrease being driven by lower energy income in the year, due to lower energy prices.

International train services have continued to recover from the Global Pandemic. Eurostar ("EIL") has returned to booking a full forward working timetable ("FWT"), with a FWT for May 2025 – December 2025 that reflects 97% of pre-Covid 19 levels.

Domestic train services, run by Southeastern Trains Limited ("SETL"), have also increased (+9.6% versus last year). Despite this, SETL have continued to operate below the contractual underpin level set out in the UK Government domestic underpinning agreement ("DUA"). The DUA has continued to insulate the Group from the reduced timetable.

Retail income has performed well in the year, driven by the recovery in passengers, and retail income has continued to exceed pre-Covid 19 levels of £28.4m in the year ended 31 March 2020, with retail revenue in the current year of £31.4m (2024: £29.5m).

In line with contractual agreements with EIL and SETL, the Group executed its fourth "Volume Reopener" ("VRO") of the Control Period. VROs are triggered when train volumes deviate significantly from initial expectations. The Group are required to adjust charges relating to fixed Operation, Maintenance and Renewal Costs ("OMRC") to ensure these charges are recovered and allocated appropriately between our train operator customers based on actual train volumes. With the commencement of the new Control Period from April 2025 ("CP4"), contractual arrangements will revert to those that were in place prior to Covid 19, and Volume Reopeners will only take place when there is a significant change (±4%) in volumes of traffic.

The PR24 periodic review was concluded in early 2025 outlining the asset management plans for the next control period, CP4, spanning 2025 - 2030. As part of the review the Office of Rail and Road determined our Operations, Maintenance and Renewals Charges for CP4. The plans included enhancements to how we account for the future renewals needs of the railway, as well as efficiencies. It resulted in a reduction in OMRC charges of around 20% for international operators and 15% for domestic.

This reduction in cost was welcomed by stakeholders, in a context where Train Operators have strong growth ambitions. Several other notable actions in the year ended 31 March 2025 were launched as part of a plan to deliver the Group's growth strategy:

- Entering into a Memorandum of Understanding with Eurotunnel to set out the Group's desire to work more closely together to deliver more environmental, socio-economic and passenger benefits from their networks and deepen their cooperation on specific initiatives to hasten the growth of cross-Channel highspeed rail traffic.

- Launching a commercial rebrand: HS1 Limited now trades as "London St. Pancras Highspeed." This rebrand aligns with the Group's growth strategy, to support a drive of modal shift towards travel on highspeed rail, as well as to increase commercial revenues.

- Starting consultation on an international growth incentive scheme. The growth incentive aims to boost international rail travel, offer more alternatives to short-haul flights, support the UK's net zero goals, stimulate the economy, and give passengers more choice and lower fares.

- Progressing the St Pancras international station expansion project to provide a significant increase in passenger capacity. A detailed feasibility study was carried out and confirmed that expanding capacity at the station to accommodate significant growth is possible. The next stage is to develop plans to design, deliver and operationalise a reconfigured ground floor of the international zone to the RIBA2 design and operational concept feasibility stage.

The Group offers strong sustainability credentials and continues to deliver on its 2023 Sustainability Strategy, achieving key milestones that support its goal of being the most sustainable transport option from the UK to Europe. The Group aims to capitalise on the increased demand for sustainable travel and has repositioned itself in 2025 to adopt a more consumer-centric approach.

In 2025, the Group updated its Climate Transition Risk Assessment to address risks and opportunities associated with the transition to a low-carbon economy, informing its 2024-25 Taskforce for Climate-related Financial Disclosures (TCFD) report. A comprehensive Adaptation Action Plan was also developed, guided by the results of the Group's existing Physical Climate Change Risk Assessment. These initiatives focus on increasing the Group's resilience and will continue to evolve over CP4. To embed sustainability into asset management processes, the Group has also established a consultancy framework which will provide specialist support over CP4. A full update on progress against the Group's sustainability KPIs and 2030 targets will be available in the London St. Pancras Highspeed 2024-25 Sustainability report - https://stpancras-highspeed.com/our-company/csr/.

HS1 continues to prioritise its people and has maintained gold standard accreditation from Investors in People for 'We Invest in People', and a silver standard accreditation for 'We Invest in Wellbeing.'

Future developments

We believe passengers are increasingly choosing rail over air for climate reasons and because they prefer the convenience and comfort of direct city centre to city centre travel and we have an incredible opportunity to grow the train paths on the line.

On the international side, EIL has an ambitious growth agenda that will include the cross-Channel market. The train operator is preparing to invest in up to 50 new trains and have a target to reach 30 million passengers by 2030 (+60%). In addition to the EIL growth, several prospective Train Operators have announced their intention to launch a high-speed service between London and the continent as early as 2029. The Group welcomes competition and will continue to work with operators as they investigate the opportunity.

On April 8 we have unveiled a report commissioned from consultants Steer that confirmed the demand for growth is strong, with the report stating that the market between London and destinations in continental Europe has the potential to grow from 11 million passengers a year to 35 million by 2040. We are also working to ensure the infrastructure will have the capacity required to accommodate the additional growth. As mentioned in the business review, we are developing plans to extend the capacity of St Pancras International. In addition, following the receipt of an independently commissioned report, the ORR has recently confirmed that Temple Mill Depot would be able to accommodate additional trains. This confirmation was welcomed by prospective Trains Operators.

On the domestic side, SETL announced in April 2025 that they will be adding 1,508 more highspeed services each week (an annual increase of 3.1%) as part of their December 2025 timetable change, which will see more services between London and Faversham in the evenings and on Saturdays.

An electronic visa Entry / Exit system ("EES") is planned for implementation in Autumn 2025 for the Schengen Area. The Group has worked with EIL to finalise operational processes within St. Pancras International and optimise the customer experience, ready for implementation.

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires Directors to have regard to, amongst other matters, the:

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

In discharging our section 172 duties the Directors have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. Those factors for example include the interests and views of members of the Group and our relationship with our lenders.

The Strategic Report sets out the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances. Through working collaboratively with Management, and listening to feedback from the Group's stakeholders, the Directors ensure that the Group is well positioned to deliver this vision.

We delegate authority for day-to-day management of the Company to senior management in setting, approving and overseeing execution of the business strategy and related policies. Relevant matters are reviewed at Board meetings with Management and are assessed against strategic priorities where the directors consider the Group's activities and make decisions. This collaborative approach helps promote the long-term vision of the Group and includes an assessment of the impact of major capital projects on the community and environment. The Board places high importance on employee engagement and considers the impact of decisions on HS1's employees.

As a part of those meetings the Directors receive information in a range of different formats which includes information relevant to section 172 matters when making relevant decisions. For example, the Board frequently considers whether its structure and composition are best placed to promote the success of the Group. This was supported by a third-party Board effectiveness review conducted in December 2023, which concluded that the current Board structure is appropriate.

We undertake training of the Directors in relation of their roles, duties and responsibilities, including Section 172. The Company Secretary attends all Board and Committee meetings (and is available generally) to advise directors as necessary on matters relating to their duties and responsibilities under Section 172.

The Board assesses the decisions its takes and the impact of its activities on its key stakeholders and the table below sets out the key stakeholders and how we engage and foster strong relationships with them:

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

Figure 2: Stakeholders

The Board is supported in this work by its Committees, which allow the Directors to consider relevant expertise before making decisions. More information on the Board composition, and stakeholder relationships are included in the Statement of Corporate Governance.

Key performance indicators ("KPIs")

KPIs were selected by management and are considered to be relevant to the business. KPIs are selected based on the needs of the business, to ensure that they remain suitable to allow the Board to monitor performance, identify areas of growth or risk, and be aware of how this performance may impact future developments for the Group.

Performance during the year to 31 March 2025 showed 0.3% year on year growth, with 71,309 train paths billed in the year (2024: 71,102).

Operational performance of the infrastructure is the Group's primary performance KPI. The moving annual average ("MAA") delays per train path from the HS1 infrastructure has significantly decreased to 4.2 seconds at March 2025 (2024: 11.8 seconds), reflective of a strong in year focus from management in targeting and reducing key risks associated with the management of points, trespass and rail operations. The Thames Tunnel flood also led to large increases in delays in the prior year. We continue to work with Network Rail High Speed ("NRHS") to limit the impact of these types of events in future and prevent future incidents. We note that the level continues to remain well within the Concession agreement limits.

Safety performance remains a key business priority with the target of being a zero-harm business. The MAA Fatalities and Weighted Injuries (being a railway industry weighted measure of accidents per 1,000,000 hours worked) has increased slightly to 0.080 at 31 March 2025 (2024: 0.055). Safety performance remained strong, and NRHS continue to review and update their existing Safety Improvement Plans to continue to effectively manage safety risks.

The Passenger Accident Incident Rate, number of passenger accidents per 100,000 passengers, remains low at 0.02 at 31 March 2025 (2024: 0.01). Locally owned safety improvement plans have been effective in limiting accidents to passengers.

The Group's financial KPIs are earnings before interest, tax, depreciation, and amortisation ("EBITDA") and the debt service cover ratio ("DSCR") – the ratio of cash available to service the annual debt interest and principal payments. The DSCR for the year to 31 March 2025 was 1.47x (2024: 1.51x).

The EBITDA for the year to 31 March 2025 was £107.3m (2024: £100.9m). The increase is driven by increased unregulated income, and increased train paths in the year.

A reconciliation from the statutory measure, being operating profit, is presented in the table below.

	2025 **£m**	*2024* *£m*
Operating Profit	**58.2**	*51.9*
Depreciation and amortisation	**49.1**	*49.0*
EBITDA	**107.3**	*100.9*

Principal risks and uncertainties

The Group's risks are actively managed, a process that is overseen by a Risk Manager and Risk Champions representing each Directorate. The Group has an annual risk strategy session with the Directors, Risk Manager and Risk Owners to consider how the Group can best manage and mitigate risks, while maximising opportunities within the Group. Risks are also reported to the Board twice a year through the Audit and Financial Subcommittee which receives a presentation from the Risk Manager. Within the year the Group implemented a new internal risk management software tool and provided training to appropriate Directors on its use. The Group maintains a structure of risk champions across the business and are confident that the Board is provided with the relevant information relating to the risks and opportunities of the Group and that Board decisions are taken in light of a full understanding of this risk environment.

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

a) Supply chain and operations

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

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

- Payment of performance regime penalties to operators. HS1's track access agreements attribute payments to parties aligned to their role in delays. Exposure is triggered in the event of failure of the Group's infrastructure and such penalties for delays are capped at £10.9m as at 31 March 2025, of which £5.4m is passed onto our principal supplier, NRHS.

- Risk of a terror attack, physical or cyber. Management has carried out a risk assessment to ensure controls are optimal. The Group invests heavily in cyber and physical security measures. and through its Business Ethics Committee, reviews relevant policies and plans, ensuring alignment and compliance across key business areas such as HR, Legal and IT. As part of this, the IT Disaster Recovery plan has been updated and associated with the internal Group Crisis Management Plan. Along with other key IT policy updates, the IT function ensures robust cyber security protection and controls are in place, mitigating the risk of HS1 data and information being lost, stolen and/or corrupted.

b) Economy

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

- There is a risk of passenger flow disruption from new border control requirements, including the planned Schengen Border Entry / Exit system ("EES") process scheduled for implementation in Autumn 2025. Changes in immigration rules or EU border arrangements could negatively impact the passenger experience or discourage international travel. Most of the train paths that run on the infrastructure are domestic, which helps to insulate the Group from these risks. Furthermore, juxtaposed border controls, which removes the requirement for passport control at disembarkation, is a key competitive advantage over air for international travel. The Group continues engage with customers, suppliers, the regulators, government, and Border Authorities to mitigate any risks.

- While having declined versus recent years, there is continued pressure and existing risk relating to energy prices. The Group faces a reputational risk if this is not effectively managed. Management continually work with the Train Operating Companies ('TOCs'), and industry experts, to execute a robust energy purchasing strategy which balances affordability, price certainty and utilising renewable energy sources.

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

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

- Prolonged depressed EIL services. Paths have been running at 94.2% of pre-covid levels throughout FY25. The Group has certainty up to 1 year ahead due to the advanced agreement of the timetable on which billing is raised. EIL has now increased its forward booking commitment to 97% of pre-COVID levels. Demand for international travel was resilient over the global pandemic and future growth in train paths is expected, supported by the outcome of recent external demand studies commissioned by the Group, and the prospect of additional international operators running paths on the infrastructure by 2030. Several companies have expressed an interest in running international train services in the future and HS1 welcomes and supports this competition.

d) Financial risk management objectives and policies

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

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

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

- Counterparty credit risk – the Group has two customers, SETL and EIL. On a regular basis we review the financial strength of our two customers. Other than this, the Group is not heavily reliant on any one party or financial instrument. The Group only trades with counterparties above minimum credit risk parameters. The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for expected credit losses ("ECLs"). For further information see note 1.6 of the accounting policies.

- Foreign exchange risk – the Group has US$ denominated debt but the interest and principal repayments are fully 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, these have increased in the year, see note 18 for further details. For further information see note 1.2 of the accounting policies (going concern)

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

Going Concern

The Group has prepared these financial statements on a going concern basis, as set out in the Director's Report.

Approval

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

Jonathan Carter
Jonathan Carter (Jun 13, 2025 16:58 GMT+1)

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J Carter
Director

Date: 13 June 2025

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Group has turnover of £293.4m and total assets of £4.0bn for the period ended 31 March 2025, therefore it is defined as a large private Company. The Board adopted the Wates Corporate Governance Principles for Large Private Companies as its chosen corporate governance code during the period ended 31 March 2021, and continues with these for the financial year ended 31 March 2025. The Board considers the Wates Principles the best option given the nature of the business and 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 are committed to building positive relationships with employees and all other stakeholders. The Board has a clear understanding of the views of shareholders from communications at Board meetings, Committee meetings, site visits and safety tours, an annual Strategy Away Day with Management and regular ongoing dialogue to ensure shareholder views and concerns are understood and addressed.

In the year the Group also set up a new Senior Leadership Team of 10 Heads of Department, who have been delegated the authority to carry out the day to day tasks of the business, reporting into the Executive Leadership Team ("ELT"). This enables the ELT to focus on the vision of the Group and to lead in an appropriate manner.

Values and Culture

The Group's values, purpose, and strategy are integral to the way it operates. The Board recognise their duties in upholding these values and setting a suitable tone, ensuring these values are upheld in the day to day running of the business. More information in respect of the Business Model, and how the Group operates is included in the Strategic Report on page 2.

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

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

Strategy

The Board's core focus is on business strategy, driving growth on the HS1 infrastructure safely and sustainably. Within the last 12 months, HS1 has set a new internal growth strategy which focuses on actively influencing model shift, driving forward incremental train paths and growing unregulated revenues.

We are reviewing our operational and asset management plans to ensure the ageing asset base remains resilient as we move into the second half of the Concession. In the year, the Group has submitted its latest Five-Year Asset Management Statement ("5YAMS"), which was approved by the Group's regulator, the ORR, prior to the start of Control Period 4, starting on 1 April 2025. The outcome was a favourable one for the Group with the ORR accepting of the Group's proposed cost base and commending the quality and management of long-term uncertainty.

The Group also prepares a rolling 5-year Business Plan that is reviewed annually by the Board and demonstrates how the Group proposes to generate longer-term sustainable value for the Group and shareholders. This is consistent with the Group's goal to drive modal shift, and to promote the sustainability of high-speed travel. This goal includes a continued ambition for the Group to be recognised as a sustainable transport system, and with the Group's values, with sustainability being considered in asset management and business planning.

The Group has also developed a Sustainability Strategy and built this into its 2030 Vision, with the goal of ensuring all energy used by the Company has net zero carbon impact by 2030/31, if market conditions allow. HS1 publishes its Sustainability Strategy on its website (https://stpancras-highspeed.com/our-company/csr/). Sustainability, and progress against the strategy, is reviewed by the Board.

Principle 2 - Board Composition

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

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

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

The Board delegates detailed oversight to four core Committees (Audit and Finance; HR & Remuneration (which includes Nominations as required); Safety; and Business Development) to enable effective decision-making.

Effectiveness

The shareholder representatives development is carried out at the shareholder level. The Board composition is decided to balance the needs of the business. The Chair reviews Board effectiveness through regular review sessions as do the shareholders. A Board effectiveness review was conducted by the Chair in December 2023. This concluded that the Board structure is appropriate for the Group. The Chair and Company Secretary have reviewed the Terms of Reference for all Committees and these updates were approved in the March 2025 Board meeting.

Principle 3 – Director responsibilities

Accountability

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

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

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

Committees

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

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

Integrity of information

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

Principle 4 – Opportunity and risk

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

The Group documents its principal risks and uncertainties, as well as mitigations, within the Strategic Report. Each Directorate has core key performance indicators, which link into the overall business priorities. Weekly cross-Directorate meetings take place to discuss and share across departments dynamic and emerging risks and opportunities, which can subsequently be raised to the senior management if necessary, or escalated onto the Corporate Risk Register for further action and monitoring.

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

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

Principle 5 – Remuneration

Setting remuneration

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

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

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Policies

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

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

Principle 6 - Stakeholder relationships and engagement

Stakeholders

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

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

Workforce

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

The Group's policies and practices are aligned with the Group's purpose and values, as detailed in our Strategic Report. This is monitored and updated by the Head of HR. The recently formed Business Ethics Group, who reports to the Audit and Finance Committee, is responsible for assuring and accounting to the Board that the Group is adhering to its obligations. Its first task has been to start a review of all the Group policies and recommend any changes as may be required.

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

Approval

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

Jonathan Carter
Jonathan Carter (Jun 13, 2025 16:58 GMT+1)

Name J Carter
Director
Date 13 June 2025

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Directors present their annual report and the financial statements for the year ended 31 March 2025.

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 £121.6m (2024: profit of £101.5m).

As part of year-end financial statements preparation, a historic misstatement impacting prior period deferred tax balances has been identified, impacting comparative reserves and deferred tax balances on the Group Balance Sheet, Group Statement of Comprehensive Income, and Group Statement of Changes in Equity. This restatement does not impact the profit for the year ended 31 March 2024. Please see note 29 for more information.

Dividends

The Group paid no dividends during the year to holders of the A or B shares (2024: £nil).

Directors

The directors who served during the year were:

J Curley
S Jones
K Ludeman
A Pitt
A Leness
M Osborne
J Carter (appointed 25 April 2024)

Directors' indemnities

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

Health and safety

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

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

The Health, Safety and Assurance strategy is built around three core elements which are:

1) Understanding risk;
2) Improvement in managing risk; and
3) Assuring that the arrangements put in place remain effective.

The Group has made use of several recognised tools and guidance in developing its approach to ensure credibility and the robustness of this strategy throughout CP3.

Charitable Donations
During the year ended 31 March 2025, the Group made charitable donations of £3k (2024: £5k).

Sustainability Strategy and statutory reporting
The Group continues to deliver against its 2023 Sustainability Strategy, completing important milestones and supporting the Group's strategy and purpose to be the most sustainable option for transport across the UK to Europe. The Group is committed to delivering exceptional environmental stewardship, tangible climate action, and net social value, while supporting its supply chain in adhering to these principles. The Group aims to capitalise on the increased demand for sustainable travel and has repositioned itself in 2025 to adopt a more consumer-centric approach.

The Group has a strong focus on maintaining its high level of climate change resilience. In early 2025, the Group updated its Transition Risk Assessment, focusing on aspects including regulatory, market, and technological changes across three time horizons. This report outlines how the Group can mitigate risks and capitalise on opportunities associated with the transition to a low-carbon economy. It has also informed the Group's voluntary Taskforce for Climate-related Financial Disclosures ("TCFD") report, which continues to mature. Concurrently, the Group has developed a comprehensive adaptation action plan based on its existing physical climate change risk assessment. This plan was developed in collaboration with key supply chain partners and identifies actionable steps to mitigate identified risks and enhance infrastructure resilience.

The Group also conducted a comprehensive biodiversity re-baseline survey using best practice UK Habitat Classification (UKHAB) surveys. The accompanying report provides a biodiversity status update for the HS1 railway corridor, accompanied by a management handbook outlining necessary land management techniques to achieve a Biodiversity Net Gain (BNG) by 2030. The Group is committed to protecting and enhancing biodiversity across its managed land and will continue to work with its partners to achieve this.

The Group recognises that embedding sustainability principles into asset management processes is essential for achieving effective environmental stewardship. To achieve this, the Group has established a Sustainable Asset Management consultancy framework to leverage specialist support over the next five-year Control Period. A full update on progress against the Group's sustainability KPIs and 2030 targets will be available in the London St. Pancras Highspeed 2024-25 Sustainability report. This report will be published on the London St. Pancras Highspeed website, alongside the Group's 2024-25 TCFD report - https://stpancras-highspeed.com/our-company/csr/

Streamlined Energy and Carbon Reporting FY2024-25
- The Group has adopted the operational control boundary approach for the measurement of energy emissions which includes all non-traction energy loads and also traction infrastructure losses from this year. The main areas of measurement are from the following sites:
  - St. Pancras International Station
  - Stratford International Station
  - Ebbsfleet International Station
  - Ashford International Station
  - Singlewell Infrastructure Maintenance Depot
  - Other small depots which fall within the High Speed One area of responsibility
  - Sections 1 and 2 of the Lineside Infrastructure (signal rooms, tunnels, access shafts etc.)
  - Losses on the traction electricity distribution system (17.1% of total traction power)

Notable exceptions include the actively used energy from the traction electricity distribution system (82.9% of total traction power). No changes to the Scope and Boundary of the reporting have occurred during this Financial Year. Following a reduction to the percentage of estimated energy data, this report also includes immaterial changes to 2023/24 financial year SECR data.

The Company has included the following emissions in its Scope 3 emissions data:

- Mandatory infrastructure losses (for both non-traction and infrastructure losses on the traction power)

- Diesel consumption for maintenance vehicles

Gross Emissions	31 March 2025	31 March 2024
Scope 1 Emissions (direct emissions from owned or controlled sources) / tCO_2e	972	967
Scope 2 Emissions (indirect emissions from the generation of purchased electricity, steam, heating, and cooling) / tCO_2e	12,912	12,794
Scope 3 Emissions (all other indirect emissions that occur in a Company's value chain) / tCO_2e	1,289	1,286
Total gross emissions / tCO_2e	15,173	15,047
Intensity ratio / $kgCO_2e$ (gross Scope 1, 2 & 3) per user	0.319	0.317
Total electricity consumed / MWh	62,363	61,786
Total gas consumed / MWh	5,314	5,286

This thereby shows change in environmental performance as follows:

- Increase in absolute gross emissions: <1%
- Increase in normalised gross emissions: <1%

Normalised gross emissions are calculated by CO_2 emissions per passenger using gateline statistics.

	2025	2024
Carbon offset due to REGO[1]	5,441 tCO2e	5,619 tCO2e
Net emissions[2]	18,788 tCO2e	15,492 tCO2e

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

The increase in net (market-based) emissions compared to gross (location-based) emissions this year is primarily due to differences in calculation methodology, in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard.

- Gross emissions are calculated using location-based factors, specifically the national grid's standard conversion rates.
- Net emissions are calculated using a market-based approach, which includes:
- Assigning zero emissions to the renewable portion of electricity (42%).
- Applying the supplier's residual mix conversion factor - significantly higher than the national grid factor - to

the non-renewable portion.

As a result, market-based net emissions are currently higher than location-based gross emissions. This is expected to remain the case until Corporate Power Purchase Agreements (CPPAs) account for more than 50% of total imported electricity.

Emissions from refrigerants were below the de minimis limit.

Methodology
Emissions have been calculated over the period from 1 April 2024 to 31 March 2025 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:

- 99.21% has been extracted from actual meter readings for electricity
- 0.79% has been evaluated using estimates for electricity
- 100% has been extracted from actual meter readings for gas

Transport emissions have been excluded as staff transport is below the de minimis limit.

Energy Efficiency Action Taken
During this reporting period, the Group implemented an energy efficiency project at two headhouse structures situated above tunnel ventilation shafts. Over 250 fluorescent and high-intensity discharge lights were replaced with LED alternatives coupled with presence detection sensors. These new LED fittings are approximately 70% more energy-efficient and have a life expectancy of up to 20 years, leading to reductions in both energy consumption and maintenance costs.

The estimated annual savings from this initiative are:

- Electricity: 36.4MWh
- CO_2e: 7.2 tonnes

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

In the prior year, a variety of efficiency actions were taken including optimising feeder station schedules and ongoing building management systems enhancements at St Pancras, Ebbsfleet and Stratford International stations. Significant investments continued to be made in additional meters at electrical feeder stations. These meters, combined with a new reporting system, provide visibility into traction power usage with sub-second accuracy. They also enable the identification of potential faults within the electrical infrastructure, allowing for early intervention. Potential energy efficiency measures identified through this new reporting system will be actively pursued.

Future Efficiency Actions
During this reporting period, the Group submitted a Phase 3 Energy Savings Opportunity Scheme (ESOS) report and an accompanying energy action plan to the Environment Agency ahead of the statutory deadlines. These submissions were based on comprehensive survey work conducted across the railway and stations. The identified energy reduction opportunities include enhancements to lighting, pumps, and fans, optimisation of the Building Management System, and general improvements to control systems. Collectively, these opportunities represent a potential energy saving of 2,689,161 kWh.

Energy-saving projects will be prioritised and delivered by two distinct working groups: the Energy Action Group (EAG) and the Route Energy and Carbon-Reduction Team (REACT). The EAG will focus on station energy reduction projects, while REACT will concentrate on lineside energy reduction initiatives.

Political donations

Political donations during the year were £nil (2024: £nil).

Going concern basis

For the year-ended 31 March 2025, the Directors have prepared the financial statements on a going concern basis. More information is provided in note 1.2 to the financial statements.

Disclosure of information to auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

A tender process was run for which Deloitte LLP were the successful tendering party and were reappointed for an additional term which was formally approved by the Board in July 2024.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Subsequent events

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

Approval

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

Jonathan Carter
Jonathan Carter (Jun 13, 2025 16:58 GMT+1)

....
J Carter

Date 13 June 2025

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

Directors' responsibilities statement

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

Company law requires the to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards (IFRS).

The directors have chosen to prepare the parent company financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

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

Jonathan Carter
Jonathan Carter (Jun 13, 2025 16:58 GMT+1)

....
J Carter
Director

Date: 13 June 2025

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HELIX ACQUISITION LIMITED

Independent auditor’s report to the members of Helix Acquisition Limited

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 2025 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 “Reduced Disclosure Framework”; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated and company statement of financial position;
- the consolidated and company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 29.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

Our evaluation of the directors’ assessment of the group’s and parent company’s ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of relevant controls around the going concern assessment, including management review controls;
- assessing the key assumptions made by the directors to capture potential downside risks in their forecasts,

including the associated macro-economic assumptions, with a particular focus on the headroom available and the group’s cash resources, under severe but plausible stress scenarios;
- assessing the group’s lending facilities, their availability and compliance with covenants; evaluating the appropriateness of the financial statement disclosures in respect of going concern.

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors’ responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

In addition to the above, our procedures to respond to the risks identified included the following:

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HELIX ACQUISITION LIMITED

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.

Marianne Milnes

Marianne Milnes
for and on behalf of Deloitte LLP

Statutory Auditor

London
United Kingdom

Date: 13 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £m	*As restated* *2024* *£m*
Revenue	4	**293.4**	*299.7*
Other Operating Expenditure	5	**(235.2)**	*(247.8)*
Operating profit		**58.2**	*51.9*
Finance income	9	**228.3**	*221.0*
Finance expense	9	**(150.0)**	*(171.6)*
Profit before tax		**136.5**	*101.3*
Tax (expense)/credit	10	**(14.9)**	*0.2*
Profit for the year		**121.6**	*101.5*
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit pension schemes	22	**(0.4)**	*(0.6)*
		(0.4)	*(0.6)*
Items that may be reclassified subsequently to profit or loss:			
Cumulative gains arising on hedging instruments reclassified to profit or loss	21	**3.4**	*2.6*
Deferred (Gain)/(Cost) of hedging	21	**(0.2)**	*0.6*
Fair value gain arising on hedging instruments during the period	21	**56.9**	*23.1*
Deferred tax charge recognised in Other Comprehensive Income	21	**(14.7)**	*(6.0)*
		45.4	*20.3*
Total comprehensive income		**166.6**	*121.2*

The notes on pages 33 to 98 form part of these financial statements.

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

The comparative information for the deferred tax charge recognised in other comprehensive income has been restated as a result of a prior period error, as discussed in Note 29.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	31 March 2025 £m	*As restated 31 March 2024 £m*	*As restated 1 April 2023 £m*
Assets				
Non-current assets				
Right-of-use assets	12	**1.3**	*1.7*	*2.1*
Intangible assets	14	**766.4**	*812.4*	*860.2*
Financial assets	25	**1,379.0**	*1,399.0*	*1,413.2*
Trade and other receivables	15	**1,632.0**	*1,479.4*	*1,257.9*
Deferred tax assets	10	**80.0**	*106.9*	*112.6*
		3,858.7	*3,799.4*	*3,646.0*
Current assets				
Financial Assets	25	**20.0**	*14.2*	*8.3*
Trade and other receivables	16	**87.7**	*92.3*	*175.4*
Net pension asset	22	**-**	*-*	*0.7*
Cash and Cash Equivalents	24	**3.7**	*9.4*	*2.9*
		111.4	*115.9*	*187.3*
Total assets		**3,970.1**	*3,915.3*	*3,833.3*
Liabilities				
Non-current liabilities				
Trade and other payables	18	**3,041.1**	*3,154.9*	*3,244.5*
Lease liabilities - right of use asset	12	**1.3**	*1.7*	*2.1*
		3,042.4	*3,156.6*	*3,246.6*
Current liabilities				
Trade and other payables	17	**315.4**	*313.5*	*262.7*
Net pension liability	22	**0.5**	*-*	*-*
		315.9	*313.5*	*262.7*
Total liabilities		**3,358.3**	*3,470.1*	*3,509.3*
Net assets		**611.8**	*445.2*	*324.0*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2025

	Note	31 March 2025 £m	*As restated 31 March 2024 £m*	*As restated 1 April 2023 £m*
Issued capital and reserves attributable to owners of the parent				
Called up share capital	19	**-**	*-*	*-*
Other reserves	20	**(0.5)**	*(0.3)*	*(0.9)*
Cash flow hedge reserve	20	**(129.7)**	*(175.6)*	*(191.5)*
Profit and loss account	20	**742.0**	*621.1*	*516.4*
TOTAL EQUITY		**611.8**	*445.2*	*324.0*

The financial statements on pages 6 to 98 were approved and authorised for issue by the board of Directors on 13 June 2025 and were signed on its behalf by:

Jonathan Carter
Jonathan Carter (Jun 13, 2025 16:58 GMT+1)
....
J Carter
Director

The notes on pages 33 to 98 form part of these financial statements.

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

The comparative information for the deferred tax asset, cash flow hedge reserve have been restated as a result of a prior period error, as discussed in note 29.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	2025 £m	*2024 £m*
Assets			
Non-current assets			
Investments in subsidiaries	13	**0.1**	*0.1*
Trade and other receivables	15	**1,587.9**	*1,508.3*
		1,588.0	*1,508.4*
Current assets			
Trade and other receivables	16	**42.5**	*40.6*
Total assets		**1,630.5**	*1,549.0*
Liabilities			
Non-current liabilities			
Trade and other payables	18	**1,588.0**	*1,508.3*
		1,588.0	*1,508.3*
Current liabilities			
Trade and other payables	17	**42.5**	*40.7*
Total liabilities		**1,630.5**	*1,549.0*
Net assets		**-**	*-*
Issued capital and reserves attributable to owners of the parent			
Share capital		**-**	*-*
Profit and loss account		**-**	*-*

The Company's loss for the year was £Nil (2024: profit of £2.2m). Helix Acquisition Limited has taken the exemption from disclosing an individual company statement of profit or loss.

The financial statements on pages 6 to 98 were approved and authorised for issue by the board of Directors on 13 June 2025 and were signed on its behalf by:

Jonathan Carter
Jonathan Carter (Jun 13, 2025 16:58 GMT+1)
....

J Carter
Director

Date:13 June 2025

The notes on pages 33 to 98 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Other reserve	Cash flow hedge reserve (restated)	Profit and loss account	Total attributable to equity holders of parent	Total equity
	£m	£m	£m	£m	£m
At 1 April 2023	(0.9)	(358.4)	516.4	157.1	157.1
Prior year adjustment - correction of error refer to note 29	-	166.9	-	166.9	166.9
At 1 April 2023 (as restated)	(0.9)	(191.5)	516.4	324.0	324.0
Comprehensive income/(loss) for the year					
Profit for the year	-	-	101.5	101.5	101.5
Other comprehensive income/(loss) (restated)	0.6	19.7	(0.6)	19.7	19.7
Total comprehensive income/(loss) for the year	0.6	19.7	100.9	121.2	121.2
Transfer to/from retained earnings	-	(3.8)	3.8	-	-
At 1 April 2024 (restated)	**(0.3)**	**(175.6)**	**621.1**	**445.2**	**445.2**
At 1 April 2024 (Restated)	(0.3)	(175.6)	621.1	445.2	445.2
Comprehensive income for the year					
Profit for the year	-	-	121.6	121.6	121.6
Other comprehensive income/(loss)	(0.2)	42.3	2.9	45.0	45.0
Total comprehensive income/(loss) for the year	(0.2)	42.3	124.5	166.6	166.6
Transfer to/from retained earnings	-	3.6	(3.6)	-	-
At 31 March 2025	**(0.5)**	**(129.7)**	**742.0**	**611.8**	**611.8**

The notes on pages 33 to 98 form part of these financial statements.

The comparative information has been restated as a result of a prior period error, as discussed in note 29.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Profit and loss account	Total equity
	£m	£m
At 1 April 2023	(2.2)	(2.2)
Comprehensive income for the year		
Profit for the year	2.2	2.2
Total comprehensive income for the year	**2.2**	**2.2**
At 31 March 2024	**-**	**-**
Comprehensive income for the year		
Total comprehensive income for the year	-	-
At 31 March 2025	**-**	**-**

The notes on pages 33 to 98 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £M	*2024 £M*
Cash flows from operating activities			
Profit for the year		**121.6**	*101.5*
Adjustments for			
Amortisation	14	**48.7**	*48.6*
Depreciation of right-of-use assets	12	**0.4**	*0.4*
Interest receivable and similar income	9	**(228.3)**	*(221.0)*
Interest payable and similar charges	9	**150.0**	*171.6*
Taxation charge	10	**14.9**	*(0.2)*
		107.3	*100.9*
Movements in working capital:			
Decrease in trade and other receivables	15	**7.3**	*1.3*
(Decrease)/increase in trade and other payables	17	**(12.4)**	*10.4*
RPI swap payments	9	**(21.4)**	*(19.4)*
Income taxes paid	10	**(3.0)**	*-*
Net cash from operating activities		**77.8**	*93.2*
Cash flows from investing activities			
Acquisition of intangible and financial assets	14	**(2.6)**	*(0.8)*
Repayment of financial asset	25	**155.8**	*150.0*
Other interest receivable	9	**0.5**	*-*
Net cash from investing activities		**153.7**	*149.2*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £M	*2024 £M*
Cash flows from financing activities			
Interest paid on group borrowings		**(60.3)**	*(60.2)*
Interest paid on external borrowings		**(84.7)**	*(74.8)*
Repayment of bank borrowings		**(55.2)**	*(66.4)*
Repayment of group borrowings		**(9.5)**	*(29.3)*
Payments of finance lease creditors		**(29.1)**	*(27.7)*
Cash inflow for renewals		**47.7**	*40.1*
Cash outflow into escrow		**(52.1)**	*(39.6)*
Net cash used in financing activities	23	**(243.2)**	*(257.9)*
Net decrease in cash and cash equivalents		**(11.7)**	*(15.5)*
Cash and cash equivalents at the beginning of year	24	**(27.6)**	*(12.1)*
Cash and cash equivalents at the end of the year	24	**(39.3)**	*(27.6)*

The notes on pages 33 to 98 form part of these financial statements.

1. Accounting policies

General information

Helix Acquisition Limited (the "Company") is a private company limited by shares and incorporated under Companies Act 2006, and domiciled in England, in the United Kingdom. The consolidated financial statements for the year ended 31 March 2025 were prepared under United Kingdom adopted international accounting standards and were authorised for issue in accordance with a resolution of the Directors on 12 June 2025.

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Accounting policies (continued)

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

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

1.1 Measurement convention

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

1.2 Going concern

The financial statements have been prepared using the going concern basis of accounting. The Directors have prepared a range of forecast scenarios to reflect the economic uncertainty. The Directors have reviewed business forecasts against the cashflow, and covenant requirements of the Group and concluded the Company is able to meet its obligations as they fall due. While the Company is in a current liability position, under all the cases the Company can meet its covenants, has sufficient liquidity and is able to pay its scheduled borrowing repayments as they fall due. These forecasts also benefit from the security of revenue reflecting the UK Government underpinning arrangements.

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

Having due regard to the performance of the Group, the availability of working capital and the facilities under the loan agreement with the parent undertaking, the Directors believe that the Group has sufficient resources to meet its liabilities. The financial statements have accordingly been prepared on a going concern basis.

1. Accounting policies (continued)

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2025. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit or loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

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

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

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

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

1.4 Investments in subsidiary undertakings

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

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

1.5 Foreign currency

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

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

1. Accounting policies (continued)

1.6 Financial instruments

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

a. *Financial assets and financial liabilities*

Initial recognition and measurement

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

Classification and measurement of financial assets and financial liabilities

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

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

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

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

Subsequent measurement - Financial assets at amortised cost

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

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

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

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

1. Accounting policies (continued)

derecognised, modified or impaired.

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

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

Derecognition

A financial asset is primarily derecognised when:

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

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

Impairment of financial assets

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

All ECLs within the Company are recognised as stage 1, as there are only 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).

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

In calculating the ECL the outstanding net exposure was discounted using the effective interest rate. A recovery rate of 40% (2024: 40%) is applied to arrive at the ECL.

An ECL of £0.2m has been recognised against trade receivables the Group's consolidated financial statements for the ECL for the year ended 31 March 2025 on its trade receivables. For trade receivables, the Group applies a simplified approach to calculating ECL: A loss allowance, based on lifetime ECLs at each reporting date, is recognised. To correctly reflect the current economic environment, the Company has established a provision matrix which completes a risk assessment based upon commercial risk and liquidity risk.

Subsequent measurement - financial 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

1. Accounting policies (continued)

cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

Derivative financial instruments and hedge accounting Cash flow hedges

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

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

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

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

1. Accounting policies (continued)

1.7 Service concession assets

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

• Controls or regulates the services to be provided;

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

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

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

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

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

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

See note 25 for further information.

1.8 Renewals income and expenditure

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

1. Accounting policies (continued)

1.9 Impairment excluding deferred tax assets

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

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

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

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

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

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

1.10 Cash and cash equivalents

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

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

1. Accounting policies (continued)

1.11 Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

• The date that the Group recognises related restructuring costs

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

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

• Net interest expense or income

1. Accounting policies (continued)

1.12 Guarantees

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

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

1.13 Leases

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

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

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

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

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

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

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

1. Accounting policies (continued)

1.14 Revenue from contracts with customers

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

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

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

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

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

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

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

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

Practical expedients

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

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

• Application of paragraph 121 of IFRS 15, which allows not to disclose information about remaining performance obligations that have an 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 concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

1.15 Finance income and expenses

Interest payable

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

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

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

Interest receivable

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

1. Accounting policies (continued)

1.16 Taxation

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

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

Deferred tax

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

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

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

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

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

Sales tax

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

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

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

1. Accounting policies (continued)

1.17 Dividends

Dividends payable

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

Dividends receivable

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

2. Adoption of new and revised standards

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards now in effect as of 1 April 2024

Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback. The Group note that no sale and leaseback transactions have taken place historically, and are unlikely in the future, and hence the amendment to this standard is not likely to have a material impact on the group reporting.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures = Supplier Finance Arrangements. The Group considered the potential impact of these amendments, noting that no such supplier finance arrangements exist, meaning there will be no impact on the Group.

Amendments to IAS 1 Presentation of Financial Statements - Non-current liabilities with covenants. The amendments to this standard have not had a material impact on the Group's financial statements.

Amendments to IAS 1 Presentation of Financial Statements - Classification of liabilities as current or non-current. The Group note that the amendments do not have a material impact on the classification of liabilities within the Group.

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

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

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

Amendments to the SASB standards, to enhance their international applicability.
These amendments are not expected to materially impact the Group's financial statements.

Amendments to IAS 21 - Lack of exchangeability.
These amendments are not expected to materially impact the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial

instruments.
These amendments are not expected to materially impact the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements.
This standard will replace IAS 1 and is therefore likely to have a large impact on the financial statements. It is not effective until periods beginning on or after 1 January 2027, and as such the Group will continue to assess the impact further in the coming years.

IFRS 19 Subsidiaries without Public Accountability: Disclosures.
This standard is not expected to have a material impact on the Group's financial statements.

3. Significant accounting estimates and assumptions

In the application of the Group's accounting policies, described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

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

Estimates

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

Impairment of intangible assets

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

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

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

Valuation of derivatives

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

Provision for expected credit losses of trade receivables and contract assets

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

All ECLs are recognised as stage 1, as they related to credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are therefore provided for credit losses that result from default events, being events which leave the Group unable to recover credit exposures, that are possible within the next 12-months (a 12-month ECL). In the event that there was a significant increase in credit risk, a loss allowance would be recognised over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). There are no ECLs currently held at stage 2 by the Company.

In calculating an ECL on intercompany balances management have determined that the default risk on the loan has not increased significantly since recognition

For trade receivables, the Group applies a simplified approach to calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. To correctly reflect the current economic environment. the Company has established a provision matrix is based upon historic loss rates. The ECL for trade receivables has been calculated as £0.2m (2024: £0.1m). An increase compared to historic loss rates of 11% would be required, to increase the ECL for trade receivables by £0.1m.

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:

	2025 £m	2024 £m
Revenue from operating, maintaining and renewing high speed rail concession	**293.4**	*299.7*
	293.4	*299.7*

Total revenue from contracts with customers

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

4.2 Performance obligations

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

5. Operating profit

	2025 £m	2024 £m
Operating profit is stated after charging:		
Depreciation of right-of-use assets	**0.4**	*0.4*
Amortisation of intangible assets	**48.7**	*48.6*
Movement on ECL on trade receivables	**0.1**	*0.2*
Staff costs (note 7)	**8.8**	*8.5*

6. Auditors' remuneration

	2025 £000	2024 £000
Fees payable to the Group's auditors and their associates for the audit of the Company's financial statements	**16.3**	*16.0*
Fees payable to the Group's auditors and their associates in respect of:		
The auditing of accounts of subsidiaries of the Company	**120.4**	*118.3*
Audit-related assurance services	**6.5**	*6.5*

There is £6.5k included in 2025 on agreed audit procedure work performed in respect of audit-related assurance services (2024: £6.5k).

7. Staff numbers and costs

Group

The aggregate payroll costs were as follows:

	2025 £m	*2024 £m*
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**7.3**	*7.3*
Cost of defined contribution scheme	**0.6**	*0.3*
Cost of defined benefit scheme	**0.1**	*0.2*
Social security costs	**0.8**	*0.7*
	8.8	*8.5*

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

	2025	*2024*
Executive Leadership Team	**5**	*5*
Other	**54**	*55*
Total	**59**	*60*

Company

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

8. Directors' remuneration

	2025 £000	*2024 £000*
Directors' emoluments	**176.0**	*160.0*
Remuneration paid to the highest paid Director	**119.0**	*110.0*

Directors' remuneration consists entirely of salary.

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

9. Finance income and expense

Recognised in profit or loss

	2025 £m	*2024 £m*
Finance income		
Financial Asset Interest	**131.0**	*131.8*
Other interest receivable	**118.7**	*108.6*
Net impact of revenue swaps	**(21.4)**	*(19.4)*
Total finance income	**228.3**	*221.0*
Finance expense		
Interest payable to parent undertaking	**59.9**	*61.4*
Interest payable in respect of bank borrowings	**20.5**	*20.5*
Interest payable on other loans	**69.9**	*82.9*
Interest on lease liabilities	**26.7**	*26.7*
Movement in assets/liabilities measured at fair value	**(27.0)**	*(19.9)*
Total finance expense	**150.0**	*171.6*
Net finance income recognised in profit or loss	**78.3**	*49.4*

10. Taxation

10.1 Income tax recognised in profit or loss

	2025 £m	*2024 £m*
Current tax		
Current tax on profits for the year	**2.7**	-
Total current tax	**2.7**	-
Deferred tax expense		
Origination and reversal of timing differences	**11.4**	*7.5*
Adjustments in respect of prior years	**0.8**	*(7.7)*
Total deferred tax	**12.2**	*(0.2)*
Total current and deferred tax	**14.9**	*(0.2)*

The aggregate deferred tax relating to items that are recognised as items of other comprehensive income is debit of £14.7m (2024, restated: debit of £6.0m). No current tax has been recognised as items of other comprehensive income or equity in the year (2024: £nil).

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

	2025 £m	*2024 £m*
Profit for the year	**121.6**	*101.5*
Income tax expense (including income tax on associate, joint venture and discontinued operations)	**14.9**	*(0.2)*
Profit before income taxes	**136.5**	*101.3*
Tax using the Company's domestic tax rate of 25% (2024: 25%)	**34.1**	*25.4*
Expenses not deductible for tax purposes	**6.7**	*6.0*
Adjustments in respect of prior periods (Deferred Tax)	**0.9**	*(7.8)*
Transfer pricing adjustments	**(13.7)**	*(10.8)*
Group relief received for nil consideration	**(13.1)**	*(13.0)*
Total tax expense	**14.9**	*(0.2)*

The Group is not within the scope of the OECD Pillar Two model rules since the entity has no overseas subsidiaries or branches, and has not met the threshold that would trigger any UK qualifying minimum

10. Taxation (continued)

10.1 Income tax recognised in profit or loss (continued)

domestic taxes.

10.2 Deferred tax balances

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

	2025 £m	*As restated 2024 £m*
Deferred tax assets	**80.0**	*106.9*
	80.0	*106.9*

The comparative information has been restated due to a prior period error, as discussed in note 29.

2025

Deferred tax assets in relation to	**Opening balance (restated)**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Closing balance**
Exchange differences	16.1	-	(5.2)	10.9
Cash flow hedges	2.2	-	(0.8)	1.4
Corporate interest restriction	18.4	-	-	18.4
Inflation swaps	57.7	(0.4)	(12.9)	44.4
Interest rate swaps	7.7	(3.8)	-	3.9
Tax Loss carried forward	114.9	(4.7)	-	110.2
Total deferred tax asset	**217.0**	**(8.9)**	**(18.9)**	**189.2**
Deferred tax liabilities in relation to:				
Property, plant and equipment	(95.2)	(3.3)	-	(98.5)
Other financial assets - including derivatives	(14.9)	-	4.3	(10.6)
Net pension liability	-	-	(0.1)	(0.1)
Total deferred tax liability	**(110.1)**	**(3.3)**	**4.2**	**(109.2)**
Net deferred tax (liability)/asset	**106.9**	**(12.2)**	**(14.7)**	**80.0**

2024

Deferred tax assets in relation to:	Opening balance (restated)	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance (restated)
Exchange differences	21.7	-	(5.6)	16.1
Cash flow hedges	3.0	-	(0.9)	2.2
Corporate interest restriction	18.4	-	-	18.4
Inflation and Interest rate swaps (Restated)	74.7	(3.6)	(5.7)	65.4
Tax losses carried forward	112.9	1.9	-	114.9
Total deferred tax asset (restated)	**230.7**	**(1.7)**	**(12.2)**	**217.0**
Deferred tax liabilities in relation to:				
Property, plant and equipment	(97.1)	1.9	-	(95.2)
Other financial assets - including derivatives	(20.8)	-	6.0	(14.9)
Net pension liability	(0.2)	-	0.2	-
Total deferred tax liability (restated)	**(118.1)**	**1.9**	**6.2**	**(110.1)**
Net deferred tax asset (restated)	**112.6**	**0.2**	**(6.0)**	**106.9**

11. Dividends

Dividends receivable

During the year the Group received £nil (2024: £nil) from subsidiary undertakings.

Dividends payable

No dividends were paid in respect of A shares (2024: £nil) and B shares (2024: £nil) in the year.

12. Right-of-use assets

Group

	Right-of-use assets £m
Cost or valuation	
At 1 April 2023	4.1
Disposals	(2.0)
At 31 March 2024	**2.1**
Additions	-
At 31 March 2025	**2.1**
Accumulated depreciation and impairment	
At 1 April 2023	2.0
Charge owed for the year	0.4
Disposals	(2.0)
At 31 March 2024	**0.4**
Charge owed for the year	0.4
At 31 March 2025	**0.8**
Net Book Value	
At 1 April 2023	2.1
At 31 March 2024	1.7
At 31 March 2025	1.3

	2025 £M	*2024 £M*
Lease related income and expenses		
Interest expense on lease liabilities	**0.1**	*0.1*

Lease liabilities

The total cash outflow for the Group's lease arrangements in 2025, including the UKPN Lease, was £29.5m (2024: £28.1m).

	2025	2024
	£m	£m
Maturity analysis - contractual discounted cash flows:		
Less than one year	0.4	0.4
One to five years	0.9	1.3
More than five years	-	-
Total discounted lease liabilities	1.3	1.7

The lease relates to the HS1 Limited office at 90 York Way, London N1 9AG. As the Group is not reasonably certain that they will choose to extend the lease, the term has been recognised as 5 years, with a remaining term of 2 years and 11 months.

13. Investment in subsidiary undertaking

	2025	*2024*
	£	*£*
Class A shares in HS1 Limited	**989**	*989*
Class B shares in HS1 Limited	**800**	*800*
Ordinary shares in High Speed Rail Finance plc	**50,000**	*50,000*
Ordinary shares in High Speed Rail Finance (1) plc	**50,000**	*50,000*
Class A shares in CTRL (UK) Limited	**1**	*1*
Class B shares in CTRL (UK) Limited	**4**	*4*
	101,794	*101,794*

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

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

* Shares held by a subsidiary undertaking

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

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

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

14. Intangible assets

Group

	Licence £m
Cost	
At 1 April 2023	1,380.2
Additions	0.8
At 31 March 2024	1,381.0
Additions	2.7
At 31 March 2025	**1,383.7**

	Licence £m
Accumulated amortisation and impairment	
At 1 April 2023	520.0
Amortisation	48.6
At 31 March 2024	568.6
Amortisation	48.7
At 31 March 2025	**617.3**
Net book value	
At 1 April 2023	860.2
At 31 March 2024	812.4
At 31 March 2025	766.4

14. Intangible assets (continued)

The licence held is in respect of the service concession held to 31 December 2040 to operate, maintain and renew the 109 kilometre high speed rail line. The remaining amortisation period of the licence is 15 years.

Cash generating unit (CGU)

The carrying value of the concession assets as at 31 March 2025 is £2,165.3m (2024: £2,225.6m). This figure represents the intangible licence asset of £766.4m (2024: £812.4m) and the financial asset of £1,399.0m (2024: £1,413.2m).

The recoverable amount of the CGU is determined based on value-in-use calculations. The concession has 15 years remaining in the 30-year concession to December 2040. The value-in-use is derived from pre-tax cash flows of a long-term financial model and a short-term business plan. The present value of the expected cash flows of the CGU is determined by applying a discount rate reflecting current market assessments of the time value of money and risks specific to the concession assets.

Discount rates

Management estimates discount rates using pre-tax rates that reflect the latest market assumptions for the risk-free rate, the equity risk premium and the net cost of debt, which appropriately capture both the time value of money and the specific risks associated with the concession assets. Management have calculated a discount rate of 9.62% (2024: 8.40%) using a CAPM model. An increase in the discount rate of 1.00% would decrease the recoverable amount of the intangible asset by £110.6m. A decrease in the discount rate of 1% would increase the recoverable amount by £122.6m

Future cash flows

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

A key sensitivity in the cash flow assumptions are the inflation rates. The Group relies upon third-party inflation forecasts. Key estimates include long-term growth rates in train paths. An increase in international train paths of 1% would increase the recoverable amount of the intangible asset by £14.1m. A decrease in international train paths of 1% would decrease the recoverable amount of the intangible asset by £14.1m.

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

	Group 2025 £m	*Group 2024 £m*	**Company 2025 £m**	*Company 2024 £m*
Amounts owed by parent undertakings	**1,274.1**	*1,158.3*	**979.3**	*890.2*
Amounts owed by subsidiary undertakings	**-**	*-*	**608.6**	*618.1*
Other debtors	**292.5**	*240.6*	**-**	*-*
Derivative financial Assets	**43.7**	*60.9*	**-**	*-*
Prepayments and accrued income	**21.7**	*19.6*	**-**	*-*
	1,632.0	*1,479.4*	**1,587.9**	*1,508.3*

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

Other debtors represent funds invested on behalf of the Secretary of State and held by them to fund future renewals and replacements, together with railway related spares where the risk of ownership lies with NRHS. The funds can be accessed by HS1 with the written agreement of the Secretary of State for agreed expenditure but are not cash and cash equivalents of the Company and not expected to be available for use in the period to 31 March 2026.

Default rates are calculated over one year, rather than the life of the loan. The ECL for the year ended 31 March 2025 was calculated to be £0.6m (2024: £0.8m), this was not considered material and hence has not been recognised in the financial statements. This process is in line with the year ended 31 March 2024 and therefore there is no impact on the profit and loss for the year. If the default rate increased by 0.2%, this would increase the ECL to £2.3m.

The fair value of derivatives has been determined using discounted future cash flows associated with the instrument and this has been checked to counterparty valuations for reasonableness. The amount owed by subsidiary undertakings after more than one year relate to a 9.75% (2024: 9.75%) fixed rate loan to HS1 Limited repayable by agreement of both the borrower and lender. This loan has a value of £608.6m at 31 March 2025 (2024: £618.1m).

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

	Group 2025 £m	*Group 2024 £m*	**Company 2025 £m**	*Company 2024 £m*
Trade receivables and accrued income	**17.2**	*16.4*	**-**	*-*
Less allowance for expected credit losses	**(0.2)**	*(0.1)*	**-**	*-*
Amounts owed by parent undertakings	**34.8**	*32.0*	**25.9**	*23.8*
Amounts owed by group undertakings	**-**	*-*	**16.6**	*16.8*
Other debtors	**6.1**	*15.8*	**-**	*-*
Prepayments	**29.8**	*28.2*	**-**	*-*
	87.7	*92.3*	**42.5**	*40.6*

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.

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

	Group 2025 £m	*Group 2024 £m*	**Company 2025 £m**	*Company 2024 £m*
Bank loans and overdrafts	**43.0**	*37.0*	**-**	-
Trade creditors	**4.4**	*9.6*	**-**	-
Amounts due to parent undertakings	**16.7**	*16.9*	**16.6**	*16.9*
Amounts due to group undertakings	**-**	-	**25.9**	*23.8*
USPP Notes	**83.1**	*92.3*	**-**	-
UKPN lease liabilities	**30.2**	*29.0*	**-**	-
Other creditors including taxation and social security	**5.1**	*9.7*	**-**	-
Derivative financial liabilities	**16.0**	-	**-**	-
Accruals and deferred income	**116.9**	*119.0*	**-**	-
	315.4	*313.5*	**42.5**	*40.7*

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

Other creditors including taxation and social security includes £2.4m of taxation and social security (2024: £6.4m).

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

Accrued expenses relate to services used but not yet billed for and deferred income relates to billing done in advance to TOCs, NRHS and retail tenants where a performance obligation has not yet been satisfied at year end. Amounts owed on other loans relates to elements of the listed bonds and USPP notes due within one year, see note 18 for further information.

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

	Group 2025 £m	*Group 2024 £m*	**Company 2025 £m**	*Company 2024 £m*
Amounts due to parent undertakings	**608.7**	*618.1*	**608.6**	*618.1*
Amounts due to group undertakings	**-**	-	**979.4**	*890.2*
Listed bonds	**1,009.3**	*999.4*	**-**	-
USPP notes	**645.4**	*717.4*	**-**	-
UKPN lease liabilities	**157.8**	*161.6*	**-**	-
Escrow deferred income	**280.0**	*232.3*	**-**	-
Accruals and deferred income	**0.3**	*0.6*	**-**	-
Derivative financial liabilities	**339.6**	*425.5*	**-**	-
	3,041.1	*3,154.9*	**1,588.0**	*1,508.3*

Lease liabilities relate to the UKPN finance lease. UKPN own, operate and maintain the electricity infrastructure, which HS1 has a lease to access. This was originally recognised under IAS 17. This lease was grandfathered upon the application of IFRS 16. The amount due to the parent undertaking after more than one year relate to a 9.75% (2024: 9.75%) fixed rate loan to Helix Midco Limited repayable by agreement of both the borrower and lender. This loan has a value of £608.6m at 31 March 2025 (2024: £618.1m).

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

The listed bonds of £1,009.3m (2024: £999.4) consist of £610m (2024: £610m) with a fixed rate of 4.38% and £397.5m (2024: £384.5m) of index-linked bonds with a variable interest rate. These loans were advanced on 14 February 2013 and are due for repayment on 1 November 2038. These are listed on the London Stock Exchange.

The USPP notes of £645.4m (2024: £717.4m) consist of five separate loans. £174.1m is denominated in USD with an interest rate of 3.79%. The group hedges against foreign exchange risk using cross currency swaps. £58m is on a variable rate of SONIA + 1.64%, which is not hedged against. The remainder is denominated in GBP with varying fixed interest rates. These loans were advanced on 29 October 2012 and are due for repayment as per their repayment schedule, with the final balances to be repaid on 31 December 2039. See note 23 for further information on derivative financial liabilities.

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

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

	2025 £m	*2024 £m*
Amounts due:		
In less than one year	**43.0**	*37.0*
Less: debt issue costs	**-**	*(0.1)*
	43.0	*36.9*

Bank Loans

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

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

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

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

In addition to the above the working capital facility was increased to £112m (2024: £84m) and maturity extended on 25 March 2025 at an interest rate of SONIA plus 0.75% (with a utilisation fee ranging between 0.10% to 0.20%). In March 2025, the liquidity facility was increased to £166m (2024: £160m) at an interest rate of SONIA plus CAS plus 1.00%.

At the balance sheet date £43m (2024: £37.0m) was drawn down in respect of the working capital facility. This amount has been included in "bank loans and overdrafts due within one year" (note 17) and cash and cash equivalents (note 24).

At the balance sheet date £nil (2024: £nil) was drawn down in respect of the liquidity facility.

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

Facilities

The significant terms of the loans are as follows:

	Working capital facility	Liquidity facility
Currency	GBP	GBP
Amount	£112.0m	£166.0m
Type	Floating	Floating
Interest rate	GBP SONIA + 0.75% (plus utilisation fee)	GBP SONIA + CAS + 1.0%
Term	3 years	1 years
Maturity	25 Mar 2028	25 Mar 2026

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

Loans with parent undertakings

Included in payables due in more than one year is a loan of £979.4m (2024: £890.2m) 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 £89.2m (2024: £80.8m) in accordance with the terms of the loan agreement.

Included in debtors due in more than one year is a loan of £295.0m (2024: £268.1m) advanced to Betjeman Holdings Limited. This loan is subject to interest at 9.75% per annum and is repayable by agreement of both the borrower and lender. No significant repayment is expected in the next 12 months.

During the year the Company with the agreement of the Betjeman Holdings Limited capitalised accrued loan interest of £26.9m (2024: £24.3m) in accordance with the terms of the loan agreement.

Included within creditors due in more than one year is a loan of £608.6m (2024: £618.1m) 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.

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

Loans with subsidiary undertakings

Company only

Included in creditors due in more than one year is a loan of £608.6m (2024: £618.1m) advanced from Helix Bufferco Limited. The loan carries interest at 9.75% per annum and is repayable by agreement of both the borrower and lender.

Included in creditors due in more than one year is a loan of £979.4m (2024: £890.1m) 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 or from group undertakings, unless stated above, are non-interest bearing and repayable by agreement of both the borrower and lender.

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

Lease Liabilities

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

	2025 £m	*2024 £m*
Less than one year	**30.1**	*29.0*
One to five years	**132.1**	*126.4*
More than five years	**438.9**	*464.8*
	601.1	*620.2*

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

19. Share capital

	2025 £	*2024 £*
Authorised, allotted, called up and fully paid		
990 A shares of £1 each	**990.0**	*990.0*
10 B shares of £1 each	**10.0**	*10.0*
	1,000.0	*1,000.0*

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

20. Reserves

Profit and loss account

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

Following a review of certain additional adjustments to the calculation of fair values of financial instruments in preparing the 31 March 2025 financial statements it was identified that an adjustment to reduce the profit and loss account and increase the hedging reserve by £3.6m was required which has been processed through the statement of changes in equity.

Hedging reserve

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

Other Reserves (Cost of hedging)

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

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

21. Analysis of amounts recognised in other comprehensive income

	Other reserve	Cash flow hedge reserve	Profit and loss account
	£m	£m	£m
Year to 31 March 2025			
Items that are or may be reclassified subsequently to profit or loss:			
Other:			
Deferred cost of hedging	(0.2)	-	-
Actuarial gain on staff pension scheme	-	-	(0.5)
Other comprehensive income	-	54.8	3.4
Deferred tax movements recognised in Other comprehensive income	-	(14.7)	-
Amortisation of novated swaps	-	2.2	-
	(0.2)	**42.3**	**2.9**

21. Analysis of amounts recognised in other comprehensive income (continued)

	Other reserve £m	Cash flow hedge reserve £m	Profit and loss account £m
Year to 31 March 2024			
Items that are or may be reclassified subsequently to profit or loss:			
Deferred Cost of hedging	0.6	-	-
Other comprehensive income/(loss) (restated)	-	19.9	2.6
Amortisation of novated swaps	-	3.2	-
Deferred tax charge recognised in other comprehensive income	-	(6.0)	-
Transfer between reserves	-	2.6	(2.6)
Deferred tax charge recognised in other comprehensive income	-	-	(0.6)
	0.6	**19.7**	*(0.6)*

The comparative information has been restated as a result of a prior period error, as discussed in note 29.

22. Pension scheme

Net employee defined benefit liabilities

Defined contribution pension scheme

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

Defined benefit scheme

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

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

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

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

Employer contributions were 16.74% of section pay to 31 March 2025. (2024: 21.24%)

Key assumptions:	**2025** **%**	*2024* *%*
Discount rate	**5.85**	*5.00*
Price inflation (RPI measure)	**3.15**	*3.20*
Increases to deferred pensions (CPI measure)	**2.75**	*2.80*
Pension increases (CPI measure)	**2.75**	*2.80*
Pensionable salary increases	**4.00**	*4.00*

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

	2025	*2024*
Retiring today		
- Males	**87.2**	*87.3*
- Females	**88.3**	*88.3*
Retiring in 20 years		
- Males	**88.8**	*88.8*
- Females	**90.1**	*90.1*

22. Pension scheme (continued)

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

Fair value	2025 £m	2024 £m
Equities	3.0	3.7
Government bonds	3.8	4.5
Non-Government bonds	1.3	1.6
Total fair value of section assets	**8.1**	9.8

Movements in fair value of Section assets

	2025 £m	2024 £m
At the beginning of year	9.8	10.5
Interest income on assets	0.5	0.5
Return on plan assets greater than discount rate	(1.6)	(1.0)
Employer contributions	0.1	0.2
Actual benefits paid	(0.7)	(0.4)
End of the year	**8.1**	9.8

Reconciliation of Defined Benefit Obligation (“DBO”)

	2025 £m	2024 £m
At beginning of year	9.8	9.8
Service cost	0.1	0.2
Interest cost on DBO	0.5	0.5
Gain on DBO	(1.0)	(0.2)
Actual benefit payments	(0.7)	(0.5)
End of the year	**8.7**	9.8

22. Pension scheme (continued)

Defined benefit liability at end of year

	2025 £m	*2024 £m*
DBO at end of year	8.7	*9.8*
Fair value of assets at end of year	(8.1)	*(9.8)*
(Surplus)/Deficit at end of year	0.6	-
Adjustment in respect of Deferred Tax movements	(0.1)	-
Net defined benefit (asset)/liability at end of year	**0.5**	-

Reconciliation of net defined benefit liability

	2025 £m	*2024 £m*
Net defined benefit liability/(asset) at beginning of year	-	*(0.7)*
Employers share of expense	0.1	*0.1*
Employers contributions	(0.1)	*(0.2)*
Total (loss)/gain recognised in other comprehensive income ("OCI")	0.5	*0.8*
Net defined benefit (asset)/liability at end of year	**0.5**	-

Analysis of amounts charged to the profit and loss account

	2025 £m	*2024 £m*
Employer's share of service cost	0.1	*0.1*
Total employer's share of profit and loss account expense (excluding employer's contributions)	**0.1**	*0.1*

Analysis of amounts charged to the statement of OCI

	2025 £m	2024 £m
Liability income arising during the year	**0.6**	*0.8*
Deferred tax recognised on movement in pension valuation	**(0.1)**	*(0.2)*
Total income recognised in OCI	**0.5**	*0.6*

During the reporting period, Railpen, the Railways Pension Scheme Investment Manager (pension scheme trustee), engaged legal counsel to provide advice following the Court of Appeal decision in the case of *Virgin Media Ltd v NTL Pension Trustees II Ltd & Ors* (July 2024). This engagement was undertaken to ensure that the Trustee's practices remained in full compliance with the applicable legal and regulatory requirements of the Pension Schemes Act 1993 between 6th April 1997 and 5th April 2016.

An external legal review was conducted as part of this process, which confirmed that the Trustee has adhered to the provisions of section 37 of the Pensions Schemes Act 1993. This review further concluded that no deeds executed during the period under review were found to have potentially resulted in any reduction in member benefits without obtaining a valid actuarial confirmation and provides assurance that the Trustee has continued to act in accordance with its fiduciary duties and the relevant legislative framework.

As such the review additionally concludes that there is no impact on the associated disclosed pension liabilities or assets for the Group.

Actuarial Assumptions

Sensitivity analysis has been performed for each of the significant assumptions made, illustrating the impact of possible changes on the potential defined benefit obligation year end figure:

31 March 2025	**Sensitivity**	**Approximate change in DBO**
		£m
Discount Rate	-0.25% p.a.	0.3
	+0.25% p.a.	(0.3)
Price inflation (CPI Measure)	-0.25% p.a.	(0.2)
	+0.25% p.a.	0.2
Salary increase	-0.25% p.a.	-
	+0.25% p.a.	-
Life expectancy	-1 year	(0.2)
	+1 year	0.2

Note, the scenarios disclosed above do not represent upper or lower bounds of the potential outcomes of the associated assumptions.

The sensitivity calculations have been performed on assumptions used to determine the Company's latest estimated Defined Benefit Obligation as at 31 March 2025. Results are based on a roll-forward of projected benefit cashflows from the most recent triennial valuation (effective date: 31 December 2022).

The next actuarial valuation is due to take place at 31 December 2025.

Impact upon cashflows

At 31 March 2025, there are no additional funding arrangements scheduled or required by the Company. Any additional funding requirements will be determined following on from the next actuarial valuation to determine the net position of the Scheme.

Under the United Kingdom's scheme specific funding regime, contributions are payable in line with the Schedule of Contributions from the most recent formal actuarial valuation. The table below illustrates the expected employer and employee contributions over the following period.

While a member of a multiemployer pension scheme with pooled funds, the Group is not liable under the terms and conditions of the plan for any potential arising obligations relating to other entities within the scheme.

	2025 £M
Employer contributions expected over the following period	0.1
Employee contributions expected over the following period	0.1
	0.2

23. Financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. They do 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.

31 March 2025	Financial assets			
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	£m	£m	£m	£m
Cash and cash equivalents	3.7	-	-	3.7
Concession asset	1,399.0	-	-	1,399.0
Trade and other receivables	28.8	-	-	28.8
Escrow deposits	286.7	-	-	286.7
Amounts owed by parent undertaking	1,309.1	-	-	1,309.1
Cross currency swaps	-	-	43.7	43.7
Total	**3,027.3**	**-**	**43.7**	**3,071.0**

31 March 2024	Financial assets			
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	£m	£m	£m	£m
Cash and cash equivalents	9.5	-	-	9.5
Concession asset	1,413.2	-	-	1,413.2
Trade and other receivables	85.9	-	-	85.9
Escrow deposits	234.7	-	-	234.7
Amounts owed by parent undertaking	1,190.3	-	-	1,190.3
Cross currency swaps	-	-	60.9	60.9
Total	**2,933.6**	**-**	**60.9**	**2,994.5**

The cross currency swaps and inflation swaps are designated as hedging instruments carried at fair value. The inflation swaps are fully effective.

23. Financial Instruments (continued)

31 March 2025	Financial liabilities			
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	£m	£m	£m	£m
Interest rate swaps	-	16.0	-	16.0
Inflation swaps	-	-	310.6	310.6
Trade and other payables	9.4	-	-	9.4
Loans from parent undertakings	625.1	-	-	625.1
Financial lease liabilities (UKPN)	188.0	-	-	188.0
Bank loans and overdrafts	43.0	-	-	43.0
USPP notes	729.5	-	-	729.5
Index linked security bonds	1,017.5	-	-	1,017.5
Total	**2,612.5**	**16.0**	**310.6**	**2,939.1**

31 March 2024	Financial liabilities			
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	£m	£m	£m	£m
Interest rate swaps	-	31.2	-	31.2
Inflation swaps	-	-	394.3	394.3
Trade and other payables	125.1	-	-	125.1
Loans from parent undertakings	635.0	-	-	635.0
Financial lease liabilities (UKPN)	190.5	-	-	190.5
Bank loans and overdrafts	37.0	-	-	37.0
USPP notes	805.6	-	-	805.6
Index linked security bonds	999.4	-	-	999.4
Total	**2,792.6**	**31.2**	**394.3**	**3,218.1**

The interest rate swaps are not designated as in hedge accounting relationships and are carried at fair value through profit or loss

23. Financial Instruments (continued).

Fair value of financial assets and liabilities measured at amortised cost

This table excludes cash and cash equivalents, trade and other receivables, escrow, amounts owed by parent undertakings, trade and other payables, and finance lease liabilities. This is because the carrying values of these assets or liabilities approximate fair value. For the loans from parent undertakings, USPP notes and index linked security bonds, the carrying values are materially different to the fair value.

2025	**Level**	**Carrying value**	**Fair value**
		£m	**£m**
Loans from parent undertakings	2	625.1	636.0
Bank loans and overdrafts	2	43.0	43.0
USPP notes	2	729.5	666.9
Index linked security bonds	1	1,017.5	786.8

2024	**Level**	**Carrying value**	**Fair value**
		£m	**£m**
Loans from parent undertakings	2	635.0	722.6
Bank loans and overdrafts	2	37.0	37.0
USPP notes	2	805.6	796.5
Index linked security bonds	1	999.4	809.0

23. Financial Instruments (continued)

Fair value measurements by level of fair value hierarchy

The following table presents the Group's financial assets and liabilities that are measured at fair value, by level of fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Level 2 assets are valued by discounting future cash flows using externally sourced market yield curves, including interest rate curves and foreign exchange rates from highly liquid markets. For Level 3 assets and liabilities, uncollateralised derivatives are valued as per Level 2 but include certain data sources which are significantly less liquid; unlisted investments are valued based on less observable inputs such as recent funding rounds

2025	**Level**	**Carrying value**	**Fair value**
		£m	**£m**
Financial assets			
Cross currency swaps	2	43.7	43.7
Financial liabilities			
Interest rate swaps	2	16.0	16.0
Inflation swaps	2	339.6	339.6

2024	**Level**	**Carrying value**	**Fair value**
		£m	**£m**
Financial assets			
Cross currency swaps	2	60.9	60.9
Financial liabilities			
Interest rate swaps	2	31.2	31.2
Inflation swaps	2	394.3	394.3

23. Financial Instruments (continued)

Risk Management Objectives

The Group's financial risk management operations are ultimately carried out by the Board of Directors. The Group is exposed to a number of financial risks in the normal course of its business operations, the key ones being:

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

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

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

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

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

The derivatives reflect valuation adjustments ("XVA") to certain derivatives due to evolving market practices.

Valuation adjustments are an umbrella term for adjustments made to the fair value of a derivatives contract to take into account the funding and credit risk. The inclusion of XVAs has impacted the valuations of the swaps as shown below:

• a decrease in the fair valuation of the interest rate swap liability of £0.1m (2024: £0.3m)
• a decrease in the fair valuation of the cross-currency swap asset of £0.6m (2024: £1.1m)
• a decrease in the fair valuation of the RPI swap liability of £38.2m (2024: £49.8m)

23. Financial Instruments (continued)

Liquidity and risk management

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.

Only two of the Group's interest rate swaps have offsetting arrangements, enforceable master netting arrangements, or other similar agreements. Both of these swaps are in a liability position, with no swaps in asset positions held with these counterparties. Therefore, netting would not have an impact on the Group's balance sheet.

31 March 2025	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
	£m	£m	£m	£m	£m	£m
Bank loans and overdrafts	43.0	43.0	43.0	-	-	-
Trade and other payables	9.4	9.4	8.8	0.6	-	-
Amounts owed to parent undertakings	625.1	1,597.9	60.3	60.3	180.9	1,296.4
USPP notes	729.5	873.6	107.8	123.3	306.4	336.1
Listed bonds	1,017.5	1,478.1	32.9	33.1	154.3	1,257.8
Finance lease liabilities (UKPN)	187.9	601.1	30.1	63.9	103.8	403.3
Total	**2,612.4**	**4,603.1**	**282.9**	**281.2**	**745.4**	**3,293.6**

23. Financial Instruments (continued)

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

23. Financial Instruments (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 2025	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
	£m	£m	£m	£m	£m	£m
Concession asset	1,399.0	1,399.0	20.0	26.6	90.3	1,262.1
Trade and other receivables	637.2	367.2	53.1	314.1	-	-
Amounts owed by parent undertakings	1,309.1	1,597.9	60.3	60.3	180.9	1,296.4
Cash and cash equivalents	3.7	3.7	3.7	-	-	-
Total	**3,349.0**	**3,367.8**	**137.1**	**401.0**	**271.2**	**2,558.5**

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

23. Financial Instruments (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 2025	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Net settled:	£m	£m	£m	£m	£m	£m
Interest rate swaps	(16.0)	(16.6)	(16.6)	-	-	-
Inflation swaps	(339.6)	(496.7)	(22.1)	(22.4)	(73.1)	(379.1)
Cross currency swaps	43.7	185.3	69.4	76.1	39.8	-
Total	**(311.9)**	**(328.0)**	**30.7**	**53.7**	**(33.3)**	**(379.1)**

31 March 2024	Carrying amount	Total	0-1 year	1-2 years	2-5 years	More than 5 years
Net settled:	£m	£m	£m	£m	£m	£m
Interest rate swaps	(31.2)	(31.2)	(15.6)	(15.6)	-	-
Inflation swaps	(394.3)	(492.7)	(20.8)	(20.9)	(65.8)	(385.2)
Cross currency swaps	60.9	249.1	63.8	69.4	115.9	-
Total	**(364.6)**	**(274.8)**	**27.4**	**32.9**	**50.1**	**(385.2)**

Managing Capital

The Group's capital management process is primarily through its management of cash. The Group has robust policies in place for cash management, with oversight from the Directors. The Group considers external requirements, such as debt covenants, when making decisions relating to capital management. Due

(continued)

to this, the Group has remained in compliance with its debt covenants during the period. Capital refers to cash and cash equivalents, as well as current and non-current borrowings, details of which are disclosed within this note.

23. Financial Instruments (continued)

US Private Placement ("USPP") notes

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

The significant terms of the USPP notes are as follows:

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

	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

23. Financial Instruments (continued)

Listed bonds

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

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

The significant terms of the listed bonds are as follows:

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

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

23. Financial Instruments (continued)

The group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Liabilities	**2025**	**2024**
	£m	£m
USD	(217.8)	(293.8)

Foreign currency sensitivity analysis
The group is exposed to USD as it has debt denominated in this currency.
This debt is fully hedged through cross currency swaps. This ensures that the group pays a fixed amount of GBP to service this debt, hence eliminating its foreign currency risk on this debt.
As a result of this, any movement in the USD:GBP exchange rate will not impact foreign currency risk.

Interest Rate Risk Management
The group is exposed to interest rate risk because entities in the group borrow funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts.
Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

The group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The group is exposed to SONIA. The exposures arise on derivatives and non-derivative financial liabilities (debt).

The group's interest rate swaps are valued based upon long term interest rate curves, with movements being recognised in profit or loss.
Thus, there is not a direct correlation between an increase in the current SONIA and the impact on the income statement.

The group has £58m (2024: £58m) of USPP notes that are linked to SONIA, with the rate being the SONIA realised rate for the period, with a lag, plus a margin and credit adjustment. Furthermore, the Group holds £246.5m (2024: £246.5m) of listed bonds, which is index linked.

If interest rates had been 1 per cent higher and all other variables were held constant, the group's profit for the year ended 31 March 2025 would decrease by £0.6m (2024: decrease by £0.6m). This is attributable to the group's exposure to interest rates on its variable rate borrowings.

Inflation risk management
The group is exposed to inflation rate risk as certain of its major contracts are linked to RPI.
In order to manage this risk, the group uses inflation (RPI) swaps. These ensure that income that is linked to inflation increases by a set amount year on year.

Therefore the value of the inflation swaps will decrease if inflation increases. If RPI had increased by 1 percentage point and all other variables held constant, the value of the RPI swaps would decrease by £23.0m (2024: decrease of £24.7m)

23. Financial Instruments (continued)

Fair value hedges
Interest rate swap contracts

The following table details the notional principal amounts, and remaining terms of interest rate swap contracts outstanding as at the reporting date.

Outstanding receive fixed pay floating contracts	**Average contract fixed interest rate**		**Notional principal value**		**Fair Value**	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Less than 1 year	2.076%	2.076%	1,600.0	-	(16.6)	(16.7)
1 to 2 years	2.076%	2.076%	-	1,600.0	-	(16.6)

The interest rate swaps settle on a bi-annual basis. The loan which these swaps originally hedged has now been repaid, thus they are not in a hedging relationship.

Inflation swaps

The following table details the notional principal amounts and remaining terms of inflation swap contracts outstanding as at the reporting date

Outstanding receive fixed pay floating contracts	**Average contract fixed interest rate**		**Notional principal value**		**Fair Value**	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Less than 1 year	3.139%	3.139%	-	-	(23.4)	(21.4)
1 to 2 years	3.139%	3.139%	-	-	(24.8)	(22.5)
2 to 5 years	3.139%	3.139%	-	-	(84.5)	(82.0)
5 or more years	3.139%	3.139%	58.0	58.0	(399.6)	(497.7)

All inflation swap contracts exchanging fixed amounts for floating amounts are designated and effective as fair value hedges in respect of interest rates. The inflation rate swaps settle on a bi-annual basis. During the year, the hedge was 100% effective in hedging the fair value exposure to inflation.

23. Financial instruments (continued)

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

	Group 2025 £M	*Group 2024 £M*
Interest rate swaps	**15.2**	*10.0*
Inflation swaps	**1.0**	*(2.2)*
Cross currency swaps	**(0.4)**	*-*
	15.8	*7.8*

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

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

	Group 2025 £M	*Group 2024 £M*
Cross currency swaps	**3.8**	*2.6*
RPI swaps	**53.7**	*25.2*
	57.5	*27.8*

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

	Group 2025 £M	*Group 2024 £M*
Cross currency swaps	**43.7**	*60.9*
Interest rate swaps	**(16.0)**	*(31.2)*
RPI swaps	**(339.6)**	*(394.3)*
	(311.9)	*(364.6)*

Amounts recognised on Group's Balance Sheet for derivative financial instruments (continued)

The cross currency swaps and RPI swaps are designated and effective as hedging instruments and carried at fair value. All derivatives are classified as level 2 on the IFRS 13 fair value hierarchy as their valuation requires observable inputs other than quoted market prices. All derivatives are uncollateralised. The terms of some derivatives allow for netting. However, no netting has been applied, as the Group has no counterparties with which it holds debit and credit balances.

Reconciliation of liabilities arising from financing activities

	Current and non-current borrowings, leases and interest accruals	Gross Debt	Cash and cash equivalents	Adjusted net (debt)/cash
Gross adjusted net (debt/cash at 1 April 2023	(3,223.1)	(3,209.4)	(12.1)	(3,221.5)
Interest paid	135.0	135.0	(135.0)	-
Cash outflow for repayment of borrowings	95.7	95.7	(95.7)	-
Payments of lease liabilities	27.7	27.7	(27.7)	-
Cash inflow for renewals	(40.1)	(40.1)	40.1	-
Remaining cash inflow	-	-	202.8	202.8
Exchange and other non-cash movements	(379.2)	(379.2)	-	(379.2)
Group adjusted net (debt)/cash at 31 March 2024	**(3,384.0)**	**(3,384.0)**	**(27.6)**	**(3,411.6)**
Interest paid	145.0	145.0	(145.0)	-
Cash outflow for repayment of borrowings	64.7	64.7	(64.7)	-
Payment of lease liabilities	29.1	29.1	(29.1)	-
Cash inflow for renewals	(47.8)	(47.8)	47.8	-
Remaining cash inflow	-	-	179.3	179.3
Exchange and other non-cash movements	(92.1)	(92.1)	-	(92.1)
Group adjusted net (debt)/cash at 31 March 2025	**(3,285.1)**	**(3,285.1)**	**(39.3)**	**(3,324.4)**

23. Financial Instruments (continued)

Cash flow hedge reserve reconciliation

	Derivative movements		Deferred tax		Total	
	2025	2024	2025	2024	2025	2024
	£m	£m	£m	£m	£m	£m
Balance at 1 April	(239.3)	(261.2)	63.7	69.7	**(175.6)**	**(191.5)**
Gain/(loss) arising on changes in fair value of hedging instruments during the period	55.1	19.9	-	-	**55.1**	**19.9**
Amortisation of novated swaps	2.2	3.2	-	-	**2.2**	**3.2**
Adjustment to correct for previous errors in reserves	3.6	(3.8)	-	-	**3.6**	**(3.8)**
Amount recycled out of cash flow hedge reserve	-	2.6	-	-	**-**	**2.6**
Deferred tax charge	-	-	(15.0)	(6.0)	**(15.0)**	**(6.0)**
Balance at 31 March	**(178.4)**	**(239.3)**	**48.7**	**63.7**	**(129.7)**	**(175.6)**

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24. Cash and cash equivalents

	Group 2025 £m	*Group 2024 £m*
Cash at bank and in hand	**3.7**	*9.4*
Cash equivalents - working capital facility	**(43.0)**	*(37.0)*
	(39.3)	*(27.6)*

25. Financial asset

	2025 £m	*2024 £m*
As at 1 April	**1,413.2**	*1,421.5*
Additions	**-**	*-*
Capital repayment of financial asset	**(155.8)**	*(150.0)*
Financial asset interest	**131.0**	*131.8*
Revaluation of asset	**10.6**	*9.9*
As at end of year	**1,399.0**	*1,413.2*

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

Analysed as:		
Less than one year	**20.0**	*14.2*
More than one year	**1,379.0**	*1,399.0*
	1,399.0	*1,413.2*

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

26. Related party transactions

Identity of related parties which the Group has transacted with:

The total remuneration for key management personnel for the year totaled £2.3m (2024: £2.5m). This amount is included in the staff costs in note 7.

In the year ended 31 March 2025, there have been no transactions with the Company's Directors or parties related to them (2024: none).

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

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

26.1 Loans to related parties

	2025 £m	*2024 £m*
Helix Bufferco Limited	**1,005.2**	*914.0*
Helix Midco Limited	**0.5**	*0.5*
Helix Holdings Limited	**0.4**	*0.5*
Betjeman Holdings Limited	**302.8**	*275.4*
	1,308.9	*1,190.4*

26.2 Loans from related parties

	2025 £m	*2024 £m*
Helix Bufferco Limited	**625.1**	*634.9*
	625.1	*634.9*

26.3 Other related party transactions

Other related party transactions are as follows:

Related party relationship	Interest receivable 2025 £m	*Interest receivable 2024 £m*	Interest payable 2025 £m	*Interest payable 2024 £m*
Helix Bufferco Limited	**91.3**	*83.2*	**59.9**	*61.3*
Betjeman Holdings Limited	**27.5**	*25.1*	**-**	-

27. Parent undertaking and controlling party

The Company's immediate parent undertaking is Helix Bufferco 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 Betjeman Holdings JvCo Limited are available from 5th Floor, Kings Place, 90 York Way, London, N1 9AG.

28. Subsequent events

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

29. Note to the Financial Statements on Restatement

As part of year-end financial statements preparation, a historic misstatement impacting prior period deferred tax has been identified, impacting comparative reserves and deferred tax balances on the Group Balance Sheet, Group Statement of Comprehensive Income, and Group Statement of Changes in Equity.

A net deferred tax liability of £49.3m (2023: £54.3m), which included a liability of £90.8m (2023: £92.2m) related to inflation and interest rate swaps, was originally recognised at 31 March 2024. This should have been a net deferred tax asset of £107.0m (2023: £112.2m), including an asset of £65.9m (2023: £74.6m) related to inflation and interest swaps. This error arose due to a manual error in the supporting deferred tax schedules resulting in the deferred tax position on a Derivative Financial Liability being recognised as a liability rather than an asset, and recognition of a deferred tax asset upon a financial derivatives for which no deferred tax arose as tax relief had already been received.

This misstatement has been corrected as shown in the below table which highlights the original deferred tax in the balance sheet, the adjustment and the restated positions for each of the years. The inflation swaps are hedge accounted and movements go through the cash flow hedge reserve and therefore the corresponding movements to the deferred tax impact other comprehensive income as shown below.

Company:

	2024	*2023*
	£M	*£M*
Original deferred tax liability	**(49.3)**	*(54.3)*
Restatement movement	**156.2**	*166.9*
Restated deferred tax asset	**106.9**	*112.6*

The movements in the cash flow hedge reserve are:

	2024 £M	2023 £M
Original cash flow hedge reserve	**(331.8)**	*(358.4)*
Restatement movement	**156.2**	*166.9*
Restated cash flow hedge reserve	**(175.6)**	*(191.5)*

The adjustment to other comprehensive income for the year ended 31 March 2024 is £10.3m.