



Bombardier Transportation (Holdings) UK Limited

**Directors' Report, Strategic Report and Financial
Statements**

For the year ended 31 December 2020

Registered number 01712661



Bombardier Transportation (Holdings) UK Limited
Directors' Report, Strategic Report and Financial Statements for the year ended 31
December 2020



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Bombardier Transportation (Holdings) UK Limited
Directors' Report, Strategic Report and Financial Statements for the year ended 31
December 2020



Company Information

Directors	S J R MacLeod N P Crossfield D A Johnston J J Rawding O M P Guillot M Byrne K M Parkes	(Appointed 29 July 2021) (Appointed 11 May 2021) (Appointed 11 May 2021) (Appointed 11 May 2021) (Resigned 29 July 2021) (Resigned 11 May 2021) (Resigned 9 April 2021)
Secretary	C G Hakes	
Registered office	Litchurch Lane Derby Derbyshire DE24 8AD United Kingdom	
Registered number	01712661	
Auditors	Ernst & Young LLP 1 Colmore Square Birmingham B4 6HQ United Kingdom	
Principal bankers	Deutsche Bank AG London 6 Bishopsgate London EC2P 2AT United Kingdom	
Solicitors	Hogan Lovells Atlantic House Holborn Viaduct London EC1A 2FG	
	PinSENT Masons LLP 30 Crown Place London EC2A 4ES	

Bombardier Transportation (Holdings) UK Limited
Directors' Report, Strategic Report and Financial Statements for the year ended 31
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Directors' Report

The Directors present their Report and the Financial Statements for the year ended 31 December 2020.

The profit for the year, after taxation, amounted to 1,217,553,000 EUR (2019: 772,000 EUR). This included a profit on disposal of investments of 1,198,606,929 EUR arising on the Company's disposal of its investment in Bombardier Transportation UK Limited to Bombardier Transportation (Global Holding) UK Limited on 23 January 2020 (Profit: 1,198,044,217 EUR) (see note 10 – Investments) and disposal of its investment in BT Egypt to Prorail Limited also on 23 January 2020 (Profit 562,712 EUR). Dividends of 1,168,197,000 EUR were paid in the year (2019: £nil).

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are discussed in the Strategic Report, and these factors have been considered when preparing the financial projections of the Company.

The Financial Statements of Bombardier Transportation (Holdings) UK Limited have been prepared on a going concern basis, which assumes the Company will continue in operational existence for the foreseeable future.

The balance sheet at 31 December 2020 shows net assets of 1,790,534,000 EUR. This represents a 315.8% increase over the year ended 31 December 2019 which had net assets of 566,946,000 EUR.

The financial projections to 31 December 2022 show that the Company is committed to no expenditure during this period. The only anticipated movements are those relating to interest receivable and payable in respect of group balances, and the Company is therefore anticipated to be both profitable and cash positive.

Future developments

The directors consider that the business will continue to operate as it has done during the year.

Events since Balance Sheet date

On 29 January 2021, Bombardier Inc. previously the company's ultimate parent undertaking, closed the sale of its Transportation Business, which includes the ownership of this Company, to Alstom Holdings SA.

Directors

The Directors, who served during the year and subsequently, are noted on the Company Information page.

The Company has granted an indemnity to one or more of its Directors against any liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provisions remains in force as at the date of approving the Directors' Report.

Political and charitable donations

No political contributions or charitable donations were made during the current or preceding year.

Bombardier Transportation (Holdings) UK Limited
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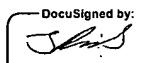


Directors' Report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board,

DocuSigned by:

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J J Rawding

Director

24 September 2021

Strategic Report

The Directors have pleasure in presenting their Strategic Report for the year ended 31 December 2020.

Principal activities and business review

The principal activity of the Company is that of a holding company.

Results for the year

The profit for the year, after taxation, amounted to 1,217,553,000 EUR (2019: 772,000 EUR). This included a profit on disposal of investments of 1,198,606,929 EUR arising on the Company's disposal of its investment in Bombardier Transportation UK Limited to Bombardier Transportation (Global Holding) UK Limited on 23 January 2020 (Profit: 1,198,044,217 EUR) (see note 10 – Investments) and disposal of its investment in BT Egypt to Prorail Limited also on 23 January 2020 (Profit 562,712 EUR). Dividends of 1,168,197,000 EUR were paid in the year (2019: £nil).

Change in functional and presentation currency during the year

The Company changed its functional currency from GBP to EUR from 23 January 2020. The change was made to reflect that EUR has become the predominant currency of the Company due to the sale of 100% of the Company's shares in Bombardier Transportation UK Limited (BT UK) to Bombardier Transportation (Global Holding) UK Limited in exchange for EUR promissory notes. The primary factors in IAS 21 to determine functional currency were not applicable due to the nature of the Company as an intermediate Holding company. The secondary factors indicate that the functional currency is EUR after the sale of the shares as typical financing activities will be dividend remittance, which will be in EUR. The Company is autonomous as a legal entity and it is not an extension of its parents or associates. Considering the secondary indicator and the structure of the whole BT group, upon the sale of BT UK shares, the Company has changed its functional currency from GBP to EUR from 23 January 2020. The change has been implemented with prospective effect.

The Company changed its presentation currency from GBP to EUR from January 23, 2020, with retrospective application on comparative figures according to IAS 8 and IAS 21. The change was made to align to the change in functional currency to EUR.

Comparative figures in the statement of profit or loss and other comprehensive income and the statement of changes in equity have been re-presented to reflect the currency rates of transactions in foreign currencies at the date of the transactions. The different components of assets and liabilities in EUR correspond to the amount published in GBP translated at the EUR/GBP closing rate applicable at the end of the reporting period, 31 December 2019. As such, the change in presentation currency has not impacted the measurement of assets, liabilities and equity.

Translation adjustments have been presented as if the Company had used EUR as the presentation currency also for the comparative figures. See Note 14 for details of the exchange reserve.

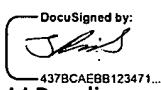
Principal risks and uncertainties

The main risk arising from the Company's financial instruments is liquidity risk. Covid-19 has had no impact on the activities of this Company.

Liquidity risk

The Company aims to maintain a balance between continuity of funding and flexibility by ensuring that sufficient borrowing facilities are in place by reference to forecast debt levels.

On behalf of the Board,

DocuSigned by:

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JJ Rawding

Director

24 September 2021

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report, Strategic Report and the Financial Statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless they consider that to be inappropriate.

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.

Independent Auditor's Report to the Members of Bombardier Transportation (Holdings) UK Limited

Opinion

We have audited the financial statements of Bombardier Transportation (Holdings) UK Limited for the year ended 31 December 2020 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Bombardier Transportation (Holdings) UK Limited

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report to the Members of Bombardier Transportation (Holdings) UK Limited

Our approach was as follows:

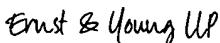
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, environmental and data protection.
- We understood how Bombardier Transportation (Holdings) UK Limited is complying with those frameworks by making enquiries of management to understand how the company creates awareness of relevant laws and regulations and how it maintains and communicates its policies and procedures in these areas and report any instance of non-compliance. This included the issuance of, and adherence to, a Group Policy manual, training courses provided to relevant individuals and availability of a whistleblowing hotline. We reviewed the minutes of board meetings and made enquiries of management and those charged with governance to identify any matters which could have a material impact on the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the culture and controls present at the company and whether this had a strong emphasis on the prevention and detection of fraud. We also performed enquiries of management and those charged with governance to obtain an understanding of the company's business and accounting practices. We determined that the impairment considerations regarding the carrying value of investments had the highest risk of material misstatement. We obtained management's assessment of the recoverable amount of investments and calculation of the impairment charge recognised. We audited the clerical accuracy of the underlying calculations, as well as obtaining supporting evidence for assumptions used.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiry of senior management and those charged with governance as to their awareness of non-compliance with laws and regulations, enquiry of the Group's internal legal counsel and review of board minutes. A review of payments to detect unrecorded liabilities, contrary evidence and available correspondence with third parties did not identify any noncompliance.

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

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.

DocuSigned by:

Ernst & Young LLP

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Helen McLeod-Jones (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

24 September 2021

Bombardier Transportation (Holdings) UK Limited
Directors' Report, Strategic Report and Financial Statements for the year ended 31
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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

	<i>Note</i>	2020	2019
		€'000	€'000
Administrative expenses		(1)	(1)
Operating loss	4	(1)	(1)
Income from shares in group undertakings	5	-	684
Interest receivable	6	15,465	140
Interest payable and similar charges	7	7,927	(30)
Profit on disposal of investments		1,198,607	-
Profit before taxation		1,221,998	793
Taxation on profit	9	(4,445)	(21)
Profit after taxation		1,217,553	772

The notes on pages 12 to 20 form part of these Financial Statements.

In both the current and preceding year, the Company made no material acquisitions and had no discontinued operations.

There were no gains or losses recognised in either the current or the preceding year other than those disclosed in the Statement of Profit or Loss and Other Comprehensive Income, therefore the profit after tax is the total comprehensive income.

Bombardier Transportation (Holdings) UK Limited
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Statement of Changes in Equity

For the year ended 31 December 2020

	Share Capital €'000	Share premium account €'000	Retained Earnings €'000	Exchange reserve €'000	Total €'000
At 1 January 2020	616,207	-	1,594	(50,855)	566,946
Impact of changes in foreign currency rates	-	-	-	6,041	6,041
Effect of change in functional currency	(44,888)	-	74	44,814	-
At 23 January 2020	571,319	-	1,668	-	572,987
Profit for the year	-	-	1,217,553	-	1,217,553
Dividend Declared	-	-	(1,168,197)	-	(1,168,197)
Share Capital Issued	11,003	-	-	-	11,003
Share Premium on issue of share capital	-	1,157,188	-	-	1,157,188
At 31 December 2020	582,322	1,157,188	51,024	-	1,790,534

The notes on pages 12 to 20 form part of these Financial Statements.

Shares were issued during the year, at a premium, as detailed in note 13.

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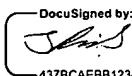
Balance Sheet

At 31 December 2020

	<i>Note</i>	2020 €'000	2019 €'000
Fixed assets			
Investments	10	6,285	6,219
Current assets			
Debtors due within one year	11	1,966,205	51,637
Non Current Asset Held for sale	10b	-	684,731
Creditors: amounts falling due within one year	12	(181,956)	(175,640)
Net current assets		1,784,249	560,728
Total assets less current liabilities		1,790,534	566,946
Net assets		1,790,534	566,946
Capital and reserves			
Called up share capital	13	582,322	616,207
Share premium account	13	1,157,188	-
Profit and loss account	14	51,024	1,594
Exchange Reserve	14	-	(50,855)
Shareholders' funds		1,790,534	566,946

The notes on pages 12 to 20 form part of these Financial Statements.

These Financial Statements were approved and authorised for issue by the Board of Directors on the date shown below and were signed on its behalf by:

DocuSigned by:

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J J Rawding

Director

24 September 2021

Registered number: 01712661

Notes to the Financial Statements

1. Authorisation of financial statements and compliance with FRS 101

The financial statements of Bombardier Transportation (Holdings) UK Limited (the "Company") for the year ended 31 December 2020 were authorised and issued by the Board of Directors as indicated on page 11.

Bombardier Transportation (Holdings) UK Limited is incorporated and domiciled in England and Wales. The company is privately held limited by shares.

These Financial Statements are presented in Euros and all values are rounded to the nearest thousand EUR, except where otherwise stated. The Financial Statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company has taken advantage of the exemption provided by FRS 101, from the requirement to provide a cash flow statement.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

2.1 Basis of preparation

The Company prepares its accounts in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The Financial Statements have been prepared under the historical cost convention, in accordance with applicable International Financial Reporting Standards.

FRS 101 requires that the Statement of Profit or Loss and Other Comprehensive Income and Balance Sheet are presented in the format requirements of the Companies Act 2006, rather than the requirements of International Accounting Standard (IAS) 1 - Presentation of Financial Statements.

The Company has taken advantage of the exemption from the requirement to prepare group accounts by virtue of Section 400 of the Companies Act 2006, as the Company is a wholly owned subsidiary. These Financial Statements therefore present information about Bombardier Transportation (Holdings) UK Ltd as an individual undertaking and not about its Group.

A summary of the disclosure exemptions adopted under FRS 101 are presented below. Equivalent disclosures for share-based payments and financial instruments are included in the group consolidated Financial Statements allowing the exemptions to be applied.

Area	Disclosure exemption
Cash flow statements	Complete exemption from preparing a cash flow statement
Financial instrument disclosures	Exemption from the disclosure requirements of IFRS 7 (Financial Instruments) and related IFRS 13 disclosures
	Disclosures in respect of management's objectives, policies and processes for managing capital (IAS1.134 to 136)
Comparative information	Exemption from comparative for movements on share capital, tangibles, intangibles and investment property
Related party disclosures	Exemption from the disclosure requirements of IAS 24 paragraph 17
Presentation of financial statements	the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are discussed in the Strategic Report, and these factors have been considered when preparing the financial projections of the Company.

The Financial Statements of Bombardier Transportation (Holdings) UK Limited have been prepared on a going concern basis, which assumes the Company will continue in operational existence for the foreseeable future.

The balance sheet at 31 December 2020 shows net assets of 1,790,535,000 EUR. This represents a 315.8% increase over the year ended 31 December 2019 which had net assets of 566,946,000 EUR.

The financial projections to 31 December 2022 show that the Company is committed to no expenditure during this period. The only anticipated movements are those relating to interest receivable and payable in respect of group balances, and the Company is therefore anticipated to be both profitable and cash positive.

2.2 International Financial Reporting Standards Issued prior to their mandatory effective date.

In terms of FRS 101, the company is exempt from disclosures regarding the impact of accounting standards issued but not yet effective.

2.3 Judgements and key sources of estimating uncertainty

The preparation of Financial Statements requires management to make judgement, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The principal judgement impacting the company for the year was management's assessment of the carrying value of investments. However, there were no indicators of impairment during the year.

2.4 Significant accounting policies

Income recognition

Income is recognised as interest accrues using the effective interest method. Income from dividends is recognised when the Company's right to receive payment is established.

Investments

Investments are stated at cost less any provision for impairment. In accordance with International Accounting Standard 36, the Directors consider the carrying value of investments for impairment. Any reductions in value arising from the impairment of investments are charged to the Statement of Profit or Loss and Other Comprehensive Income. When the Directors consider that an impairment of an investment has been reversed this is credited to the Statement of Profit or Loss and Other Comprehensive Income.

Cash pooling

Cash is held within a Group cash pool and is disclosed as amounts owed to/by Group undertakings.

Deferred taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Deferred taxation is recognised in respect of all temporary differences that have originated but have not been reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, or receive more tax.

The exception to this is that deferred taxation assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits generated by the Company from which the underlying temporary differences can be deducted.

Notes to the Financial Statements (continued)

2. Accounting policies (continued)

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which temporary differences reverse, based on taxation rates and laws enacted or substantively enacted at the Balance Sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available for sale. Such assets are carried at amortised cost using the effective interest method if the time value of the money is significant. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities

Financial liabilities are recognised when the Company becomes party to the contracts that give rise to them and are classified as financial liabilities at fair value through profit or loss.

3. Changes in accounting policies

Change in functional and presentation currency

The Company changed its functional currency from GBP to EUR from 23 January 2020. The change was made to reflect that EUR has become the predominant currency of the Company due to the sale of 100% of the Company's shares in Bombardier Transportation UK Limited (BT UK) to Bombardier Transportation (Global Holding) UK Limited in exchange for EUR promissory notes. The primary factors in IAS 21 to determine functional currency were not applicable due to the nature of the Company as an intermediate Holding company. The secondary factors indicate that the functional currency is EUR after the sale of the shares as typical financing activities will be dividend remittance, which will be in EUR. The Company is autonomous as a legal entity and it is not an extension of its parents or associates. Considering the secondary indicator and the structure of the whole BT group, upon the sale of BT UK shares, the Company has changed its functional currency from GBP to EUR from 23 January 2020. The change has been implemented with prospective effect.

The Company changed its presentation currency from GBP to EUR from January 23, 2020, with retrospective application on comparative figures according to IAS 8 and IAS 21. The change was made to align to the change in functional currency to EUR.

Comparative figures in the statement of profit or loss and other comprehensive income and the statement of changes in equity have been re-presented to reflect the currency rates of transactions in foreign currencies at the date of the transactions.

The different components of assets and liabilities in EUR correspond to the amount published in GBP translated at the EUR/GBP closing rate applicable at the end of the reporting period, 31 December 2019. As such, the change in presentation currency has not impacted the measurement of assets, liabilities and equity.

Translation adjustments have been presented as if the Company had used EUR as the presentation currency also for the comparative figures. See Note 14 for details of the exchange reserve.

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Notes to the Financial Statements (continued)

4. Operating Loss

Auditors' remuneration has been borne by a Group company, Bombardier Transportation UK Ltd.

	2020	2019
	€'000	€'000
Admin costs taken to Profit:		
Bank Charges	<u>(1)</u>	<u>(1)</u>
	<u>(1)</u>	<u>(1)</u>

5. Dividends received

No dividend income was received during the year (2019: 684,000 EUR).

6. Interest receivable

	2020	2019
	€'000	€'000
Interest receivable from Group undertakings	<u>15,465</u>	<u>140</u>

7. Interest payable and similar charges

	2020	2019
	€'000	€'000
Foreign exchange gains	<u>(7,955)</u>	-
Interest payable to Group undertakings	<u>28</u>	<u>30</u>
	<u>(7,927)</u>	<u>30</u>

8. Staff costs and Directors' emoluments

a) Staff costs

There are no employees of the Company and therefore employee costs are not disclosed.

b) Directors' emoluments

The Directors of the Company are also Directors or officers of a number of the companies within the Bombardier Group. The Directors' services to the Company do not occupy a significant amount of their time. As such the Directors do not consider that they have received any remuneration for their incidental services to the Company for the years ended 31 December 2020 and 31 December 2019.

Bombardier Transportation (Holdings) UK Limited
Directors' Report, Strategic Report and Financial Statements for the year ended 31
December 2020



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Notes to the Financial Statements (continued)

9. Taxation on profit

a) Analysis of taxation charge

	2020 €'000	2019 €'000
Current income taxation:		
Current tax charge	4,445	21
Taxation on profit (note 9(b))		
	4,445	21

b) Reconciliation of the total tax charge

The tax charge in the statement of profit or loss and other comprehensive income is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%). The tax charge is reconciled as follows:

	2020 €'000	2019 €'000
Profit before taxation	1,221,998	793
Profit multiplied by standard rate of corporation taxation in the UK of 19% (2019: 19%)	232,180	151
Effects of:		
Non taxable income from shares in group undertakings	(227,735)	(130)
Total tax charge for the year (note 9a))	4,445	21

c) Factors that may affect future tax charges

A reduction in the standard rate of UK Corporation tax, from 19% to 17% with effect from 1 April 2020, was substantively enacted on 15 September 2016. However, on 12 March 2020, the Chancellor announced that the tax rate would remain at 19% from 1 April 2020 and this was substantively enacted on 17 March 2020. On 3 March 2021 the Chancellor announced that the rate would increase from 19% to 25% with effect from 1 April 2023. The increased tax rates announced were not substantively enacted at the year end, and therefore has no impact on the tax liability recognised.

The company has UK tax losses of 35,074,000 EUR (2019: 35,074,000 EUR), which are available indefinitely for offset against future capital gains of the Bombardier UK Group. No deferred tax asset has been recognised in respect of these losses due to uncertainty over the quantum and timing of future capital gains.

Notes to the Financial Statements (continued)

10. Investments

a) Investments

	Investments in subsidiary undertakings	Investments in associate undertakings	Total
	€'000	€'000	€'000
Cost			
At 1 January 2020	9,126	35,574	44,700
Effect of change in functional currency	97	379	476
At 23 January 2020	9,223	35,953	45,176
At 31 December 2020	9,223	35,953	45,176
Amounts provided:			
At 1 January 2020	3,220	35,261	38,481
Effect of change in functional currency	34	376	410
At 23 January 2020	3,254	35,637	38,891
At 31 December 2020	3,254	35,637	38,891
Net book value			
At 31 December 2020	5,969	316	6,285
At 31 December 2019	5,906	313	6,219

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Notes to the Financial Statements (continued)

10. Investments (continued)

Name of Company	Country of registration	Proportion of voting rights and shares held	Nature of Business
Held directly by the Company:			
Bombardier Saudi Arabia Limited ^^	Saudi Arabia	49% Ordinary	Construction of track works
SETML Transportation Limited	England	100% Ordinary	Holding Company (Dormant)
South Eastern Train Maintenance Limited^	England	40% Ordinary	Maintenance and repair of rolling stock
Joint ventures:			
Isithimela Rail Services	South Africa	50% Ordinary	Construction of track works
Associates:			
Bombela TKC (Proprietary) Limited	South Africa	25% Ordinary	Rail system delivery management

^ 60% of this investment is held by Bombardier Transportation UK Limited

^^ 51% of this investment is held by Bombardier Transportation UK Limited

b) Non Current asset Held for Sale

On 23 January 2020, the Company disposed of this investment to Bombardier Transportation (Global Holdings) UK Limited, which was disclosed in the 2019 financial statements as "Non Current Asset Held for Sale" at a value of 692,026,858 EUR, for a consideration of £1,890,071,075 EUR.

11. Debtors: amounts due within one year

	2020 €'000	2019 €'000
Debtors due within one year		
Amounts owed by Group undertakings	1,966,176	51,598
Prepayments and accrued income	29	39
	1,966,205	51,637

12. Creditors: amounts falling due within one year

	2020 €'000	2019 €'000
Amounts owed to Group undertakings		
	181,956	175,640
	181,956	175,640

Notes to the Financial Statements (continued)

13. Share capital

	2020 No.	2019 No.	2020 €'000	2019 €'000
Authorised, Allotted, called up and fully paid:				
Ordinary shares of £1 each	382,440,100	372,440,100	453,427	461,898
Redeemable ordinary shares of £1 each	108,508,073	108,508,073	128,895	154,309
	490,948,173	480,948,173	582,322	616,207

The redeemable shares shall be redeemed on the following terms:

- i) the Company may redeem the redeemable ordinary shares at any time following a minimum of three months' notice period to the holders of the redeemable ordinary shares;
- ii) upon the redemption date, the holders of the redeemable ordinary shares shall deliver the certificates for the shares to the Company's registered office, in exchange for the amount due to said holders;
- iii) the amount redeemable on each share shall be the amount paid, including any premium; and
- iv) the receipt, by the holders of the redeemable ordinary shares, of the amount payable on redemption shall constitute an absolute discharge to the Company in respect of such redemption.

On 22 December 2020, the Company issued 10,000,000 shares, having a par value of £1 each at a premium of £1,051,121,753.60.

14. Reserves

	Share Capital €'000	Share premium account €'000	Retained Earnings €'000	Exchange reserve €'000	Total €'000
At 1 January 2020	616,207	-	1,594	(50,855)	566,946
Impact of changes in foreign currency rates	-	-	-	6,041	6,041
Effect of change in functional currency	(44,888)	-	74	44,814	-
At 23 January 2020	571,319	-	1,668	-	572,987
Profit for the year	-	-	1,217,553	-	1,217,553
Dividend Declared	-	-	(1,168,197)	-	(1,168,197)
Share Capital Issued	11,003	-	-	-	11,003
Share Premium on issue of share capital	-	1,157,188	-	-	1,157,188
At 31 December 2020	582,322	1,157,188	51,024	-	1,790,534

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Notes to the Financial Statements (continued)

15. Dividends

	2020	2019
	€'000	€'000
Declared and paid during the year		
Dividend for 2020: 2.38 Euro per share (2019: nil)	<u>1,168,197</u>	-
	<u>1,168,197</u>	-

16. Post balance sheet events

On 29 January 2021, Bombardier Inc. previously the company's ultimate parent undertaking, closed the sale of its Transportation Business, which includes the ownership of this Company, to Alstom Holdings SA.

17. Parent company

The Company's immediate parent companies are Bombardier Transportation Sweden AB and Bombardier Transportation (Holdings) Switzerland AG. The Company's immediate controlling party is Bombardier Transportation Sweden AB, which is incorporated in Sweden.

Until 29 January 2021, the Company's ultimate parent company and controlling party was Bombardier Inc., which is incorporated in Canada and which is both the smallest and the largest group of undertakings for which group accounts are drawn up and of which the Group is a member. Group accounts for Bombardier Inc. for the year ended 31 December 2020 are available from Corporate Office, 800 Rene-Levesque Blvd, West Montreal, Quebec, Canada H2B 1YB.

Subsequent to this date, the company's ultimate parent undertaking and ultimate controlling party is ALSTOM SA, a company incorporated in France. Its address is 48, rue Albert Dhalenne, 93842 Saint-Ouen, France.