COMPANY REGISTRATION NUMBER 635030

PORTERBROOK LEASING ASSET COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2014

CONTENTS

Strategic Report

The directors submit their strategic report for the year to 31 December 2014.

The purpose of this report is to provide information to the member of the company and as such it is only addressed to the member. The report may contain certain forward-looking statements with respect to the operations, performance and financial condition of the company. By their nature, these statements involve inherent risks and uncertainties since future events, circumstances and other factors can cause results and developments to differ materially from the plans, objectives, expectations and intentions expressed in such forward-looking statements. The member should consider this when relying on any forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of preparation of this report and the company undertakes no obligation to update any forward-looking statement during the year. Nothing in this report should be construed as a profit forecast.

Principal activity
The principal activity of the company is the provision of finance leases to fellow group undertakings. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

Principal risks and uncertainties
The company is managed on a consolidated basis as part of the Porterbrook Rail Finance Limited group.

The financial risk management objectives and policies of the company; the policy for hedging each major type of forecasted transaction; and the exposure of the company to credit risk, market risk and liquidity risk are outlined in note 2 to the financial statements. Note 3 describes the company's capital management and resources policy. Further review of the other risks and uncertainties of the group, including the company, are discussed in the consolidated financial statements of Porterbrook Rail Finance Limited which do not form part of this report.

Business review
In May 2014 the owners of the Porterbrook group, comprising the company's former ultimate parent entity and all its subsidiaries, announced they were exploring options for their investment in the group. On 21 October 2014 the owners completed the sale of their interests in the group to the current owners. The ultimate parent entity at the year-end is disclosed in note 15.

During 2014 the company managed its arrangements with fellow group companies in line with expectations. The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the primary financial statements on pages 5 to 8 and notes to the financial statements on pages 9 to 14.

The Statement of Comprehensive Income on page 5 shows the company made a loss before tax of £12.9m (2013: £11.4m). As shown in the Balance Sheet on page 6 the company had net assets of £335.8m (2013: £348.7m). Given its position within the Porterbrook group, the directors consider the state of the company's affairs to be satisfactory.

The Porterbrook group manages its operations on a consolidated basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Porterbrook group as a whole is discussed in the consolidated financial statements of Porterbrook Rail Finance Limited which are available from the address in note 15.

Other corporate matters

Environment
The Porterbrook group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies. Initiatives designed to minimise the group's impact on the environment include recycling and reducing energy consumption and are monitored on a monthly basis by the intermediate parent company

By Order of the Board

Director
Paul Francis

25 February 2015

Derby, UK

Directors' Report

The following directors, who served throughout the year and subsequently (except where indicated), submit their report together with the separate strategic report, financial statements and auditor's report for the year to 31 December 2014.

	Resigned
Mr P A Francis	-
Mr A C White	-
Mr K R Howard	-
Mr W J Day	-
Mr S J McGurk	-
Mr T P Gilbert	05 April 2014

1. Directors' responsibilities in respect of the preparation of accounts

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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

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

Going Concern
Although the company was loss making in the year and had net current liabilities at 31 December 2014 of £2.4bn (2013: £2.2bn) the directors observe that all of the company's activity is with other Porterbrook group companies, intergroup balances form the majority of its liabilities and the company has access to sufficient financial resources together with long term contracts with its fellow group companies Porterbrook Leasing Company Limited, Porterbrook Leasing Mid Company Limited and Porterbrook March Leasing (4) Limited. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The group, of which the company is a part, is managed on a consolidated basis and hence the directors have also considered the forecast cash flows and the ability, as disclosed in its financial statements, of the intermediate parent company, Porterbrook Rail Finance Limited, in providing financial support. Therefore the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and so they continue to adopt the going concern basis in preparing the annual report and accounts.

2. Dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The directors have not recommended a dividend on the equity shares of the company (2013: £Nil).

3. Third party indemnities

Porterbrook Leasing Asset Company Limited has issued enhanced indemnities in accordance with the provisions of the Companies Act 2006 to the directors of the company against liabilities and associated costs which they could incur in the course of their duties to the company. The indemnities remain in force as at the date of this annual report and financial statements. A copy of each of the indemnities is kept at the address in note 15.

4. Auditors

Each of the persons who is a director of the company at the date when this report is approved confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

The directors dispensed with the requirement to re-appoint auditors annually under sections 485 and 487 of the Companies Act 2006. Accordingly, Deloitte LLP will continue in office as auditor.

By Order of the Board

Director
Stephen McGurk

25 February 2015

Ivatt House
7 The Point
Pinnacle Way
Pride Park
Derby
DE24 8ZS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PORTERBROOK ASSET COMPANY LIMITED

We have audited the financial statements of Porterbrook Leasing Asset Company Limited for the year ended 31 December 2014 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor
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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Simon Cleveland (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham
United Kingdom
25 February 2015

Statement of Comprehensive Income

For the year ended 31 December 2014

	NOTES	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Investment income	6	195,950	171,494
Finance costs	7	(208,891)	(182,844)
Loss before tax		(12,941)	(11,350)
Tax	8	-	(3,239)
Net loss for the year and total comprehensive income		(12,941)	(14,589)

All of the activities of the company are classed as continuing in the current and prior year.

Balance Sheet
At 31 December 2014

	NOTES	31 Dec 2014 £000	31 Dec 2013 £000
Non-current assets			
Finance lease receivables	12	1,629,009	1,478,615
Trade and other receivables	10	1,356,973	1,070,998
		2,985,982	2,549,613
Current assets			
Finance lease receivables	12	96,267	103,193
		96,267	103,193
Total assets		3,082,249	2,652,806
Current liabilities			
Trade and other payables	11	(2,497,032)	(2,298,917)
Net current liabilities		(2,400,765)	(2,195,724)
Non-current liabilities			
Trade and other payables	11	(249,440)	(5,171)
Total liabilities		(2,746,472)	(2,304,088)
Net assets		335,777	348,718
Equity			
Share capital	13	379,000	379,000
Retained earnings		(43,223)	(30,282)
Equity attributable to equity holders of the parent		335,777	348,718

The financial statements of Porterbrook Leasing Asset Company Limited (registered number 635030) were approved by the board of directors and authorised for issue on 25 February 2015. They were signed on its behalf by:

Director
Will Day

Statement of Changes in Equity
For the year ended 31 December 2014

	Issued capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2013	379,000	(15,693)	363,307
Net loss attributable to the company	-	(14,589)	(14,589)
Balance at 31 December 2013	379,000	(30,282)	348,718
Balance at 1 January 2014	379,000	(30,282)	348,718
Net loss attributable to the company	-	(12,941)	(12,941)
Balance at 31 December 2014	379,000	(43,223)	335,777

Cash Flow Statement
For the year ended 31 December 2014

There were no cash flows in the current or prior year.

1. Significant accounting policies

Basis of preparation
Porterbrook Leasing Asset Company Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The financial statements have been prepared under a going concern basis as noted within the directors' report in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union that are effective at the company's reporting date. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss and all derivative contracts. The principal accounting policies adopted are set out below.

In the application of the accounting policies detailed below, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The critical judgements are described where relevant below.

Adoption of new and revised standards
The following new and revised standards and interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements

Amendments to IFRS 10	Consolidated Financial Statements
Amendments to IFRS 12	Disclosure of Interests in Other Entities
Amendments to IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 11 (amendments)	Accounting for Acquisitions of Interests in Joint Operations
IAS 16 and IAS 38 (amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
IFRSs (amendments)	Annual Improvements to IFRSs 2010-2012 Cycle
IFRSs (amendments)	Annual Improvements to IFRSs 2011-2013 Cycle

The directors anticipate that the adoption of these Standards and Interpretations in future years will have no material impact on the financial statements of the company.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables
Financial liabilities are initially recognised at fair value and subsequently at amortised cost.

Investment income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

1. Significant accounting policies (continued)

Income taxes
Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the year in which profits arise. The tax effects of income tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

Current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial liabilities
Financial liabilities are measured at amortised cost, except for trading liabilities, which are held at fair value through profit or loss.

Borrowings
Borrowings are recognised initially at fair value, being the proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the Statement of Comprehensive Income over the year of the borrowings using the effective interest method.

Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the year in which they are approved.

Share capital
Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related income taxes.

2. Financial risk

Financial risk management objectives
Effective and efficient financial risk governance and oversight provide management with assurance that the group's business activities will not be adversely impacted by financial risks that could have been reasonably foreseen. This in turn reduces the uncertainty of achieving the group's strategic objectives.

The company's financial risk management focuses on the major areas of credit risk, liquidity risk and market risk and is managed on a consolidated basis as noted below.

Policies and processes for managing the financial risk
The ultimate holding company retains overall responsibility for the group's policies and processes for managing financial and operational risks. With the exception of certain shareholder specific matters, the board of the ultimate holding company has delegated control of the group to its subsidiaries. The Porterbrook group has two tiers of financial risk governance.

The first is provided by Porterbrook Rail Finance Limited, to whom the ultimate parent company has delegated the responsibility for each of the risks set out in this note and for the strategy for managing financial risk across the whole group. The Porterbrook Rail Finance Limited Board established an Audit Committee which meets at least 3 times a year and is responsible for:

- reviewing the effectiveness group's system of internal financial controls;
- monitoring the integrity of the financial reporting and accounting policies; and
- all matters relating to the external audit.

The second comprises the Porterbrook Leasing Company Limited Board (the Board). Authority flows from the ultimate parent company to the Board. Financial risk management is carried out on a group basis by the Board. The Board ensures that risk is managed and controlled on behalf of all stakeholders.

The execution of the financial management policies is delegated by the Board to the Porterbrook Management Committee, which is supported, in the areas of credit and residual risk, by the Porterbrook Credit & Risk Manager. Reporting to the Finance Director, the role of the Credit & Risk Manager includes development of financial risk measurement methodologies, financial risk monitoring, and financial risk reporting.

The monthly Finance and Credit & Risk reports presented to the Porterbrook Management Committee and Board contain analysis of credit, market, liquidity and residual value risk.

Methods used to measure the financial risks are disclosed in each section below.

2. Financial risk (continued)

Credit risk

Credit risk is the risk that counterparties will not meet their financial obligations and may result in the company failing to recover debts due.

Credit risk occurs in relation to intercompany loan receivables. The group, on behalf of the company manages this risk by reviewing the balance sheet position of all group counterparties on a monthly basis.

Maximum exposure to credit risk without taking into account collateral or credit enhancements is £3,082,249,000 (2013: £2,652,806,000). This is equivalent to the outstanding intercompany finance lease receivables and intercompany debtors at 31 December 2014.

There are no impaired financial assets and there are no financial assets past due but not impaired in the current or prior year.

The company holds no collateral or other credit enhancements to mitigate credit risk.

Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the company does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The company manages liquidity risk with the support of its intermediate parent company, ensuring that the company will have sufficient liquid resources to meet its obligations as they fall due.

Maturities of financial liabilities:

At 31 December 2014	On Demand £000	Up to 3 months £000	3-12 months £000	1-5 years £000	Over 5 years £000	Total £000
Trade and other payables	2,497,032	-	-	-	249,440	2,746,472

At 31 December 2013	On Demand £000	Up to 3 months £000	3-12 months £000	1-5 years £000	Over 5 years £000	Total £000
Trade and other payables	2,298,917	-	-	-	5,171	2,304,088

Market risk

Market risk is the potential for increase in costs or decrease in the value of net assets caused by movements in the levels and prices of financial instruments. The company has no exposure to foreign exchange rate risk, as it has no transactions with overseas customers or suppliers.

Market risk arises as a result of interest rates. Interest rate risk in respect of the group's variable rate external borrowings is managed centrally for the group within the intermediate parent company, Porterbrook Rail Finance Limited. The company does not hold derivative contracts in its own name. As such the group is not materially exposed to changes in interest rates, although net exposures could arise in the company.

The intercompany borrowing from Porterbrook Rail Finance Limited(as disclosed in Note 14) also carry a fixed rate of interest, but this rate can be varied by the lender giving one business days notice.

A 100 basis point increase in the rate payable on the Porterbrook Rail Finance Limited loan would result in an increase in loss before tax of £24,970,000 (2013: £22,989,000) and a decrease in the net assets of £19,602,000 (2013: £17,644,000). A 100 basis point decrease in interest rates would result in a decrease in loss before tax of £24,970,000 (2013: £22,989,000) and an increase in the net assets of £19,602,000 (2013: £17,644,000).

3. Capital management and resources

The company considers its capital to consist of equity attributable to the equity holders of the company, comprising issued share capital and retained earnings as shown on the Balance Sheet. The company's capital is managed on a group basis to ensure that the company can continue as a going concern.

4. Profit from operations

Profit from operations has been arrived at after charging:

	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Auditor's remuneration for audit services (see below)	7	7

The company employed no staff during the year (2013: Nil).

Fees payable to the company's auditor for the audit of the company's annual accounts for the current year is £6,850 (2013: £6,850) and have been borne by the company's immediate parent undertaking Porterbrook Leasing Company Limited, for which no recharge has been made in the current or prior year. Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the Porterbrook Rail Finance Limited consolidated *financial statements are required to disclose such fees on a consolidated basis.*

5. Directors' emoluments

The directors did not receive any emoluments for their services to the company in the current or prior year and no apportionment of directors' remuneration has been made by Porterbrook Leasing Company Limited (2013: £Nil).

6. Investment income

	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Finance lease income receivable from group undertakings	130,614	120,964
Interest receivable from group undertakings	65,336	50,530
	195,950	171,494

7. Finance costs

	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Interest payable to group companies	208,891	182,844

8. Tax

	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Current tax:		
UK corporation tax		
Current year	-	-
Adjustment in respect of prior year	-	(2,582)
Deferred tax (note 9):		
Current year	-	3,396
Prior year	-	2,425
Tax expense for the year	-	3,239

Corporation tax is calculated at 21.5% (2013: 23.25%) of the estimated assessable loss for the year.

The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Loss before taxation	(12,941)	(11,350)
Tax at the UK corporation tax rate of 21% (2012: 23%)	(2,717)	(2,612)
Non taxable expense	2,717	6,008
Adjustment in respect of prior year	-	(157)
Tax charge for the year	-	3,239

9. Deferred tax

Deferred income taxes are calculated on temporary differences under the liability method using the tax rates expected to apply when the liability is settled or the asset is realised. The Finance Act 2013, which provides for a reduction in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and 21% to 20% effective from 1 April 2015, was substantively enacted on 17 July 2013. The impact of the rate reduction is therefore reflected in the prior reporting period. The rate change adjustments below are calculated by reference to the respective forecast closing deferred tax balances.

The following are the major deferred tax assets recognised by the company and the movements thereon during the current and prior reporting year.

	Tax losses £000
At 1 January 2013	5,821
Adjustment in respect of prior period	(2,425)
Charge to income	(3,396)
At 31 December 2013 and 31 December 2014	-

A deferred tax asset was recognised in respect of tax losses as the directors foresaw that the losses would reverse against future taxable profits.

10. Trade and other receivables

	31 Dec 2014 £000	31 Dec 2013 £000
Amounts due from group companies	1,356,973	1,070,998
Less: Amount due for settlement within 12 months (shown under current assets)	-	-
Amount due for settlement after 12 months	1,356,973	1,070,998

The directors consider that the carrying amount of receivables approximates to their fair value.

11. Trade and other payables

	31 Dec 2014 £000	31 Dec 2013 £000
Amounts due to group companies	2,746,472	2,304,088
Less: Amount due for settlement within 12 months (shown under current liabilities)	2,497,032	2,298,917
Amount due for settlement after 12 months	249,440	5,171

The directors consider that the carrying amount of payables approximates to their fair value.

12. Finance lease receivables

	Minimum lease payments		Present value of minimum lease payments	
	31 Dec 2014 £000	31 Dec 2013 £000	31 Dec 2014 £000	31 Dec 2013 £000
Amounts receivable under finance leases:				
Within one year	221,140	215,773	96,267	103,193
In the second to fifth years inclusive	805,663	749,242	375,133	369,235
After five years	2,122,387	1,753,162	1,253,876	1,109,380
	3,149,190	2,718,177	1,725,276	1,581,808
Less: unearned finance income	(1,423,914)	(1,136,369)	n/a	n/a
Present value of minimum lease payments receivable	1,725,276	1,581,808	1,725,276	1,581,808

Analysed as:		
Current finance lease receivables (recoverable within 12 months)	96,267	103,193
Non-current finance lease receivables (recoverable after 12 months)	1,629,009	1,478,615
	1,725,276	1,581,808

The group enters into internal finance leasing arrangements for certain of its rolling stock assets. The average remaining lease term is 12 years (2013: 13 years).

The calculation of the interest rate inherent in the leases reflects the interest rate risk on its intercompany borrowings. The average effective interest rate contracted approximates 7.5% (2013: 7.5%) per annum.

The maximum exposure to credit risk of finance lease receivables for the current and prior year is the carrying amount as the company has no allowance for doubtful debts. No amounts were passed due or impaired at 31 December 2014 (2013: £Nil). The fair value of the finance lease receivables approximates the carrying value above.

13. Share capital

	31 Dec 2014 £000	31 Dec 2013 £000
Authorised:		
379,000,100 ordinary shares of £1 each (2013: 379,000,100)	379,000	379,000
Allotted, called up and fully paid:		
379,000,100 ordinary shares of £1 each (2013: 379,000,100)	379,000	379,000

The company has one class of ordinary shares which carry no rights to fixed income.

14. Related party transactions

The related party disclosures in this note apply to related parties, which comprise the following entities and individuals:

- Parent company.
- Fellow subsidiaries.
- The parent company's key management personnel.
- Close family members of the above.

Trading transactions
During the year the company entered into the following transactions with related parties:

	Income		Expenditure	
	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000	Year ended 31 Dec 2014 £000	Year ended 31 Dec 2013 £000
Porterbrook Rail Finance Limited	-	-	198,114	182,713
Immediate parent company	160,771	155,316	-	-
Subsidiaries and fellow subsidiaries	35,179	16,178	10,777	131

	Amounts owed by related parties		Amounts owed to related parties	
	31 Dec 2014 £000	31 Dec 2013 £000	31 Dec 2014 £000	31 Dec 2013 £000
Porterbrook Rail Finance Limited	-	-	(2,497,032)	(2,298,917)
Immediate parent company	2,577,133	2,416,362	-	-
Subsidiaries and fellow subsidiaries	505,116	236,444	(249,440)	(5,171)

Transactions with the immediate parent company and fellow group undertakings disclosed above relate to intercompany recharges for finance lease income and interest on outstanding intercompany balances. A trading account is maintained between the companies.

Key management personnel
There were no related party transactions during the year (2013: None), or existing at the balance sheet date, with the company's or parent company's key management personnel.

Remuneration of directors and key management personnel
No remuneration was paid to any director or member of key management personnel by the company during the year (2013: £Nil). The total emoluments exclude remuneration received in respect of primary duties as director or member of key management personnel of Porterbrook Leasing Company Limited.

15. Parent undertaking and controlling party

At the year end, the company's immediate parent company was Porterbrook Leasing Company Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking and controlling party is Porterbrook Holdings I Limited (formerly Sodor Holdings I Limited), a company incorporated in England and Wales. Porterbrook Holdings I Limited heads the largest group for which group accounts are drawn up and of which the company is a member. It was incorporated on 06 October 2014 and will prepare its first such set of accounts for a fifteen month period ending 31 December 2015.

Porterbrook Rail Finance Limited, a company incorporated in Jersey, is an intermediate parent undertaking and heads the smallest group for which group accounts are drawn up and of which the company is a member.

Copies of the Porterbrook Rail Finance Limited group accounts, which include the results of the company, are available from Ivatt House, 7 The Point, Pinnacle Way, Pride Park, Derby, DE24 8ZS.