SECTION 172 STATEMENT (continued)

The key stakeholders which are most relevant to the decision making of the Board, include, but are not limited to:

- Suppliers
- Deutsche Bahn AG
- Arriva plc
- The company's subsidiaries
- Local communities in which the company is based.

During the financial year ended 31 December 2022 the directors did not make any principal decisions that impacted the company or its ability to meet the expectations of the company's key stakeholders.

Throughout the last two years, the Arriva group has worked on facilitating a comprehensive review of the Arriva group, called Project Revitalise; a series of programmes aimed at building a stronger, more competitive Arriva group. The object of the project was to ensure that the purpose of the business was clearly promoted, and that the Arriva group's values, strategy and culture were all aligned, and that the Arriva group continued to meet the needs of its customers, clients and society as a whole.

As part of Project Revitalise, the Arriva group embarked on a review of its vision, mission, purpose and strategic plan, which also included a review of the organisational values. This process included using support from an external business partner, and employees from all parts of the Arriva group were engaged. The aim of the process was to build a strategic plan that would provide the Arriva group with both objectives and direction for the next three to five years. This included developing a new set of Values and Behaviours that could be used to help the company effectively execute the Arriva group's strategy.

The directors aim to align with the above values of the Arriva group, and maintain effective relationships with all stakeholders who are critical to the long-term success of the company. The directors consider the Arriva group values when making decisions.

The company is part of the Arriva group, and its ultimate parent company is Deutsche Bahn AG. As a holding company for a number of train operating companies, the implementation of the strategy and policies of the company, including those relating to its relationships with key stakeholders, are managed locally by the Board of the company, who also form the Arriva UK Trains Leadership team. Any major matters of interest are then communicated to the Arriva Management Board (the "AMB"), a subcommittee of the board of Arriva plc. The membership of the AMB includes the Managing Director of the UK Trains division and also a director of the company which facilitates effective two-way engagement between the Board and the AMB and allows for the broader operational implications of any principal decisions to be properly considered by the Board in accordance with Section 172. The directors of the company aim to meet at least once in each financial year.

The company takes payment practice commitments to suppliers seriously and seeks to ensure prompt payment of invoices (in line with Arriva group's defined policies) and a clear process in event of any invoice dispute. The company believes that prompt payment of invoices is key to facilitating a good relationship with suppliers.

Sustainability
The Board considers the impact of the company's operations on the community and environment and the long-term sustainability of the company in their decision making to ensure that it is aligned with the Arriva group's mission to become the leading passenger transport partner across Europe and to accelerate the company's journey to becoming a climate neutral company.

Further information on how the directors have had regard to their duties as a director of the company can be found in the Employee engagement and employee initiatives – pages 5 to 7.

KEY PERFORMANCE INDICATORS

The Management Board of Deutsche Bahn AG manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Arriva UK Trains Limited. The development performance and position of the group, including this company, is discussed in the Deutsche Bahn AG group's Integrated Report which does not form part of this report.

FUTURE DEVELOPMENTS

The company is a wholly owned subsidiary of Deutsche Bahn AG and part of the Arriva group which Deutsche Bahn AG heads.

The company is an investment company with investments in subsidiary companies which are operators of passenger transport services. As an investment company, the company is reliant on dividend income from subsidiaries to meet its operational funding requirements.

After the year end, in June 2023, Grand Central Railway Company Limited issued 100 ordinary A shares of £0.10 nominal value to Arriva UK Trains Limited. The cash consideration paid by Arriva UK Trains Limited in exchange for the shares was £49,999,910.

The company voluntarily participates in a group cash and credit facility pooling arrangement operated by its ultimate parent, Deutsche Bahn AG (‘DB’). This is a long-standing arrangement operated by DB to manage the liquidity needs of DB group companies, and the company has been party to this arrangement for several years. The company has a positive cash pooling balance at the balance sheet date and the directors expect the company’s pooled cash balance to remain positive over the going concern assessment period. Under the arrangement all of the company’s cash and utilised credit facility balances are swept into the group cash pool at the end of each business day.

The company is currently dependent on daily access to its funds in the cash pool for daily access to the cash flows for day-to-day running of the company and to support the going concern assertion. As the provision of and amount of this facility is not formally committed for a specific period of time, and therefore could be withdrawn during the period of 12 months from the date of approval of the financial statements, the directors acknowledge that this indicates the existence of a material uncertainty which may cast significant doubt about the company’s ability to continue as a going concern. However, the directors consider this theoretical risk to be highly improbable, as such action would contradict internal group policies and be inconsistent with past practice. Since inception of the pooling arrangement, the company has never experienced any issue being able to draw upon its cash and available facility balances within the group cash pool to settle its liabilities as they fall due.

In completing their going concern assessment, the directors have also considered the expected impact on the company’s financial position, based on severe but plausible downside scenarios, along with associated management actions, including management of planned dividend income from subsidiaries to mitigate those impacts on the company’s cash position.

The directors have prepared the financial statements on a going concern basis as they have a reasonable expectation that the company will continue to have full and immediate access to its pooled credit facility balances with DB and that management actions over the assessment period will be sufficient to remain within its credit facility limit, such that adequate financing will remain in place and that the company will continue to operate for the foreseeable future.