

**FIRST/KEOLIS HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**Company Registered  
Number: 4113984**

SATURDAY



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COMPANIES HOUSE

# **FIRST/KEOLIS HOLDINGS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2018**

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The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

**Principal activities**

The company is a joint venture between FirstGroup plc. (55%) and Keolis SA (45%).

The company's sole activity is that of a holding company. Its wholly owned subsidiary is First/Keolis Transpennine Holdings Limited which wholly owns First/Keolis Transpennine Limited, a company that ceased to operate intercity passenger railway services in the north of England and into Scotland.

**Business review, future outlook and going concern**

On 1 April 2016, First/Keolis Transpennine Limited, the company's indirect subsidiary, transferred the majority of its operations to a fellow FirstGroup plc subsidiary undertaking, First Transpennine Express Limited and has not traded since that date.

First/Keolis Transpennine Limited continues to close out its contractual obligations and deal with residual issues, which includes the settlement of liabilities and agreement of claims with Network Rail Limited. These activities will continue over the forthcoming period.

As a result of the cessation of trade within the company's ultimate subsidiary, the company's accounts have been prepared on a basis other than going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

The following information relates to First/Keolis Transpennine Limited.

**Key Performance Indicators**

No key performance indicators reported during the year due to the company ceasing its operations.

**Principal risks and uncertainties**

The principal risks and uncertainties are those in relation to the company's ultimate subsidiary First/Keolis Transpennine Limited, as held indirectly via the holding in First/Keolis Transpennine Holdings Limited, and are as follows:

**Financial risk management objectives and policies**

The company's principal financial assets are bank balances. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The company has no significant concentration of credit risk, with exposure spread over a large number of customers. The credit risk on liquid funds is limited because the counterparties are banks.

Approved by the Board of Directors  
And signed on behalf of the board



Andrew M James  
Director

20 December 2018

4th Floor  
Capital House  
25 Chapel Street  
London  
NW1 5DH

The directors have pleasure in submitting their annual report and audited financial statements for the year ended 31 March 2018.

**Results and dividends**

The results for the year are given in the profit and loss account on page 8.

During the year the company declared and paid no final dividends (2017: £26,443,000).

**Directors and their interests**

The directors who held office throughout the year and to date were:

Stephen Montgomery  
Clive Burrows  
Hugh P Clancy  
Alistair J F Gordon  
Andrew M James  
Bernard D M Tabary

None of the directors held any shares in the company at any time during the year or prior year.

There are no contracts or arrangements with the company or any of its fellow group undertakings, other than service contracts, in which any of the directors is materially interested and which is significant in relation to the business of the company or any of its fellow group undertakings taken as a whole.

**Audit information**

Each of the directors at the date of approval of this report confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves 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 provisions of s418 of the Companies Act 2006.

**Auditor**

The company has passed an elective resolution dispensing with the requirement to appoint an auditor annually. Deloitte LLP has indicated its willingness to continue as auditor of the company and is therefore deemed to be re-appointed for a further term.

Approved by the Board of Directors  
and signed by order of the Board



Andrew M James  
Director

20 December 2018

4th Floor Capital House  
25 Chapel Street  
London  
NW1 5DH

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 FIRST/KEOLIS HOLDINGS LIMITED**

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**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of First/Keolis Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Statement of Changes in Equity;
- the Balance Sheet; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST/KEOLIS HOLDINGS LIMITED (CONTINUED)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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 respect of these matters.

### **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 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.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST/KEOLIS HOLDINGS LIMITED (CONTINUED)**

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**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 company and its 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**

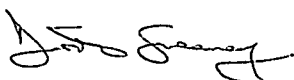
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, 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.

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.



David Sweeney CA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom

20 December 2018

**FIRST/KEOLIS HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2018**

	Note	2018 £000	2017 £000
Income from fixed asset investments	3	-	26,443
<b>Profit before taxation</b>	4	-	26,443
Tax on profit	5	-	-
<b>Profit for the financial year</b>		-	26,443

All activities in the preceding year relate to discontinued operations.

There are no other items of comprehensive income or expense. Accordingly, no separate statement of comprehensive income has been prepared.

**STATEMENT OF CHANGES IN EQUITY**  
**At 31 March 2018**

	Called up share capital £000	Profit and loss account £000	Total £000
<b>Balance at 1 April 2016</b>	-	-	-
Total profit for the financial year	-	26,443	26,443
Dividend payments	-	(26,443)	(26,443)
<b>Balance at 31 March 2017</b>	-	-	-
Total profit for the financial year	-	-	-
<b>Balance at 31 March 2018</b>	-	-	-

**FIRST/KEOLIS HOLDINGS LIMITED**  
**BALANCE SHEET**  
**At 31 March 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Investments	7	-	-
<b>Current assets</b>			
Debtors	8	-	-
		<u>          </u>	<u>          </u>
<b>Net assets</b>		<u>          </u>	<u>          </u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
<b>Shareholders' funds</b>		<u>          </u>	<u>          </u>

These financial statements for First/Keolis Holdings Limited (company number 4113984) were approved by the Board of directors on 20 December 2018 and were signed on its behalf by:



Andrew M James  
 Director

**1 Principal accounting policies**

The following accounting policies have been applied consistently throughout the current and preceding year:

**(a) Basis of preparation and going concern**

First/Keolis Holdings Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The financial statements have been prepared under a historical cost convention and on a basis other than going concern as described in the going concern statement in the Strategic Report on page 1 and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of First/Keolis Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to share-based payments, presentation of a cash-flow statement, financial instruments and key management compensation.

**(b) Investments**

Fixed asset investments are shown at cost impairment provision.

**(c) Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The taxation liability is reduced wholly or in part by the surrender of losses by group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the surrendering undertaking.

The credit for taxation is based on the loss for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is not provided on temporary differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**(d) Investment income**

Income arising from fixed assets investments is recognised in the period the company becomes entitled to the payment.

**2 Employee numbers and costs**

There were no employees in the current or preceding year. No directors' emoluments were paid in either the current or preceding year. Directors' remuneration is borne by other group undertakings.

**3 Income from fixed asset investments**

	2018 £000	2017 £000
Dividend income from shares in subsidiary undertakings	-	<u>26,443</u>

**4 Profit before taxation**

Auditor's remuneration for the current and prior year has been borne by First/Keolis Transpennine Limited and has not been recharged. The directors' estimate the audit fee relating to this company is £2,000 (2017: £2,000).

There were no non-audit fees payable in the year (2017: £nil).

**5 Tax on profit**

The standard rate of taxation for the year, based on the UK standard rate of corporation tax, is 19% (2017: 20%).

**6 Equity dividends**

	2018 £000	2017 £000
Amounts recognised as distributions to equity holders in the year:		
Interim dividends for the year ended 31 March 2018 of £nil (2017: £26,443,000) per ordinary share	-	<u>26,443</u>

**7 Fixed asset investments**

	Subsidiary undertakings (unlisted shares) £
<b>Cost and net book value</b>	
At 1 April 2017 and 31 March 2018	<u>1</u>

The company owns 100% of First/Keolis Transpennine Holdings Limited which is registered in England and Wales, with the company's registered address being 4th Floor Capital House, 25 Chapel Street, London, United Kingdom, NW1 5DH. This is the company's sole investment and all shares held in this subsidiary undertaking are ordinary shares. First/Keolis Transpennine Holdings Limited operates as a holding company.

**8 Debtors**

	2018 £	2017 £
Amounts related to unpaid share capital	<u>99</u>	<u>99</u>

**9 Called up share capital**

	2018 £	2017 £
<b>Authorised</b>		
55 ordinary A shares of £1 each	55	55
45 ordinary B shares of £1 each	<u>45</u>	<u>45</u>
	<u>100</u>	<u>100</u>
<b>Allotted and called up</b>		
55 ordinary A shares of £1 each	55	55
45 ordinary B shares of £1 each	<u>45</u>	<u>45</u>
	<u>100</u>	<u>100</u>

The "A" and "B" shares carry the same rights and privileges and rank *pari passu* in all respects except that no "A" shareholder may appoint or remove a "B" director and no "B" shareholder may appoint or remove an "A" director.

**10 Related party transactions**

The following companies are deemed to be related parties:

FirstGroup plc is deemed to be a related party by virtue of its shareholdings in and ability to control the company.

Dividends for the year of £nil (2017: £14,543,650) were declared and paid to FirstGroup plc during the year.

Keolis (UK) Limited, a wholly owned subsidiary of Keolis SA is deemed to be a related party by virtue of its shareholding and control of the company.

Dividends for the year of £nil (2017: £11,899,350) were declared and paid to Keolis (UK) Limited during the year.

**11 Ultimate and immediate parent company and controlling party**

The ultimate and immediate parent companies are FirstGroup plc, which is incorporated in Great Britain and registered in Scotland, and Keolis (UK) Limited, which is registered in England and Wales.

The ultimate controlling party is FirstGroup plc. The largest and smallest group in which these results are consolidated is FirstGroup plc. Copies of the financial statements of FirstGroup plc can be obtained from the London office of this company at 8<sup>th</sup> Floor, The Point, 37 North Wharf Road, London, W2 1AF. Copies of the financial statements of Keolis (UK) Limited can be obtained from Evergreen Building North, 160 Euston Road, London, NW1 2DX.