

REGISTERED NUMBER: 4651251

CITY LINK (CARDIFF) HOLDINGS LIMITED

ANNUAL REPORT  
FOR THE YEAR ENDED  
31ST DECEMBER 2017



CITY LINK (CARDIFF) HOLDINGS LIMITED

COMPANY INFORMATION

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DIRECTORS

J-P Bonnet  
I D Hudson  
R J Murphy

REGISTERED OFFICE

Astral House  
Imperial Way  
Watford  
Hertfordshire  
WD24 4WW

REGISTERED NUMBER

4651251

AUDITOR

KPMG LLP  
15 Canada Square  
London  
E14 5GL

BANKER

Barclays Bank Plc  
One Churchill Place  
London  
E14 5HP

# CITY LINK (CARDIFF) HOLDINGS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2017

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The Directors submit their report to the members, together with the audited financial statements for the year ended 31st December 2017.

### Principal activity

The principal activity of the Company is that of an investment holding company.

### Results

The profit for the year amounted to £1,018,000 (2016: £921,000).

### Directors

The present Directors of the Company and the directors who served during the year were;

J-P Bonnet

I D Hudson

R J Murphy

### Strategic report exemption

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemptions. Accordingly, no strategic report has been prepared.

### Indemnity provisions

No qualifying third party provision is in force for the benefit of any director of the company.

### Going concern

The creditors balance represents amounts due to its wholly owned subsidiary, City Link (Cardiff) Limited. The loan repayments are made by a non-cash dividend payment, in line with the financial model. The directors (who are directors of both City Link (Cardiff) Holdings Limited and City Link (Cardiff) Limited) have reviewed the financial model which show that the expected cashflows and operating profit for City Link (Cardiff) Limited are due to increase as the project progresses and hence City Link (Cardiff) Holdings Limited will be able to discharge this loan balance through the receipt of dividends in due course. Based on this undertaking the directors believe that it remains appropriate to prepare these financial statements on a going concern basis.

### Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each 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.

### Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### Approval

The Report of the Directors was approved by the Board on 15 June 2018 and signed on its behalf by:



I D Hudson  
Director

Registered Office:  
Astral House  
Imperial Way  
Watford  
Hertfordshire  
WD24 4WW

## CITY LINK (CARDIFF) HOLDINGS LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS'

### REPORT AND THE FINANCIAL STATEMENTS

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The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CITY LINK (CARDIFF) HOLDINGS LIMITED

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#### **Opinion**

We have audited the financial statements of City Link (Cardiff) Holdings Limited ("the company") for the year ended 31<sup>st</sup> December 2017, which comprise the Profit and Loss Account, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITY LINK (CARDIFF) HOLDINGS LIMITED (continued)

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### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**William Meredith (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
15 June 2018

CITY LINK (CARDIFF) HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2017

	Notes	2017 £000	2016 £000
Gross profit		-	-
Interest payable and similar charges	4	(528)	(587)
Income from shares in subsidiary undertakings		1,546	1,508
Profit on ordinary activities before taxation		1,018	921
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	9	1,018	921

All results arise from continuing operations.

A Statement of Other Comprehensive Income has not been prepared as the Company has no Comprehensive Income other than those reported above.

The notes on pages 10 to 14 form an integral part to the financial statements.

## CITY LINK (CARDIFF) HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY

	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance at 1st January 2016	100	1,274	1,374
<b>Total comprehensive income for the period</b>			
Profit	-	921	921
Other comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	921	921
	<hr/>	<hr/>	<hr/>
<b>Balance at 31st December 2016</b>	<b>100</b>	<b>2,195</b>	<b>2,295</b>
	<hr/>	<hr/>	<hr/>
	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance at 1st January 2017	100	2,195	2,295
<b>Total comprehensive income for the period</b>			
Profit	-	1,018	1,018
Other comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	1,018	1,018
	<hr/>	<hr/>	<hr/>
<b>Balance at 31st December 2017</b>	<b>100</b>	<b>3,213</b>	<b>3,313</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 14 form an integral part to the financial statements.



CITY LINK (CARDIFF) HOLDINGS LIMITED

BALANCE SHEET  
AT 31ST DECEMBER 2017

	Notes	2017 £000	2016 £000
<b>Fixed assets</b>			
Investments	6	10,653	10,653
<b>Net assets</b>		10,653	10,653
<b>Creditors: amounts due after one year</b>	7	(7,340)	(8,358)
<b>Net assets</b>		3,313	2,295
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account	9	3,213	2,195
<b>Shareholders' funds</b>	10	3,313	2,295

The notes on pages 10 to 14 form an integral part to the financial statements.

The financial statements were approved by the Board on 15 June 2018 and signed on its behalf by:



I D Hudson  
Director  
Company Registered Number 4651251

CITY LINK (CARDIFF) HOLDINGS LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017 £000	2016 £000
<b>Cash flows from operating activities</b>		
Profit for the year	1,018	921
Adjustments for :		
Financial income	(1,546)	(1,508)
Financial expense	528	587
	<hr/>	<hr/>
<b>Operating cash flows before movements in working capital and provisions</b>	-	-
Decrease in Group Borrowing	(1,018)	(921)
Cash generated from operations		
Interest paid	(528)	(587)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>(1,546)</b>	<b>(1,508)</b>
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Dividends received	1,546	1,508
	<hr/>	<hr/>
<b>Net cash from financing activities</b>	<b>1,546</b>	<b>1,508</b>
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at 1st January	-	-
	<hr/>	<hr/>
<b>Cash and cash equivalent at 31st December</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

The notes on pages 10 to 14 form an integral part to the financial statements.

# CITY LINK (CARDIFF) HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER 2017

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### **1 Accounting Policies**

City Link (Cardiff) Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

#### **Basis of Preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* as issued in August 2014. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Group has not made any measurement and recognition adjustments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

#### **1.1 Measurement Convention**

The financial statements are prepared on the historical cost basis.

#### **1.2 Going Concern**

The directors have adopted the going concern basis in the accounts and consider such basis to be appropriate. In reaching this conclusion they have considered the expected cash inflows and outflows for the company over the remaining life of the project.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

#### **1.3 Basic financial instruments**

##### *Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value for future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

**1.4 Impairment excluding deferred tax assets**

*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**1.5 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

CITY LINK (CARDIFF) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
AT 31ST DECEMBER 2017

2. **Operating profit**

The auditor's remuneration is paid by a subsidiary company without recourse.

3. **Employees**

The Company had no employees during the current or previous year. None of the Directors received remuneration relating to their services as Directors of City Link (Cardiff) Holdings Limited during the current or previous year.

4. **Net interest payable**

	2017 £000	2016 £000
Interest on amounts due to group undertakings	528	587
	<u>528</u>	<u>587</u>

5. **Tax on profit on ordinary activities**

	2017 £000	2016 £000
Current tax reconciliation		
Profit on ordinary activities before taxation	1,018	921
	<u>1,018</u>	<u>921</u>
Theoretical tax at UK corporation tax rate 19.25% (2016: 20%)	196	184
Effects of:		
Income not chargeable to corporation tax	(298)	(301)
Group relief	102	117
	<u>-</u>	<u>-</u>

The company has an unrecognised deferred tax asset on losses of £318,000 (2016: £318,000). A deferred tax asset has not been recognised in respect of these losses as the directors cannot reasonably foresee the company making taxable profits. The unrecognised deferred tax asset has been calculated at the standard rate of 17% (2016: 19%).

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on these rates.

CITY LINK (CARDIFF) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)  
AT 31ST DECEMBER 2017

6. Investments

	Shares £000
Cost :	
At 1st January 2017 and 31st December 2017	10,653
Amounts written off :	
At 1st January 2017 and 31st December 2017	-
Net book value :	
At 31st December 2017	10,653
At 31st December 2016	10,653

The investment at 31st December 2017 and 31st December 2016 represents 100% of the issued share capital of City Link (Cardiff) Limited.

City Link (Cardiff) Limited was incorporated in Great Britain and is registered in England.

7. Creditors: amounts falling due after one year

	2017 £000	2016 £000
Due to group undertakings	7,340	8,358

The amounts due to group undertakings represents a loan due to City Link (Cardiff) Limited. The loan repayments are made by a non-cash dividend payment, in line with the financial model. Interest is accruing on the loan at a rate of 6.5% per annum as per the loan agreement.

8. Share capital

	Allotted, called up and fully paid	
	2017 £000	2016 £000
100,000 (2016: 100,000) ordinary shares of £1 each	100	100

CITY LINK (CARDIFF) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)  
AT 31ST DECEMBER 2017

9. Reserves

	Profit and loss account £000
At 1st January 2017	2,195
Profit for the year	1,018
At 31st December 2017	3,213

10. Reconciliation of movement in shareholders' funds

	2017 £000	2016 £000
Profit for the year	1,018	921
Increase in shareholders' funds	1,018	921
Opening shareholders' funds	2,295	1,374
Closing shareholders' funds	3,313	2,295

11. Related party transactions

City Link (Cardiff) Limited, the company's subsidiary, has a loan balance of £7,340,000 (2016: £8,358,000) with the Company (see note 7).

12. Ultimate parent company

The Company is a wholly owned subsidiary of VINCI Pensions Limited, the corporate trustee of the VINCI PLC Pension Fund. The address from which the financial statements can be obtained is; Ditton Road, Widnes, Cheshire, WA8 0PG.