

REGISTERED NUMBER: 4651251

CITY LINK (CARDIFF) HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2021



CITY LINK (CARDIFF) HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

I D Hudson
R J Murphy

REGISTERED OFFICE

Astral House
Imperial Way
Watford
Hertfordshire
WD24 4WW

REGISTERED NUMBER

4651251

AUDITOR

RSM UK Audit LLP
Third Floor
Priory Place
New London Road
Chelmsford
Essex
CM2 0PP

BANKER

Barclays Bank Plc
One Churchill Place
London
E14 5HP

CITY LINK (CARDIFF) HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2021

The Directors submit their report to the members, together with the audited financial statements for the year ended 31st December 2021.

Principal activity

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

Results

The profit for the year amounted to £904,000 (2020: £2,375,000). Dividends of £1,115,000 were paid during the year (2020: £nil) in respect of the year ended 31st December 2021. The directors do not propose the payment of a final dividend.

Directors

The present Directors of the Company who served during the year and through to the date of this report are set out on Page 1.

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

During the year, a qualifying third-party indemnity provision was in place for the benefit of the Directors provided by VINCI Plc. These provisions remain in force at the reporting date.

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 shows 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.

The directors are satisfied that the subcontractor of the company's subsidiary has appropriate business continuity measures in place and is supported by a financially sound parent company.

Since the pandemic was declared in March 2020, all contractual cash flows, as forecast in the underlying project financial model, have been maintained and this is expected to continue for at least 12 months from the date of approval of these financial statements. Accordingly, the directors are satisfied the going concern basis of preparation remains appropriate.

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 RSM UK Audit LLP will therefore continue in office.

Approval

The Report of the Directors was approved by the Board on 29 June 2022 and signed on its behalf by:



I D Hudson
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS'
REPORT AND THE FINANCIAL STATEMENTS

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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;
- 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 regularities.

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF CITY LINK (CARDIFF) HOLDINGS LIMITED

Opinion

We have audited the financial statements of City Link (Cardiff) Holdings Ltd for the year ended 31 December 2021 which comprise the Profit and Loss Account and Statement of Other Comprehensive Income, Statement of Changes in Equity, Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" United Kingdom Generally Accepted Accounting Practice.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our 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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibility 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, 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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

INDEPENDENT AUDITORS REPORT

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

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and testing a sample of direct and indirect submissions and settlements to ensure such submissions were made in line with statutory deadlines and reporting requirements.

We have not identified any significant indirect laws and regulations critical to the company's operations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied across the 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: <http://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.

N. C. CATTINI

Nicholas Cattini (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

Third Floor, Priory Place

New London Road

Chelmsford

Essex

CM2 0PP

29 June 2022

CITY LINK (CARDIFF) HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	2021 £000	2020 £000
Operating result		-	-
Interest payable and similar charges	4	(211)	(278)
Income from shares in subsidiary undertakings		1,115	2,653
Profit before taxation		904	2,375
Tax	5	-	-
Profit for the financial year	9	904	2,375

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 2020	100	4,605	4,705
Total comprehensive income for the period			
Profit	-	2,375	2,375
Other comprehensive income for the period	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	-	2,375	2,375
	<u>-</u>	<u>2,375</u>	<u>2,375</u>
Balance at 31st December 2020	100	6,980	7,080
	<u>100</u>	<u>6,980</u>	<u>7,080</u>
	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance at 1st January 2021	100	6,980	7,080
Total comprehensive income for the period			
Profit	-	904	904
Other comprehensive income for the period	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	-	904	904
	<u>-</u>	<u>904</u>	<u>904</u>
Dividend Paid		(1,115)	(1,115)
	<u></u>	<u>(1,115)</u>	<u>(1,115)</u>
Balance at 31st December 2021	100	6,769	6,869
	<u>100</u>	<u>6,769</u>	<u>6,869</u>

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 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Investments	6	10,653	10,653
Net current assets		-	-
Total assets		10,653	10,653
Creditors: amounts due after one year	7	(3,784)	(3,574)
Net assets		6,869	7,080
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	6,769	6,980
Shareholders' funds	10	6,869	7,080

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

The financial statements have been prepared in accordance with the provisions applicable to companies eligible for the small companies' regime.

The financial statements were approved by the Board on 29 June 2022 and signed on its behalf by:


I D Hudson

Director

Company Registered Number 4651251

1 Accounting Policies

City Link (Cardiff) Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. A description of the nature of the company's activities can be found in the Directors' Report.

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")* and the Companies Act 2006 as applicable to companies subject to the small companies' regime. The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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 directors are satisfied that even with the ongoing COVID-19 pandemic the subcontractor of the company's subsidiary has appropriate business continuity measures in place and is supported by a financially sound parent company. Since the pandemic was declared in March 2020, all contractual cash flows, as forecast in the underlying project financial model, have been maintained and this is expected to continue for at least 12 months from the date of approval of these financial statements. Accordingly, the directors are satisfied the going concern basis of preparation remains appropriate.

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.

1.6 Judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The directors have considered the interest rates applied to the company's unsecured debt instruments and consider these to be at a market rate of interest.

CITY LINK (CARDIFF) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31ST DECEMBER 2021**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, who are considered to be Key Management Personnel, received remuneration relating to their services as directors of City Link (Cardiff) Holdings Limited during the current or previous year. No amounts were paid to third parties for directors' services in either the current or preceding year.

4. Net interest payable

	2021 £000	2020 £000
Interest on amounts due to group undertakings	211	278
	<u>211</u>	<u>278</u>

5. Tax on profit on ordinary activities

	2021 £000	2020 £000
Current tax reconciliation		
Profit on ordinary activities before taxation	904	2,375
	<u>904</u>	<u>2,375</u>
Theoretical tax at UK corporation tax rate 19% (2020: 19%)	171	452
Effects of:		
Income not chargeable to corporation tax	(211)	(505)
Group Relief	40	53
Tax expense	(171)	(452)

The company has an unrecognised deferred tax asset on losses of £374,000 (2020: £284,000).

A deferred tax asset has not been recognized 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 25% (2020: 19%).

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24th May 2021. The deferred tax asset at 31 December 2021 has been calculated based on this rate

CITY LINK (CARDIFF) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
AT 31ST DECEMBER 2021

6. Investments

	Shares £000
Cost:	
At 1st January 2021 and 31st December 2021	10,653
Amounts written off:	
At 1st January 2021 and 31st December 2021	-
Net book value:	
At 31 st December 2020	<u>10,653</u>
At 31 st December 2021	<u>10,653</u>

The investment at 31st December 2021 and 31st December 2020 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. Its registered office is Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW.

7. Creditors:		
amounts falling due after one year	2021 £000	2020 £000
Due to group undertakings	3,784	3,574

The amounts due to group undertakings represents an unsecured 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	
	2021 £000	2020 £000
100,000 (2020: 100,000) ordinary shares of £1 each	100	100

9. Profit and loss account reserve

The profit and loss reserve contains the cumulative retained earnings carried forward less distributions to owners.

10. Reconciliation of movement in shareholders' funds

	2021 £000	2020 £000
Profit for the year	904	2,375
Increase in shareholders' funds	904	2,375
Dividends Paid	(1,115)	-
Opening shareholders' funds	7,080	4,705
Closing shareholders' funds	6,869	7,080

11. Related party transactions

City Link (Cardiff) Limited, the company's subsidiary, has a loan balance of £3,784,000 (2020: £3,574,000) with the Company (see note 7). Interest payable on the loan by the Company in the year was £211,000 (2020: £278,000). Repayment of the loan by the Company's subsidiary through receipt of non-cash dividends received in the year totalled £nil (2020: £2,653,000). A cash dividend was paid by the company of £1,115,000 during the year (2020: £nil).

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.

The directors are of the opinion there is no sole controlling party.