

**Company Registration No. 6714713**

**Connect Plus (M25) Intermediate Limited**

**Annual Report and Financial Statements**

**31 March 2019**



**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Annual Report and Financial Statements**  
**For the year ended 31 March 2019**

<b>Contents</b>	<b>Page</b>
Strategic report	3
Directors' report	4
Directors' responsibilities statement	6
Independent auditor's report	7
Statement of Comprehensive Income	9
Company Statement of Financial Position	10
Company Statement of Cashflows	11
Company Statement of Changes in Equity	12
Notes to the financial statements	13

# **Connect Plus (M25) Intermediate Limited**

## **Company Registration No. 6714713**

### **Strategic report**

The directors, in preparing this Strategic Report, have complied with section 414c of the Companies Act 2006.

#### **Principal activity**

Connect Plus (M25) Intermediate Limited is incorporated in the United Kingdom, registered in England and Wales and domiciled in the United Kingdom. The company is a financing company whose sole business is lending to Connect Plus (M25) Limited, an associated undertaking.

On 20 May 2009 Connect Plus (M25) Limited entered into a Private Finance Initiative contract with the Highways England to upgrade and maintain the M25 motorway for 30 years. The construction of this initial upgrade was completed in July 2012. On 21 December 2012 Highways England commissioned a further 45km of road widening on the M25 under the existing agreement and construction was completed in March 2015.

No change in the company's activities is anticipated.

#### **Review of the business**

Connect Plus (M25) Limited has performed well financially and costs have been in line with the base case projections prepared in 2009 after adjusting for inflation. As a consequence, Connect Plus (M25) Intermediate Limited is performing in line with its own base case projections.

The company recorded a profit for the year after taxation of £nil (2018: £nil). The directors do not propose to declare a dividend in respect of the year ended 31 March 2019 (2018: £nil).

#### **Key performance indicators**

Connect Plus (M25) Intermediate Ltd has made a loan to Connect Plus (M25) Limited. The Key Performance Indicator to monitor is Connect Plus M25 Limited's ability to service this loan. Connect Plus (M25) Limited is meeting the key operational requirements of the PFI contract and Highways England and also operating within the required parameters of external lenders and accordingly, the directors are confident that key performance targets are being met.

#### **Principal risks**

Meeting the commitments to Highways England and delivering a safe and efficient service are critical to the group's success. Identifying, anticipating and managing operational risks are key to meeting these objectives.

The Directors have considered the potential consequences to the Group of the United Kingdom leaving the European Union and, as at the date of signing this report, do not anticipate that this will have a significant impact on the Group. This is primarily because the Group's contractual agreements, including those which cover its financing, are unlikely to be affected.

This report was approved by the board on 27<sup>th</sup> September 2019 and signed on its behalf.



Alastair Campbell  
Company Secretary  
Connect Plus House  
St Albans Road  
South Mimms  
Hertfordshire  
EN6 3NP

# **Connect Plus (M25) Intermediate Limited**

## **Company Registration No. 6714713**

### **Directors' report**

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2019. The directors expect the general level of operating activity to continue at current levels. There have been no changes to the company's operating activities in the year under review and none are currently contemplated. The Directors' report has been prepared in accordance with the provisions relating to small companies.

The following information has been disclosed in the Strategic Report:

- Principal activities and review of the business
- Key performance indicators

#### **Going concern**

The company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the company has adequate resources to continue in operational existence for the foreseeable future. Connect Plus (M25) Limited is meeting the key operational requirements of the PFI contract and Highways England and also operating within the required parameters of lenders. As a consequence the company continues to adopt the going concern basis in preparing the financial statements, as the company's sole activity is lending to Connect Plus (M25) Limited.

#### **Share capital**

The issued share capital at 31 March 2019 was £100 (2018: £100), which consisted of 100 ordinary shares of £1 each.

#### **Profit and dividends**

The company recorded a profit for the year after taxation of £nil (2018: £nil). The directors do not propose to declare a dividend in respect of the year ended 31 March 2019 (2018: £nil).

#### **Financial risk management**

The company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, credit risk and liquidity risk. Due to the nature of the company's activities and the assets contained within the company's balance sheet, the only financial risks the directors consider relevant to the company is liquidity risk arising from non-payment of its loan counter-party Connect Plus (M25) Limited. Both the liquidity and credit risk are mitigated by Connect Plus (M25) Limited having both financial reserves to cover its obligations and a successful track record as a PFI contract operator.

#### **Contractual relationships**

The company operates within a contractual relationship with its associated entity Connect Plus (M25) Limited. Connect Plus (M25) Limited operates a PFI contract with Highways England. A significant impairment of Connect Plus (M25) Limited's contractual relationship with Highways England relationship could have a detrimental effect on the company's results. To manage this risk the company's directors has regular meetings with the Highways England representatives including discussions on performance, project progress, future plans and customer requirements.

#### **Directors' indemnities**

The company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Directors' report (continued)**

**Directors and their interests**

The following persons were directors of the company throughout the year, except where noted:

A Benhatta  
A Campbell  
A Dean  
J Guyett  
D Hughes (resigned 6 August 2018)  
R Knight  
D McDonagh (resigned 19 November 2018)  
C Richardson (resigned 9 April 2018)  
B Walker  
P Bentley (appointed 9 April 2018)  
S Athanassiou (appointed 11 September 2018)  
B Millsom (appointed 19 November 2018)  
P Skerman (appointed 21 February 2019)  
J Gordon (appointed 21 February 2019)  
S Worthy (appointed 21 February 2019)

None of the directors held any interest in the company's shares during the year.

**Provision of information to auditor**

Each of the persons who is a director at the date of approval of this report 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 the steps that he ought to have taken as a director in order 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 provisions of Section 418 of the Companies Act 2006.

This report was approved by the board on 27<sup>th</sup> Sept 2019 and signed on its behalf



Alastair Campbell  
Company Secretary  
Connect Plus House  
St Albans Road  
South Mimms  
Hertfordshire  
EN6 3NP

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

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

The directors are responsible for preparing the Strategic Report, 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 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;
- 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.

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNECT PLUS (M25) INTERMEDIATE LIMITED**

**Opinion**

We have audited the financial statements of Connect Plus (M25) Intermediate Limited ("the company") for the year ended 31 March 2019 which comprise the Company Statement of Comprehensive Income, the Company Statement of Financial Position, the Company Statement of Changes in Equity, the Company Statement of Cash flows 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 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including 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**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**Strategic report and directors' report**

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

## **Connect Plus (M25) Intermediate Limited**

### **Company Registration No. 6714713**

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.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, 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.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **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.



**Tom Eve (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

27 September 2019



**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Statement of Comprehensive Income**  
**For the year ended 31 March 2019**

	Notes	2019 £'000	2018 £'000
<b>Operating result</b>	3	-	-
Interest receivable and similar income	4	24,185	25,214
Interest payable and similar expenses	5	(24,185)	(25,214)
<b>Result before taxation</b>		-	-
Tax on profit	6	-	-
<b>Result after taxation for the financial year</b>		-	-
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		-	-

All activities are from continuing operations in the United Kingdom. The notes on pages 13 to 18 form part of these financial statements.

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Company Statement of Financial Position**  
**31 March 2019**

	Notes	2019 £'000	2018 £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	13,872	25,894
Debtors: amounts falling due after more than one year	8	187,449	204,445
Cash at bank and in hand		-	-
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	9	201,321 (13,872)	230,339 (25,894)
		<hr/>	<hr/>
<b>Net current assets (including £187,449k (2018: £204,445k) due after one year)</b>		187,449	204,445
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	10	(187,449)	(204,445)
		<hr/>	<hr/>
<b>Net assets</b>		-	-
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account		-	-
		<hr/>	<hr/>
<b>Shareholders' funds</b>		-	-
		<hr/>	<hr/>

The notes on pages 13 to 18 form part of these financial statements.

The financial statements of Connect Plus (M25) Intermediate Limited, company registration number 6714713 were approved by the Board of Directors on **27 Sept** 2019 and signed on its behalf by:

*A Campbell*

A Campbell  
 Company Secretary and Director

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Company Statement of Cashflows**  
**For the year ended 31 March 2019**

	2019 £'000	2018 £'000
<b>Net cash flow from operating activities</b>	-	-
<b>Investing activities</b>		
Interest received	38,393	14,670
Loan repayments from associated undertaking	5,838	-
<b>Net cash flows from investing activities</b>	44,231	14,670
<b>Financing activities</b>		
Interest paid	(38,393)	(14,670)
Loans repaid to associated undertakings	(5,838)	-
<b>Net cash flows from financing activities</b>	(44,231)	(14,670)
Net increase in cash	-	-
Cash and cash equivalents at beginning of year	-	-
<b>Cash and cash equivalents at end of year</b>	-	-
<b>Reconciliation to cash at bank and in hand</b>		
Cash at bank and in hand	-	-
Cash equivalents	-	-
<b>Cash and cash equivalents</b>	-	-

The notes on pages 13 to 18 form part of these financial statements.

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Company Statement of Changes in Equity**  
**For the year ended 31 March 2019**

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>At 31 March 2017</b>	-	-	-
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Dividends paid on equity shares	-	-	-
<b>At 31 March 2018</b>	-	-	-
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Dividends paid on equity shares	-	-	-
<b>At 31 March 2019</b>	-	-	-

The notes on pages 13 to 18 form part of these financial statements.

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2019**

**1. Accounting policies**

A summary of the principal accounting policies of the company, all of which have been applied consistently during the year and where relevant the preceding period, is set out below:

**a) General information and basis of accounting**

Connect Plus (M25) Intermediate Limited is a company incorporated in the Great Britain under the Companies Act. The address of the registered office is in the Directors Report. The nature of the company's operations and its principal activities are set out in the Directors Report.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. They include the results of the activities described in the Strategic report all of which are continuing.

**b) Financial instruments**

Trade and loan receivables - applicable before 1 April 2018

Trade and loan receivables, including time deposits and demand deposits, are initially recognised at fair value and subsequently measured at amortised cost, less any appropriate allowances for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected. Indications that the trade or loan receivable may become irrecoverable would include financial difficulties of the debtor, likelihood of the debtor's insolvency, and default or significant failure of payment.

Within the FRS 102 framework, the Group adopts the provisions of IFRS 9 to measure and recognise financial instruments.

Trade and loan receivables - applicable after 1 April 2018

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'amortised cost'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

Borrowings, which include fixed interest-bearing debt, are recorded at their carrying value which reflects the proceeds received, net of direct issue costs. Derivative financial instruments are recorded at fair value, and where the fair value of a derivative is positive, it is carried as a derivative asset and, where negative, as a derivative liability. Gains and losses arising from the changes in fair value are included in other comprehensive income in the period they arise.

**c) Impairment of financial assets**

Impairments of assets are calculated as the difference between the carrying value of the asset and its recoverable amount, if lower. Where such an asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which that asset belongs is estimated. Recoverable amount is defined as the higher of fair value less costs to sell and estimated value in use at the

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2019**

date the impairment review is undertaken. Value in use represents the present value of expected future cash flows, discounted using a pre-tax discount rate that reflects current market assessments of the time, value of money, and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Tests for impairment are carried out only if there is some indication that the carrying value of the assets may have been impaired. Impairments are recognised in the Income Statement and, where material, are disclosed separately.

**d) Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the obligation specified in the contract is discharged, cancelled, or expires.

**e) Taxation**

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

Deferred tax is recognised in full in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Per the Change in Accounting Practice (COAP) Regulations (SI 2004/3271) all transitional FRS 102 tax adjustments are spread over 10 years (through deferred tax).

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

**f) Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and the Directors' report.

The directors have reviewed the company's supply chain and do not believe that any specific risk has been identified. The directors have also considered the ability of the Secretary of State for Transport to meet their payment obligations for the M25 PFI contract and do not consider this to be a material risk. The company's forecasts and projections, taking account of reasonably possible counterparty performance, show the company expects to be able to continue to operate for the full term of the concession. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence.

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2019**

**2 Critical accounting judgements and key sources of estimation uncertainty**

The directors consider there to be no critical judgements, apart from those involving estimations which are dealt with separately below.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

The carrying value of the shareholder loans are based on calculations of the effective interest rate on the loan, calibrated using the projected payments or receipts over the life of the loan.

**3. Operating profit**

	2019 £'000	2018 £'000
Operating profit is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	1	1

Amounts payable to KPMG LLP by the Company in respect of non audit services were £nil (2017: £nil).

All audit costs are borne by Connect Plus (M25) Limited.

The directors received immaterial salary, fees or other benefits in the performance of their duties in respect of their services to the company in the year (2018: £nil). The company has no employees.

**4. Interest receivable and similar income**

	2019 £'000	2018 £'000
Interest received on loans to associated undertakings (note 14)	24,185	25,214

**5. Interest payable and similar charges**

	2019 £'000	2018 £'000
Interest payable on loans from associated undertakings (note 14)	24,185	25,214

There was no interest capitalised in the current year (2018: £nil).

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2019**

**6. Tax**

**Tax on profit**

2019	2018
£'000	£'000

The tax charge is based on the results for the year and comprises:

Current tax

UK corporation tax charge at 19% (2018: 19%)

-	-
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**Total tax on profit**

-	-
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A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions 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.

**7. Debtors: amounts falling due within one year**

2019	2018
£'000	£'000

Loans to associated undertaking (note 11)

2,186	-
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Accrued interest income

11,686	25,894
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13,872	25,894
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**8. Debtors: amounts falling due after one year**

2019	2018
£'000	£'000

Loans to associated undertaking (note 11)

187,449	204,445
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The terms of these loans on interest and repayment are equivalent in all regards to the terms the company borrows money from its shareholders (note 11).

**9. Creditors: amounts falling due within one year**

2019	2018
£'000	£'000

Loans from associated undertakings (note 11)

2,186	-
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Accruals

11,686	25,894
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13,872	25,894
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**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2019**

**10. Creditors: amounts falling due after one year**

	2019 £'000	2018 £'000
Loans from associated undertakings (note 11)	187,449	204,445

**11. Loans**

The company has received loans from associated entities as disclosed in note 14. The loans bear interest at a fixed rate of 12%. The borrowings are repayable as follows:

	2019 £'000	2018 Restated £'000
Repayable within one year	2,186	-
Repayable between one and two years	2,662	-
Repayable between two and five years	10,128	-
Repayable after five years	174,659	204,445
	<u>189,635</u>	<u>204,445</u>

**12. Financial Instruments**

The company has the following financial instruments:

	2019 £'000	2018 £'000
Financial assets that are debt instruments measured at amortised costs:		
- Accrued loanstock interest	11,686	25,894
- Amounts owed by associated undertakings	189,635	204,445
	<u>201,321</u>	<u>230,339</u>
Financial liabilities measured at amortised cost		
- Accrued loanstock interest	11,686	25,894
- Amounts owed to associated undertakings	189,635	204,445
	<u>201,321</u>	<u>230,339</u>

**13. Called up share capital**

	2019 £	2018 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

**Connect Plus (M25) Intermediate Limited**  
**Company Registration No. 6714713**

**Notes to the financial statements (continued)**  
**For the year ended 31 March 2019**

**14. Related party transactions**

The company has accepted loans from associated entities and has onward lent the funds received on equivalent terms to Connect Plus M25 Limited.

The total loans from associated entities as of 31 March 2019 were £19.0m (2018: £19.5m) from Egis Investment Partners S.C.A, £75.9m (2018: £78.2m) from Edge Orbital Holdings Ltd, £19.0m (2018: £19.5m) from Edge Orbital Holdings 2 Ltd and £75.9m (2018: £78.2m) from BBDE Orbital Holdings LLP. In addition as of 31 March 2019 the company had unpaid accrued interest on these loan balances of £0.9m (2018: £2.6m) due to Egis Investment Partners S.C.A, £3.5m (2018: £10.4m) to Edge Orbital Holdings Ltd, £0.9m (2018: £2.6m) to Edge Orbital Holdings 2 Ltd and £3.5m (2018: £10.4m) to BBDE Orbital Holdings LLP. The total interest payable on these loans during the year was a credit of £2.4m (2018: £2.5m) to Egis Investment Partners S.C.A and £9.6m (2018: £10.0m) to Edge Orbital Holdings LLP, £2.4m (2018: £2.5m) to Edge Orbital Holdings 2 Ltd and £9.6m (2018: £10.2m) to BBDE Orbital Holdings LLP.

The company received interest of £24.2m (2018: £25.2m) on loans made to Connect Plus (M25) Limited. As of 31 March 2019 the balance of loans owing from Connect Plus (M25) Limited was £189.6m (2018: £195.5m). As of 31 March 2019 £11.7m (2018: £25.9m) of accrued interest receivable from Connect Plus (M25) Limited from this loan was included in other debtors and prepayments.

All of the companies mentioned above are associates of the controlling parties identified in note 15.

**15. Controlling parties**

The ultimate controlling parties are, Equitix Ltd, Dalmore Capital Ltd, Grosvenor Capital Management LP, Balfour Beatty Plc. and Egis Projects SA, with interests in the ratio 37.5:20:17.5:15:10 respectively.