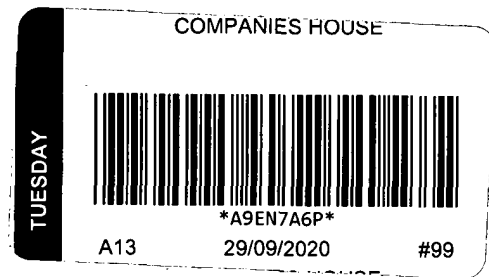


Registration number: 7281892

# CKI Number 3 Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020



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**COMPANY INFORMATION**

**Directors**                    Andrew John Hunter  
                                      Edmond Tak Chuen Ip  
                                      Basil Scarsella  
                                      Duncan Nicholas Macrae  
                                      Hing Lam Kam

**Company Secretary** Andrew Pace

**Registered office**        Newington House  
                                      237 Southwark Bridge Road  
                                      London  
                                      SE1 6NP  
                                      United Kingdom

**Auditor**                     Deloitte LLP  
                                      Statutory Auditor  
                                      1 New Street Square  
                                      London  
                                      EC4A 3HQ  
                                      United Kingdom

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Directors present their Strategic Report for the year ended 31 March 2020.

### Principal activity

CKI Number 3 Limited (the "Company") is an investment holding company. The Company's investments are listed in note 9.

### Review of the business

The Company's only source of income is dividend income from a subsidiary and an associate undertaking which is used to fund dividend and interest payments to parent companies.

The results for the year amounted to a profit before taxation of £91,290,000 (2019: £64,788,000) and a profit after taxation of £97,137,000 (2019: £70,606,000).

Dividends of £97,200,000 (2019: £73,600,000) were paid during the year.

### Principal risks and uncertainties

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the Directors consider liquidity risk to be the principal risk.

The Company is funded by an unsecured shareholder loan due for repayment in 2030 and accruing interest at a fixed rate of 9.95% per annum. The key financial risk to the Company is that the dividend income from its investments is not sufficient to service the interest payments on the shareholder loan. This risk is mitigated by the strong financial standing of subsidiaries and associates which are the source of income for the Company. In addition, detailed long-term cash flow forecasting provides comfort that the Company will be able to meet its obligations as they fall due.

### Future developments

The Directors expect the Company to maintain a consistent level of performance in the future.

The COVID-19 outbreak may continue to result in a significant economic slowdown, if not recession, in the months ahead and there is uncertainty in predicting the extent and duration of the effects of the pandemic on the business. The Directors expect the disruption to be temporary without material effect on the future financial position and prospects of the Company.

**STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020**

**Going concern**

The ongoing COVID-19 pandemic and related disruption is not expected to have a material effect on the Company's financial position and prospects. The Company's forecasts and projections, taking into account reasonably possible changes in trading performance including having considered the impacts of COVID-19, show that the Company has adequate resources to meet its obligations as they fall due in the twelve month period following the approval of these financial statements and to continue operating for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 21 September 2020 and signed on its behalf by:



Basil Scarsella  
**Director**

Newington House  
237 Southwark Bridge Road  
London  
SE1 6NP  
United Kingdom

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

The Directors present their Annual Report including the Audited Financial Statements of the Company for the year ended 31 March 2020. Details of the Company's risk management objectives and policies, future developments and going concern are included in the Strategic Report and form part of this report by cross reference.

**Political contributions**

The Company made no political donations in the current or prior year.

**Directors of the Company**

The Directors who held office during the year were as follows:

Andrew John Hunter

Edmond Tak Chuen Ip

Basil Scarsella

Duncan Nicholas Macrae

Hing Lam Kam

None of the Directors had a service contract with the Company in the current or prior year.

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Disclosure of information to Auditor**

Each of the persons who is a director of the Company at the date of approval of this Annual 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 they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

Deloitte LLP have expressed their willingness to continue in office as Auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 21 September 2020 and signed on its behalf by:



Basil Scarsella  
Director

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors acknowledge their responsibilities 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). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 CKI NUMBER 3 LIMITED**

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

**Opinion**

In our opinion the financial statements of CKI Number 3 Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit 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 Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 15 including a summary of significant accounting policies.

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 Financial Reporting Council's (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 the 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 CKI NUMBER 3 LIMITED**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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 this regard.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CKI NUMBER 3 LIMITED**

**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.



.....  
**Makhan Chahal (Senior Statutory Auditor)**  
For and on behalf of Deloitte LLP  
Statutory Auditor

London  
United Kingdom

21 September 2020

**CKI NUMBER 3 LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £ 000	2019 £ 000
Income from fixed asset investments	6	122,151	95,600
Interest payable and similar charges	7	<u>(30,861)</u>	<u>(30,812)</u>
<b>Profit before tax</b>		<b>91,290</b>	<b>64,788</b>
Taxation	8	<u>5,847</u>	<u>5,818</u>
<b>Profit for the year</b>		<b><u>97,137</u></b>	<b><u>70,606</u></b>

The above results were derived from continuing operations.

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £ 000	2019 £ 000
<b>Profit for the year</b>	<u>97,137</u>	<u>70,606</u>
<b>Total comprehensive income for the year</b>	<b><u>97,137</u></b>	<b><u>70,606</u></b>

The notes on pages 12 to 19 form an integral part of these financial statements.

**CKI NUMBER 3 LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2020**

	Note	2020 £ 000	2019 £ 000
<b>Fixed assets</b>			
Investments	9	1,020,872	1,020,872
<b>Current assets</b>			
Debtors falling due within one year	10	13,302	13,343
<b>Creditors: Amounts falling due within one year</b>	11	<u>(17,310)</u>	<u>(17,288)</u>
<b>Net current liabilities</b>		<u>(4,008)</u>	<u>(3,945)</u>
<b>Total assets less current liabilities</b>		1,016,864	1,016,927
<b>Creditors: Amounts falling due after more than one year</b>	11	<u>(309,672)</u>	<u>(309,672)</u>
<b>Net assets</b>		<u>707,192</u>	<u>707,255</u>
<b>Capital and reserves</b>			
Called up share capital	12	272,000	272,000
Share premium account	12	439,200	439,200
Profit and loss account	12	<u>(4,008)</u>	<u>(3,945)</u>
<b>Total shareholders' funds</b>		<u>707,192</u>	<u>707,255</u>

The financial statements of CKI Number 3 Limited, registered number 7281892, were approved by the Board of Directors and authorised for issue on 21 September 2020. They were signed on its behalf by:



Basil Scarsella  
Director

The notes on pages 12 to 19 form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2018	272,000	439,200	(951)	710,249
Profit for the year	-	-	70,606	70,606
Total comprehensive income	-	-	70,606	70,606
Dividends	-	-	(73,600)	(73,600)
At 31 March 2019	272,000	439,200	(3,945)	707,255

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2019	272,000	439,200	(3,945)	707,255
Profit for the year	-	-	97,137	97,137
Total comprehensive income	-	-	97,137	97,137
Dividends	-	-	(97,200)	(97,200)
At 31 March 2020	272,000	439,200	(4,008)	707,192

The notes on pages 12 to 19 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**1 General information**

CKI Number 3 Limited (the "Company") is incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The principal activities of the company and the nature of the Company's operations are set out in the Strategic Report on page 2.

The address of its registered office is:

Newington House  
237 Southwark Bridge Road  
London  
SE1 6NP  
United Kingdom

**2 Accounting policies**

The principal accounting policies adopted by the Company are set out below. They have all been applied consistently throughout the current and prior year.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council (FRC). The functional currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has taken advantage of certain exemptions in its financial statements on the basis that it meets the definition of a "qualifying entity" under FRS 102 being:

"a member of a group where the parent of that Group (UK Power Networks Holdings Limited) prepares publicly available consolidated financial statements which are intended to give a true and fair view and the member (the Company) is included in the consolidation".

The Company has therefore taken the exemption not to present a cash flow statement and not to disclose related party transactions with other wholly owned members of the Group.

**Consolidation**

The Company is exempt from preparing consolidated financial statements as it is a wholly owned subsidiary of CK Infrastructure Holdings Limited, which prepares consolidated financial statements which include the results of the Company and are publicly available.

**Going concern**

The ongoing COVID-19 pandemic and related disruption is not expected to have a material effect on the Company's financial position and prospects. The Company's forecasts and projections, taking into account reasonably possible changes in trading performance including having considered the impacts of COVID-19, show that the Company has adequate resources to meet its obligations as they fall due in the twelve month period following the approval of these financial statements and to continue operating for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**2 Accounting policies (continued)**

**Investments**

Fixed asset investments are shown at cost less provision for impairment. Income received from fixed asset investments is recognised on an accruals basis.

**Tax**

Taxation for the year comprises current tax.

Current tax, including UK 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.

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

In the application of the Company's accounting policies, which are described in note 2, the Directors may be required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience or other factors that are considered to be relevant. Actual results might differ from these estimates.

In the Directors' opinion there are no critical judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in these financial statements.

**4 Auditor's remuneration**

The amount payable to Deloitte LLP was £3,400 (2019:£2,600) in respect of audit services and £Nil (2019: £Nil) in respect of non-audit services.

Auditor's remuneration was borne in both years by another group company.

**5 Directors' remuneration and employee information**

The Directors are not employed by the Company and did not receive any remuneration for services to the Company during the current or prior year.

The Company had no employees in the current or prior year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**6 Income from fixed asset investments**

	2020 £ 000	2019 £ 000
<b>Income from associates</b>		
1% cumulative preference dividends receivable from associate	801	800
Equity preference share dividends receivable from associate	<u>3,950</u>	<u>2,967</u>
	4,751	3,767
Ordinary dividends receivable from subsidiaries	<u>117,400</u>	<u>91,833</u>
	<u><u>122,151</u></u>	<u><u>95,600</u></u>

**7 Interest payable and similar charges**

	2020 £ 000	2019 £ 000
Interest payable on shareholder loans	<u><u>30,861</u></u>	<u><u>30,812</u></u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**8 Taxation**

Tax credited to the profit and loss account

	2020 £ 000	2019 £ 000
<b>Current taxation</b>		
UK corporation tax	(5,846)	(5,836)
Adjustments in respect of prior years	<u>(1)</u>	<u>18</u>
Total current tax	<u>(5,847)</u>	<u>(5,818)</u>

The total tax assessed for the year was lower than the standard rate of 19% (2019: 19%) applied to profit before tax. The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before tax	<u>91,290</u>	<u>64,788</u>
Corporation tax at standard rate	17,345	12,310
Income not taxable in determining taxable profit	(23,191)	(18,146)
Adjustments to current tax in respect of prior years	<u>(1)</u>	<u>18</u>
Total tax credit	<u>(5,847)</u>	<u>(5,818)</u>

The Finance Act 2016 enacted a reduction in the UK Corporation tax rate from 19% to 17% with effect from 1 April 2020. However, within Finance Bill 2020 published on 19 March 2020, the rate from 1 April 2020 has now been enacted to remain at 19% rather than reducing it to 17%.

The current tax rate applied during the year was 19% (2019: 19%) based on the standard rate of corporation tax substantively enacted at the reporting date.

**9 Fixed asset investments**

	2020 £ 000	2019 £ 000
Investments in subsidiaries	<u>1,020,872</u>	<u>1,020,872</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 9 Fixed asset investments (continued)

The Company has investments in the following subsidiaries and associates:

<b>Subsidiaries</b>	<b>Principal activity</b>	<b>%</b>
CKI Number 2 Ltd	Investment holding	100%
CKI Number 1 Ltd	Investment holding	100%
<b>Associates</b>	<b>Principal activity</b>	<b>%</b>
UK Power Networks (Operations) Ltd	Maintenance of distribution networks	40%
London Power Networks plc	Management of distribution network	40%
Eastern Power Networks plc	Management of distribution network	40%
South Eastern Power Networks plc	Management of distribution network	40%
Lea Valley Utilities Ltd	Dormant	40%
UK Power Networks (IDNO Finance) Ltd	Investment holding	40%
UK Power Networks (IDNO) Ltd	Electricity distribution project	40%
UK Power Networks (South East Services) Ltd	Groundworks contracting	40%
UK Power Networks (Transport) Ltd	Provision of transport services	40%
UK Power Networks Insurance Ltd	Insurance	40%
UK Power Networks Group (Trustee) Ltd	Pension Trustee	40%
UK Power Networks (Trustee) Ltd	Pension Trustee	40%
UK Power Networks Services Holdings Ltd	Investment holding	40%
UK Power Networks Services (Contracting) Ltd	Electricity distribution projects	40%
UK Power Networks Services (Enterprises) Ltd	Investments in commercial projects	40%
UK Power Networks Services (South East) Ltd	Investment holding	40%
UK Power Networks Services (Development) Ltd	Investment holding	40%
UK Power Networks Services (Asset Management) Ltd	Investment holding	40%
UK Power Networks Services (Commercial) Ltd	Electrical contracting	40%
UK Power Networks Services (Powerlink Holdings) Ltd	Investment holding	40%
UK Power Networks Services Powerlink Ltd	Asset management	32%
* UK Power Networks Holdings Ltd	Investment holding	40%

\* The Company's 40% shareholding in UK Power Networks Holdings Ltd comprises: 4,000,000 B ordinary shares of £1.00 each and 80,000,000 B preference shares of £1.00 each held indirectly through CKI Number 1 Ltd; 80,000,000 B preference shares of £1.00 each held indirectly through CKI Number 2 Ltd; and 80,000,000 B preference shares of £1.00 each held directly by the Company. The ordinary shares account for 35% of the equity investment. The preference shares entitle the Company to a 5% equity share in available profits and a fixed cumulative dividend of 1% payable annually in arrears.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**9 Fixed asset investments (continued)**

The subsidiary UK Power Networks Insurance Ltd is registered at:

Willis Management (Guernsey) Ltd  
 4th floor  
 The Albany  
 South Esplanade  
 St Peter Port  
 Guernsey

All other entities listed above are registered at the following address:

Newington House  
 237 Southwark Bridge Road  
 London  
 SE1 6NP

**10 Debtors**

	2020 £ 000	2019 £ 000
<b>Amounts falling due within one year:</b>		
Amounts owed by Group undertakings	50	50
Preference share dividends receivable from associate	143	142
Corporation tax (Group relief receivable)	<u>13,109</u>	<u>13,151</u>
	<u><b>13,302</b></u>	<u><b>13,343</b></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**11 Creditors**

	2020 £ 000	2019 £ 000
<b>Amounts falling due within one year:</b>		
Amounts owed to Group undertakings	4,261	4,288
Interest accrued on shareholder loans	<u>13,049</u>	<u>13,000</u>
	<u>17,310</u>	<u>17,288</u>
<b>Amounts falling due after one year:</b>		
Shareholder loans	<u>309,672</u>	<u>309,672</u>

Amounts owed to Group undertakings are interest free balances due to subsidiaries which are repayable on demand.

Shareholder loans comprise unsecured loans due to an intermediate parent company Excel Champ Holdings Limited repayable in 2030. Interest accrues at a fixed rate of 9.95% per annum and is payable semi-annually in arrears.

**12 Called up share capital and reserves**

	2020 £ 000	2019 £ 000
<b>Share capital: Allotted, called up and fully paid</b>		
27,200,000,002 ordinary shares of £0.01 each	<u>272,000</u>	<u>272,000</u>

**Reserves**

The share premium account contains the premium arising on issue of equity shares, net of issue expenses. The profit and loss account represents cumulative profits or losses, net of dividends paid.

**13 Related party transactions**

Amounts owed by associate undertakings are disclosed in note 10. Preference dividends received from associates during the year are disclosed in note 6.

The Company has taken an exemption under FRS 102 (section 33 2.2) not to disclose transactions with other wholly owned members of the Group. The Company qualifies for this exemption on the basis that it is a wholly owned subsidiary of a parent which prepares publicly available consolidated financial statements intended to give a true and fair view of the financial position and results of the Group, and the Company is included within the consolidation.

No other related party transactions were entered into during the current or prior year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**14 Subsequent events**

On 23 March 2020 the UK Government declared a national lockdown due to the uncontrolled and rapid spread of the COVID-19 virus. The pandemic has continued to have a detrimental impact on the UK economy in the period from the reporting date at 31 March 2020 to the date of authorisation of these financial statements on 21 September 2020, and there is uncertainty in predicting the extent and duration of the effects of COVID-19 in the months ahead. The financial statements for the year ended 31 March 2020 have not been adjusted to reflect any post balance sheet impact of the pandemic which is considered to be a non-adjusting subsequent event. The Directors' current assessment, as disclosed in the Going Concern statement on page 3, is that the pandemic is a temporary disruption and is not expected to have a material effect on the financial position and prospects of the Company.

**15 Parent and ultimate parent undertaking**

The Company's immediate parent is Express Train Limited, incorporated in the British Virgin Islands.

CK Infrastructure Holdings Limited is the parent of the smallest group in which the Company's financial statements are consolidated, and is registered at the following address:

Clarendon House  
Church Street  
Hamilton HM11  
Bermuda

The consolidated financial statements of CK Infrastructure Holdings Limited are available from:

[www.cki.com.hk](http://www.cki.com.hk)

The ultimate controlling party and parent of the largest group in which the Company's financial statements are consolidated is CK Hutchison Holdings Limited, registered at the following address:

PO Box 309  
Ugland House  
Grand Cayman  
KY1 - 1104  
Cayman Islands

The consolidated financial statements of CK Hutchison Holdings Limited are available from:

[www.ckh.com.hk](http://www.ckh.com.hk)