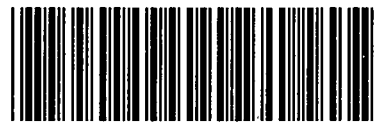


COMPANY REGISTRATION NUMBER 8780390

MERSEYLINK (FINANCE) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2015

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MERSEYLINK (FINANCE) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2015

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MERSEYLINK (FINANCE) LIMITED
STRATEGIC REPORT
PERIOD ENDED 31 MARCH 2015

INCORPORATION

The company was incorporated on 18 November 2013. The financial statements cover the period from the date of incorporation to 31 March 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company was being an intermediate holding company during the period and the raising of finance through the creation of a subordinated debt loan notes facility and onward loan notes facility of the proceeds, with identical terms for the payment of interest and principal, to a fellow subsidiary undertaking, Merseylink Limited which will be used in the future. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

On 28 March 2014, the company authorised the creation of £57,000,000 of 7.561% loans due 2044, of which none were issued in the financial period.

The result for the financial period amounted to £nil and the net assets at 31 March 2015 were £51,000.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks affecting the company are considered to be those affecting its fellow subsidiary undertaking whose main risks relate to supply chain failure of the building contractor, treasury management

The board formally reviews risks and appropriate processes are put in place to mitigate them.

The key business risks affecting the company are considered to be those affecting its fellow group undertaking whose main risks relate to supply chain failure of the building contractor, treasury management and control, review of the insurance cover and lifecycle profile.

The risk of supply chain failure of the building contractor is mitigated by the use of performance bonds provided by the building contractor and parent company guarantees provided by Samsung C&T Corporation, Fomento de Construcciones y Contratas, S.A and Kier Group plc. Construction is monitored by a technical adviser who reports on the progress of the contract.

At the start of the PFI contract the group negotiated debt facilities with external parties to ensure that the group has sufficient funds to finance construction.

The risk of inadequate insurance cover is mitigated by a review of the insurances by an insurance broker.

The risk of inadequate lifecycle funds is mitigated by the building contractor's requirement to provide a design that meets the requirements of the UK Design Manual for Roads and Bridges and construct the Works in accordance with the Specification for Highway Works.

The board formally reviews risks and appropriate processes are put in place to mitigate them.

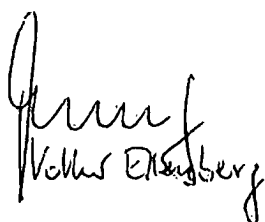
MERSEYLINK (FINANCE) LIMITED
STRATEGIC REPORT (continued)
PERIOD ENDED 31 MARCH 2015

KEY PERFORMANCE INDICATORS

The company has modelled the anticipated financial performance of its group's concession across its full term. Management meetings are held on a regular basis to monitor actual financial performance against a budget derived from the group's financial model. Particular attention is paid to construction work in progress and cash flow. At 31 March 2015 performance against such measures was satisfactory.

On behalf of the board of the directors,

Director
Forward Point
Tan House Lane
Widnes
Cheshire
WA8 0SL

A handwritten signature in black ink, appearing to read 'Peter Eisenberg', is written over the printed name.

Approved by the board of the directors on 3 August 2015

MERSEYLINK (FINANCE) LIMITED
DIRECTORS' REPORT
PERIOD ENDED 31 MARCH 2015

The directors present their report and the audited financial statements of the company for the period ended 31 March 2015.

FUTURE DEVELOPMENTS

Management of the group's project both logistically and financially remains under control. We remain confident that the project will perform in line with our expectations and the project will complete construction by September 2017.

DIVIDENDS

The directors are unable to recommend a dividend.

DIRECTORS

The directors who served the company during the period and up to the date of this report are shown below:

V Ellenberg	(Appointed 14 March 2014, resigned 3 April 2014, reappointed 14 July 2014)
A Speer	(Appointed 3 April 2014, resigned 29 May 2015)
F Schramm	(Appointed 3 April 2014)
I Bahena	(Appointed 27 January 2015)
J Falero	(Appointed 11 July 2014)
M Bradshaw	(Appointed 14 March 2014)
M Moshiaashvili	(Appointed 27 January 2015)
Vialia Sociedad Gestora De Concesiones De Infraestructuras, S.L.U	(Appointed 14 March 2014)
C Rhead	(Appointed 14 March 2014, resigned 3 April 2014)
D Jardine	(Appointed 19 November 2013, resigned 14 March 2014)
M Dooley	(Appointed 14 March 2014, resigned 27 January 2015)
M Elsey	(Appointed 19 November 2013, resigned 14 March 2014)
FCC Construcción SA	(Appointed 14 March 2014, resigned 11 July 2014)

DONATIONS

The company made no political donations during the period.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include liquidity risk, interest rate cash flow risk and credit risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

The company's financial instruments comprise fixed rate borrowings, the main purpose of which is to raise finance for the company's operations.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board.

MERSEYLINK (FINANCE) LIMITED
DIRECTORS' REPORT (continued)
PERIOD ENDED 31 MARCH 2015

FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

The company minimises the risk of uncertain funding in its operations by having long-term committed facilities available.

Interest rate cash flow risk

The company seeks to minimise its exposure to an upward change in interest rates by borrowing at fixed rates. At the period end all the company's borrowings were at fixed rates.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge its obligation under the contract giving rise to the financial instrument. The company's fellow subsidiary undertaking's credit risk is concentrated as its cash flows are generated from the PPP concession asset. The concentration of risk is mitigated as the cash flows are secured under contract with Mersey Gateway Crossings Board Limited and Halton Borough Council, a government body.

GOING CONCERN

The company's ability to be a going concern is considered dependent on the going concern of the Merseylink (Holdings) Limited group. The directors have reviewed the group's projected cash flows by reference to a financial model covering the accounting periods up to 31 March 2044. The directors have also examined the current status of the group's principal contracts and likely developments in the foreseeable future. Having reviewed the available information, the directors consider that the group will be able to meet its financial obligations on the due dates for the foreseeable future. Accordingly, the directors consider that it is appropriate for the financial statements of the company and the group to be prepared on a going concern basis.

DISCLOSURE OF INFORMATION TO THE AUDITORS

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 auditors are unaware; and each director has taken all the 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 auditors are aware of that information.

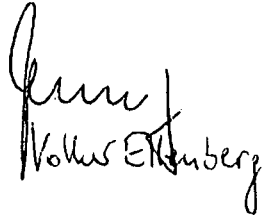
INDEPENDENT AUDITORS

A resolution to appoint PricewaterhouseCoopers LLP as auditors for the ensuing period will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

MERSEYLINK (FINANCE) LIMITED
DIRECTORS' REPORT (continued)
PERIOD ENDED 31 MARCH 2015

On behalf of the board of the directors,

Director
Forward Point
Tan House Lane
Widnes
Cheshire
WA8 0SL

A handwritten signature in black ink, appearing to read 'Peter Elmhurst', is written over the printed name 'Peter Elmhurst'.

Approved by the board of the directors on 3 August 2015

MERSEYLINK (FINANCE) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
PERIOD ENDED 31 MARCH 2015

The directors are responsible for preparing the Strategic Report and 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 the directors have prepared the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

MERSEYLINK (FINANCE) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MERSEYLINK (FINANCE) LIMITED
PERIOD ENDED 31 MARCH 2015

Report on the financial statements

In our opinion, Merseylink (Finance) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its result from the date of incorporation to 31 March 2015 (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Merseylink (Finance) Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

MERSEYLINK (FINANCE) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MERSEYLINK (FINANCE) LIMITED (continued)
PERIOD ENDED 31 MARCH 2015

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

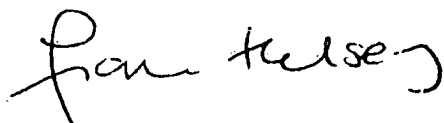
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Fiona Kelsey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
3 August 2015

MERSEYLINK (FINANCE) LIMITED
STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED 31 MARCH 2015

	Note	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 18 November 2013		-	-	-
Result for the financial period	8	-	-	-
Other comprehensive result for the period	8	-	-	-
Proceeds from shares issued	7	51	-	51
Balance as at 31 March 2015		51	-	51



The company did not trade in the financial period and did not have any items of income or expense, therefore no profit and loss account or statement of comprehensive income is presented.

The notes on pages 11 to 14 form part of these financial statements.

MERSEYLINK (FINANCE) LIMITED
BALANCE SHEET
PERIOD ENDED 31 MARCH 2015

	Note	£000	2015 £000
FIXED ASSETS			
Investments	5		51
			<hr/>
NET ASSETS			51
			<hr/>
CAPITAL AND RESERVES			
Called up share capital	7		51
Profit and loss account	8		-
			<hr/>
TOTAL SHAREHOLDERS' FUNDS	9		51
			<hr/>

These financial statements were approved by the directors and authorised for issue on 3 August 2015 and are signed on their behalf by:


 Director

 Company Registration Number: 8780390

The notes on pages 11 to 14 form part of these financial statements.

MERSEYLINK (FINANCE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

General information

The company is a limited company incorporated in the United Kingdom, which is registered and domiciled in the United Kingdom at Forward Point, Tan House Lane, Widnes, Cheshire, WA8 0SL. The company's principal activities consist solely of the provision of finance services in respect of the Mersey Gateway Project.

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including Financial Reporting Standard FRS 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'. The principal accounting policies, which have been applied consistently, are set out below.

Consolidated financial statements

The company is a wholly-owned subsidiary of Merseylink (Holdings) Limited and is included in the consolidated financial statements of that company. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Cash flow statement

At 31 March 2015, the company was a wholly owned subsidiary of Merseylink (Holdings) Limited, which prepares publicly available consolidated group financial statements including a group cash flow statement. In accordance with FRS 102 paragraph 1.12 (b), no cash flow statement is therefore included in these financial statements.

Investments

Investments in subsidiary undertakings are stated at cost, less an appropriate provision to reflect any impairment in the value of the investments.

Segment reporting

The company has one continuing activity, to act as a project financing vehicle for its fellow subsidiary undertaking and this is undertaken entirely in the United Kingdom.

Critical judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

MERSEYLINK (FINANCE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

Critical judgements and estimation uncertainty (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

The principle estimates involved in the financial statements are considered to be:

- macroeconomic assumptions in the group's underlying financial model
- the spend on future major maintenance involved in asset renewal has judgement around timing and quantum in the group's underlying financial model

2. AUDITORS' REMUNERATION

	2015 £000
Auditors' remuneration - audit of the financial statements	<u>1</u>
The audit fee of the company was borne by its fellow group undertaking.	

3. PARTICULARS OF EMPLOYEES

The company had no employees during the financial period. The directors have no contract of service with the company. The directors did not receive any emoluments in the period in respect of their services as directors of the company.

4. TAX ON RESULT ON ORDINARY ACTIVITIES

There is no current or deferred tax charge/credit arising during the financial period.

5. INVESTMENTS

COST	2015 £000
Additions	51
At 31 March 2015	<u>51</u>
NET BOOK VALUE	
At 31 March 2015	<u>51</u>

The company owns 100% of the issued share capital (£50,000) of Merseylink (Issuer) plc and 100% of the issued share capital (£1,000) of Merseylink Limited both of which are registered in the United Kingdom.

MERSEYLINK (FINANCE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2015

6. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary of Merseylink (Holdings) Limited, the company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

7. CALLED UP SHARE CAPITAL

Authorised share capital:

51,000 Ordinary shares of £1 each

2015
£000
51

Allotted, called up and fully paid:

Ordinary shares of £1 each

	No	£000
	<u>51,000</u>	<u>51</u>

On 18 November 2013 1 ordinary share was issued for £1.

On 14 March 2014 50,999 ordinary shares were issued for £50,999.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

8. PROFIT AND LOSS ACCOUNT

At 18 November 2013

Result for the financial period

Balance carried forward

2015
£000
-
-
-

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Result for the financial period

Proceeds from issue of shares

Net increase to shareholders' funds

Opening shareholders' funds

Closing shareholders' funds

2015
£000
-
51
51
-
51

10. CONTROLLING PARTIES

The company is a wholly owned subsidiary of Merseylink (Holdings) Limited ("the immediate parent undertaking").

At 31 March 2015, 100% of the share capital in the immediate parent undertaking was held by Merseylink (Holdings) Limited.

MERSEYLINK (FINANCE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2015

10. CONTROLLING PARTIES *(continued)*

The largest and smallest group in which the results of the Company are consolidated is that headed by Merseylink (Holdings) Limited, incorporated in the United Kingdom. Copies of the Merseylink (Holdings) Limited consolidated financial statements can be obtained from Forward Point, Tan House Lane, Widnes, Cheshire, WA8 0SL, United Kingdom.

The ultimate controlling party is the board of the directors.