

Indigo Infra Cardiff Limited

Annual Report and Financial Statements

Registered number 03154700

31 December 2016

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Strategic Report

The directors of Indigo Infra Cardiff Limited (the "Company") present their annual report and audited financial statements for the year ended 31 December 2016.

Principal activity and business review

The principal activity of the Company during the year was the design, financing, construction and operation of car parks under the Private Finance Initiative (PFI) with the University of Cardiff Hospital NHS Foundation Trust. Management of the car park started in June 2003. The contract to run the multi-storey and the surface car parks is for 15 years, ending 2018.

Following the completion of the new multi-storey car park at Cardiff Hospital in June 2003, trading has been in line with the business plan. The trading results for the year were in line with the business plan.

Key performance indicators

The directors consider that client-driven KPIs under the concession contract and measurement of traffic volumes against business plan to be the key non-financial KPIs. The key financial KPIs are considered to be turnover and gross profit. These have performed as follows during the year:

	2016 £	2015 £	Change %
Turnover	4,812,319	4,048,668	+18.9
Gross profit	3,317,018	1,921,892	+72.6

The increased gross profit is largely due to the recovery of historic parking charges and the settlement of business rates.

Risks and uncertainties

The main risks facing the Company are that a) performance standards (client-driven KPIs) are not met under management or service contracts and that resulting contractual penalties reduce revenue, b) traffic volumes do not meet the business plan on leased and concession contracts and c) contracts are not won or renewed at a rate exceeding that at which they expire.

The Company's activities also expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in interest rates.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other debtors.

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Strategic Report *(continued)*

Liquidity risk

To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

Other matters

The business was funded by a formalised cash pooling facility as at 31 December 2016, which was put in place on 14 April 2014 with other fellow subsidiary companies within the Indigo UK group of companies.

Future developments

The directors are looking for new opportunities for the Company after the concession with the University of Cardiff Hospital NHS Foundation trust ends in 2018.

By order of the board



Gary Pickard

Director

Date: 28/04/2017

Oak House
Reeds Crescent
Watford
Hertfordshire
WD24 4QP

Directors' Report

The directors present their annual report and the financial statements for the year ended 31 December 2016.

Results

The results for the year are set out on page 7, and the Company's financial position at the year end is set out on page 8. The profit for the financial year amounted to £2,189,591 (2015: £1,106,233).

Political contributions

The Company did not make any political contributions or incur any political expenditure during the year (2015: £nil).

Dividend

The directors do not recommend the payment of a dividend (2015: £nil).

Directors

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

P. D. Herring
G. C. Pickard
W. D. C. Thierry

Disclosure of information to 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 needed by the Company's auditors in connection with preparing the report, of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Constantin will therefore continue in office.

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006, with the exception that the directors have chosen to prepare a strategic report.

In accordance with section 414C of the Companies Act 2006 the following details are discussed in the Strategic report:

- Future developments
- Financial risk exposure

By order of the board



Gary Pickard

Director

Date: 28/04/2017

Oak House
Reeds Crescent
Watford
Hertfordshire
WD24 4QP

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 101 *Reduced Disclosure Framework*.

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 year. 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; 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and accordingly the auditors accept no responsibility for the information provided there. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's report to the members of Indigo Infra Cardiff Limited

We have audited the financial statements of Indigo Infra Cardiff Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year 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.

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

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 any material misstatements in the Strategic Report and the Directors' Report.

Independent Auditor's report to the members of Indigo Infra Cardiff Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 take advantage of the of the small companies exemption in preparing the Directors' Report.



Alex Legon, FCA (Senior Statutory Auditor)

for and on behalf of Constantia

Date: 2017

Chartered Accountants and Statutory Auditors
25 Hosier Lane, London, EC1A 9LQ

28 APR 2017

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	4,812,319	4,048,668
Cost of sales		(1,495,301)	(2,126,776)
Gross profit		3,317,018	1,921,892
Administrative expenses		(523,900)	(462,374)
Other operating income	5	18,370	468
Operating profit		2,811,488	1,459,986
Interest receivable and similar income	9	39,597	14,064
Interest payable and similar expenses	10	(14,180)	(23,590)
Profit before taxation		2,836,905	1,450,460
Tax on profit	11	(647,314)	(344,227)
Profit for the financial year		2,189,591	1,106,233
Total other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		2,189,591	1,106,233

All other transactions arise from continuing operations.

There are no forms of other comprehensive income recognised in the current period.

The notes on pages 10 to 23 form part of these financial statements.

Balance Sheet
At 31 December 2016

	Note	2016 £	Restated 2015 £
Fixed assets			
Tangible assets	12	688,949	1,133,309
Current assets			
Debtors	13	8,033,296	6,348,172
Cash and cash equivalents		60,612	64,383
		8,093,908	6,412,555
Creditors: amounts falling due within one year	14	(1,719,426)	(1,426,780)
Net current assets		6,374,482	4,985,775
Total assets less current liabilities		7,063,431	6,119,084
Creditors: amounts falling due after more than one year	15	-	(459,924)
Deferred tax liability	16	(6,222)	(11,292)
Provisions	17	(133,715)	(913,965)
Net assets		6,923,494	4,733,903
Capital and reserves			
Called up share capital	19	1,165,831	1,165,831
Profit and Loss Account		5,757,663	3,568,072
Shareholders' funds		6,923,494	4,733,903

The notes on pages 10 to 23 form part of these financial statements.

These financial statements were approved by the board of directors on 28/04/2017 and were signed on its behalf by:



Gary Pickard
Director

Company registered number: 03154700

Statement of Changes in Equity

At 31 December 2016

	Called up share capital £	Profit and Loss Account £	Total shareholders' funds £
Balance at 1 January 2015	1,165,831	2,461,839	3,627,670
Total comprehensive income for the year			
Profit for the year	-	1,106,233	1,106,233
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,106,233	1,106,233
Transactions with owners, recorded directly in equity			
Dividends paid	-	-	-
Balance at 31 December 2015	1,165,831	3,568,072	4,733,903

	Called up share capital £	Profit and Loss Account £	Total shareholders' funds £
Balance at 1 January 2016	1,165,831	3,568,072	4,733,903
Total comprehensive income for the year			
Profit for the year	-	2,189,591	2,189,591
Total comprehensive income for the year	-	2,189,591	2,189,591
Transactions with owners, recorded directly in equity			
Dividends paid	-	-	-
Balance at 31 December 2016	1,165,831	5,757,663	6,923,494

The notes on pages 10 to 23 form part of these financial statements.

Notes

1 General information

Indigo Infra Cardiff Limited is a private company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 03154700 and the registered address is Oak House, Reeds Crescent, Watford, Hertfordshire, WD24 4QP, United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

The Company is exempt by virtue of s400, subject to the small companies regime, of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

2 Accounting policies

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

These financial statements are presented in pound sterling because that is the currency of the primary economic environment in which the Company operates.

The Company's ultimate parent undertaking, Infra Foch Topco SAS includes the Company in its consolidated financial statements. The consolidated financial statements of Infra Foch Topco SAS are available to the public and may be obtained from Oak House, Reeds Crescent, Watford, Hertfordshire, WD24 4QP.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Infra Foch Topco SAS include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

Notes *(continued)*

2 Accounting policies *(continued)*

2.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments, financial instruments classified as fair value through the profit or loss. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due. The Company is party to a formalised cash pooling facility dated 14 April 2014 and so shares banking arrangements and available funds with its parent and fellow subsidiaries.

A combination of the following factors mean that the directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing the financial statements:

- the level of the Company's forecast operating cash flows; and
- the aforementioned cash pooling facility providing adequate funds.

2.3 Turnover

Turnover is stated net of VAT. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Turnover comprises:

- Turnover generated by car parks and concessions, and ancillary income such as fees for the use of commercial installations, and rental advertising space; and
- Turnover from ancillary activities.

Turnover from ancillary activities mainly comprises rental income and fees other than those generated by concession operators.

Turnover represents the total amount receivable in the ordinary of business for goods and services provided and excludes value added tax. In the case of contract parking, income is recognised on a time apportioned basis with that in advance being carried forward as deferred income.

2.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

Notes (continued)

2 Accounting policies (continued)

2.5 Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expense on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2.6 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 material temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Group relief

The Company and its fellow group undertakings are able to relieve their tax losses by surrendering them to other group companies where capacity to utilise those losses exists. There is an agreement between members of this group that such losses will be paid for by the recipient Company at 100% of the tax value. Where there is reasonable certainty that taxable losses can be relieved, the group relief receivable or payable is included in the taxation charge or credit for the period and the corresponding intercompany receivable or payable is recognised in the statement of financial position.

Notes *(continued)*

2 Accounting policies *(continued)*

2.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Motor vehicles 3-5 years
- Short leasehold improvements Over remaining life of the lease
- Plant and machinery The shorter of 10 years and remaining life of the related contract

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

2.8 Impairment excluding stocks, investment properties and 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. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes *(continued)*

2 Accounting policies *(continued)*

2.8 Impairment excluding stocks, investment properties and deferred tax assets *(continued)*

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Notes *(continued)*

2 Accounting policies *(continued)*

2.10 Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other debtors, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.11 Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Cash flow hedges

The Company applies cash flow hedge accounting to interest rate swaps, held to reduce the exposure to movement in the future value of interest rates. A cash flow hedge allows exposure to fluctuations in future cash flows associated with a recognised asset or liability, or a highly probable forecast transaction, to be hedged. Changes in the fair value of the derivative financial instrument are recognised net of tax under equity for the effective part and in profit or loss for the period for the ineffective part. Cumulative gains or losses in equity must be reclassified to profit or loss under the same line item as the hedged item – i.e. under operating income and expenses for cash flows from operations and under financial income and expense otherwise – when the hedged cash flow affects profit or loss.

If the hedging relationship is interrupted, in particular because it is no longer considered effective, the cumulative gains or losses in respect of the derivative instrument are retained in equity and recognised symmetrically with the cash flows hedged. If the future cash flow is no longer highly probable, the gains and losses previously recognised in equity are immediately reclassified to profit or loss.

Derivative financial instruments not designated as hedging instruments

Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet at fair value and changes in their fair value are recognised through profit or loss.

2.12 Money held on behalf of clients

From time to time the Company receives money from or on behalf of a client ("Client Money"). These funds are paid into a general interest bearing client account with our bank. Interest is accounted for on Client Money to such extent as it is fair and reasonable to do so in all the circumstances in order to achieve a fair outcome for both the client and ourselves. Money held in a client account is immediately available, even at the sacrifice of interest, unless the client otherwise instructs, or the circumstances clearly indicate otherwise.

Notes (continued)

3 Accounting estimates and judgements

The preparation of financial statements under the FRS101 requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements.

These estimates assume the operation is a going concern and are made on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

Measurement of financial instruments at fair value

Fair value is determined on the basis of the following three models or levels:

- Level 1: quoted prices on an active market: whenever quoted prices on an active market are available, these are used in priority to determine fair value. Marketable securities and some listed bond loans are measured in this way.
- Level 2: internal model using internal measurement techniques with observable factors: these techniques use the usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). The calculation of the fair value of most derivative financial instruments (swaps, caps, floors, etc.), traded on markets is made on the basis of models commonly used by market participants to price such financial instruments. Every quarter, the internally calculated values of derivative instruments are checked for consistency with the values sent to us by the counterparties.
- Level 3: internal model using non-observable factors: this model applies only for holdings of unlisted shares, which, in the absence of an active market, are measured at their cost of acquisition plus transaction costs.

Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of goodwill, intangible assets and property, plant and equipment, relate in particular to the assessment of market prospects needed to estimate the cash flows, and discount rates adopted. Any change in assumptions could have a material effect on the recoverable amount and could entail a change in the impairment losses to recognise.

The factors that materially influence the amount of provisions relate to:

- The forecasts of expenditures on major maintenance over several years used as a basis for the provisions for the obligation to maintain the condition of infrastructure under concession. These forecasts are estimated taking account of indexation clauses included in construction and civil engineering contracts;
- The estimates of forecast profit or loss on operation of the car parking facilities, which serve as a basis for the determination of onerous contracts, recognising the shortfall of forecast income below rentals and other costs over the life of the lease; and
- The discount rates used to determine the present value of these provisions.

4 Turnover

	2016 £	2015 £
Rendering of car parking services in the UK	<u>4,812,319</u>	<u>4,048,668</u>

Notes (continued)

5 Other operating income

	2016	2015
Settlement of claims in respect of car park construction	<u>18,370</u>	<u>468</u>

6 Expenses and auditor's remuneration

	2016 £	2015 £
<i>Included in profit/loss are the following:</i>		
Depreciation of tangible fixed assets	<u>483,287</u>	<u>472,506</u>

Audit fees of £6,000 were borne by a fellow subsidiary company for the period (2015: £5,000).

7 Staff numbers and costs

All staff were transferred to a fellow subsidiary company as of 1 January 2013, and in place a service charge is made to the Company.

8 Directors' remuneration

None of the directors received any remuneration from the Company during the year (2015: £nil).

9 Interest receivable and similar income

	2016 £	2015 £
Interest income from group undertakings	<u>39,597</u>	<u>14,064</u>
Total interest receivable and similar income	<u>39,597</u>	<u>14,064</u>

10 Interest payable and similar expenses

	2016 £	2015 £
Interest expense on inter-company loan	<u>14,180</u>	<u>23,590</u>
Total interest payable and similar expense	<u>14,180</u>	<u>23,590</u>

Notes (continued)

11 Taxation

Recognised in the profit and loss account

	2016 £	2015 £
<i>UK corporation tax</i>		
Current tax on income for the period	253,069	374,997
Group relief payable	399,314	-
Adjustments in respect of prior years	-	(19,978)
Total current tax expense	652,383	355,019
Deferred tax credit (see note 16)		
Origination and reversal of temporary differences	(4,442)	(6,012)
Adjustments in respect of prior years	-	(2,857)
Effect of tax rate change on opening balance	(627)	(1,923)
Total deferred tax credit	(5,069)	(10,792)
Tax on profit	647,314	344,227

Reconciliation of effective tax rate

The current tax charge for the year is higher (2015: *higher*) than the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%). The differences are explained below.

	2016 £	2015 £
Profit for the year	2,189,591	1,106,233
Total tax expense	647,314	344,227
Profit excluding taxation	2,836,905	1,450,460
Tax using the UK corporation tax rate of 20.00% (2015: 20.25%)	567,381	293,668
Non-deductible expenses	79,664	74,565
Group relief payable	112	-
Adjustments in respect of prior years	(1)	(19,978)
Effect of changes in tax rate	157	(1,171)
Adjustments to deferred tax in respect of previous periods	1	(2,857)
Total tax expense	647,314	344,227

Factors that may affect future current and total tax charges:

The Finance (No. 2) Act 2015 which was published on 18 November 2015 includes legislation reducing the main rate of UK corporation tax from 20% to 19% with effect from 1 April 2017, with a further reduction to 18% with effect from 1 April 2020. The Finance Act 2016 which was published on 15 September 2016 announced a further reduction to 17% with effect from 1 April 2020. These reductions have been enacted at the balance sheet date and have been reflected in the deferred tax recognised on the balance sheet.

Deferred tax has only been recognised to the extent that there is a reasonable expectation that the asset can be utilised in the immediately foreseeable future.

Notes (continued)

12 Tangible fixed assets

	Short leasehold land & buildings £	Motor vehicles £	Plant and machinery £	Total £
Cost				
Balance at 1 January 2016	8,019,980	18,243	391,931	8,430,154
Additions	22,637	-	16,695	39,332
Disposals	-	(9,607)	-	(9,607)
Balance at 31 December 2016	8,042,617	8,636	408,626	8,459,879
Depreciation				
Balance at 1 January 2016	6,902,802	17,038	377,005	7,296,845
Depreciation charge for the year	470,720	800	11,767	483,287
Disposals	-	(9,202)	-	(9,202)
Balance at 31 December 2016	7,373,522	8,636	388,772	7,770,930
Net book value				
At 31 December 2015	1,579,439	3,125	11,461	1,594,025
At 31 December 2016	669,095	-	19,854	688,949

13 Debtors

	2016 £	2015 £
Trade debtors	352,079	443,279
Amounts owed by group undertakings	7,106,217	5,219,357
Other receivables	575,000	685,536
	8,033,296	6,348,172

All amounts owed by group undertakings are repayable on demand.

Notes *(continued)*

14 Creditors: amounts falling due within one year

	2016 £	Restated 2015 £
Trade creditors	23,714	21,660
Taxation and social security	68,264	62,390
Amounts owed to group undertakings	545,920	520,170
Accruals and deferred income	-	563
Corporation tax	628,066	374,997
Amounts owed to parent company	453,462	447,000
	<u>1,719,426</u>	<u>1,426,780</u>

All amounts owed to group undertakings are repayable on demand.

15 Creditors: amounts falling due after one year

	2016 £	2015 £
Amounts owed to parent company	-	459,924
	<u>-</u>	<u>459,924</u>

Notes (continued)

16 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
Fixed assets	-	-	(6,222)	(11,292)	(6,222)	(11,292)
Tax assets	-	-	(6,222)	(11,292)	(6,222)	(11,292)
Deferred tax asset not recognised	-	-	-	-	-	-
Net tax liabilities	-	-	(6,222)	(11,292)	(6,222)	(11,292)

Movement in deferred tax during the year 2016

	1 January 2016 £	Recognised in income £	Recognised in equity £	31 December 2016 £
Fixed assets	(11,292)	5,070	-	(6,222)
	(11,292)	5,070	-	(6,222)

Movement in deferred tax during the year 2015

	1 January 2015 £	Recognised in income £	Recognised in equity £	31 December 2015 (restated) £
Fixed assets	(22,084)	10,792	-	(11,292)
Fair value - hedge instruments	-	-	-	-
	(22,084)	10,792	-	(11,292)

Notes (continued)

17 Provisions

	3rd Party Litigation Provision £	Dilapidation provision £	Total £
Balance at 1 January 2016	805,250	108,715	913,965
Provisions released during the year	(532,395)	-	(532,395)
Provisions used during the year	(247,855)	-	(247,855)
Balance at 31 December 2016	25,000	108,715	133,715
Current	25,000	-	25,000
Non-current	-	108,715	108,715

Dilapidation provisions are made in respect of leased and other premises where there is an obligation to reinstate assets at the end of associated contracts. Amounts are assessed by management based on historical data and valuations.

Litigation provisions are made in respect of claims brought against the Company by third parties. These claims are settled as they become due.

18 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's exposure to interest rate and foreign currency risk, see note 20.

	2016 £	2015 £
Creditors: falling due within less than one year		
Amounts owed to parent company	453,462	447,000
	453,462	447,000
Creditors: falling due more than one year		
	-	459,924
	-	459,924

Terms and debt repayment schedule

Lender	Currency	Nominal interest rate	Year of maturity	Face value 2016 £	Carrying amount 2016 £	Face value 2015 £	Carrying amount 2015 £
Amounts owed to parent company	£ Sterling	2.08%	2017	453,462	453,462	-	906,924
				453,462	453,462	-	906,924

The loan liability represents a formalised loan from Indigo Park Solutions of £448,666 plus accrued interest of £4,796.

Notes (continued)

19 Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1,165,831 ordinary shares of £1 each	<u>1,165,831</u>	<u>1,165,831</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

20 Financial instruments

Categories of financial instruments held at fair value

The Company has no financial assets nor liabilities measured at fair value through profit and loss.

The Company has the following financial assets and liabilities measured at fair value and held for trading:

	2016 £	2015 £
Financial assets at fair value		
Amounts owed by group companies - current	7,106,217	5,219,357
Financial liabilities at fair value		
Amounts owed to parent company - current	(453,462)	(447,000)
Amounts owed to parent company - non-current	-	(459,924)
Creditors: falling due within one year	(1,719,426)	(1,426,780)

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

21 Ultimate parent company and parent of larger group

The Company is a subsidiary undertaking of Infra Foch Topco SAS, (a company incorporated in France), which is the ultimate parent undertaking and controlling party of the largest and smallest group of which the Company is a member and for which group financial statements are prepared.

The consolidated financial statements of Infra Foch Topco SAS are available to the public and may be obtained from Oak House, Reeds Crescent, Watford, Hertfordshire, WD24 4QP.