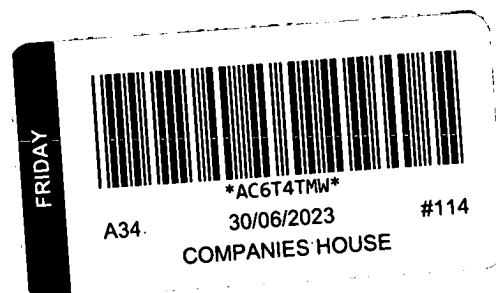


REGISTERED NUMBER: 737204

VINCI PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST DECEMBER 2022



# VINCI PLC

## Company Information

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### DIRECTORS

P Jutier  
L G L Demierre  
S A Wardrop  
P L G V Anjolas

### SECRETARY

R E Tilbrook

### REGISTERED OFFICE

Astral House  
Imperial Way  
Watford  
Hertfordshire  
England  
WD24 4WW

### WEBSITE ADDRESS

[www.VINCI.plc.uk](http://www.VINCI.plc.uk)

### REGISTERED NUMBER

737204

### INDEPENDENT AUDITORS

Constantin  
25 Hosier Lane  
London  
EC1A 9LQ

### BANKER

National Westminster Bank Plc  
P O Box 2DG  
208 Piccadilly  
LONDON  
W1A 2DG

### **Principal activity and business review**

The principal activity of the Company is the provision of services to its subsidiaries and related companies in the UK operating in infrastructure construction, operation, management, maintenance and facility services. The Company mainly provides payroll related services.

The Company's activity is being transferred to its immediate parent company, **VINCI Construction Holding Limited** from 31<sup>st</sup> March 2023. For at least a period of twelve months from the date of approval of financial statements, the Company will continue to provide payroll related services to its related parties.

### **Principal risks and uncertainties**

The risks to which VINCI Plc is exposed are managed by the senior management of the Company. The principal risks are as follows:

- **Macroeconomic environment**

In a geopolitical and economic context that is uncertain and volatile, the Company is paying particularly close attention to any lasting impact from the Covid-19 pandemic, the subsequent effects of cost inflation, disruption to certain supply chains and rising interest rates. As the Company has no significant external contracts the effects on the business have been minimal.

- **Health and Safety**

The Company recognises the importance of the health and safety of all those employed in its offices and operates policies to ensure that the risks associated with accidents and health are properly managed and controlled.

- **The Environment**

The Company recognises the importance of minimising the impact on the environment and is pro-actively managing this. Procedures are in place to measure and manage outputs and to set targets for reduction.

- **Human Resources**

The Company's employees are its most important resource. It is essential to the future success of the business that a skilled and motivated workforce is retained.

### **Section 172 Compliance Statement**

The Directors confirm that they are compliant with Section 172 of the Companies Act 2006, that is, their duty to promote the success of the Company for the benefit of all members. In doing so the Directors have regard, amongst other matters, to the following:

#### **(i) The likely consequences of any decisions in the long term**

As with other large organisations, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of the Company. The Directors maintain oversight of the Company's performance and are responsible for ensuring that management acts in accordance with the strategy and plans agreed by the Board.

In making decisions concerning the Business Plan and future strategy the Directors have regard to a variety of matters, including the consequences of its decisions in the long-term and its long-term reputation. As part of this, the Board recognises that it is key that we effectively identify, evaluate, manage and mitigate the risks we face.

**(ii) The interests of the Company's employees**

Our employees are a key resource and we prioritise investment in continual training and personal development for all. Our online training platform ensures that our employees have access to, and can participate in, a variety of online training courses.

Team engagement is high on our agenda, as measured in our annual survey. The survey is a direct method of listening to team members' views across a number of key business areas each year. Feedback gathered directly informs the actions in our annual business plan.

We have a culture of inclusion and diversity through accreditations from Investors in People and Investors in Diversity. There are a number of ways we involve, communicate and gather feedback from our employees including: annual roadshows where our leadership and staff come together to discuss plans and topics of interest, a range of surveys covering safety and wellbeing, inclusion and satisfaction, local and national newsletters and electronic noticeboards. Further, there is a dedicated platform; Eureka, for promoting ideas and innovation from all employees.

Face-to-face briefings with Directors are held regularly to provide feedback on business plan progress, news of future opportunities and to allow two-way dialogue with team members. In addition to this, a range of communications is produced for both internal and external audiences to keep employees informed and to promote business achievements.

The senior management team are encouraged to be visible and approachable and regularly undertake site safety tours, where they engage with employees on any topic, including safety and working practices, incorporating that feedback into business decisions.

Within our business several initiatives are in place to help us to improve the image of the industry, raise awareness of the opportunities available and to improve local recruitment, including work experience placements, site visits and events such as Build UK Open Doors Week.

Working with local schools and colleges allows us to promote the career and development opportunities available within the Company, the VINCI group and our industry. "Think global, act local" could be used to describe our approach which, by combining our corporate responsibility and employment policies, allows our project teams flexibility in how they deliver at the project level.

In conjunction with the National Apprenticeship Service, we follow a Modern Apprenticeships model to offer people aged over 16 the chance of paid employment at craft, technician and management level.

**(iii) The need to foster the Company's business relationships with suppliers, customers and others**

We take pride in offering a dedicated, flexible approach which supports our clients, underpinned by the recruitment, development and retention of a locally based workforce and supported by a close community of trusted supply-chain partners.

We are 'long term' people. Establishing strong partnerships with our supply chain is an important element of our success. We foster personal relationships, using a mix of national and local suppliers to ensure that we are delivering best value, locally focused services that support our national presence and scope, whilst also supporting local communities and economies. We are fully aware and embrace our responsibilities to support the local economy and our duty to create jobs and improve people's lives.

**(iii) The need to foster the Company's business relationships with suppliers, customers and others (continued)**

The Company is committed to continuous improvement, to capturing innovation, and to sustainable development. Our supply chain strategy is designed to encourage openness, trust and collaboration and we have created set processes and guidelines to ensure that these aspirations underpin the way we work.

Our supply chain partners are supported in their training and development and have access to VINCI Academy e-learning modules. We are also a member of the Supply Chain Sustainability School, which provides training and resource for suppliers to assess and improve their knowledge of sustainability.

We pride ourselves on a strong partnership culture. A skilled supply chain that feels integral to our business is most capable of helping us to deliver outstanding quality projects on time and within budget.

We are committed to treating our supply chain partners fairly in respect of payment for works done.

**(iv) The impact of the Company's operations on the community and the environment**

Working with local communities is an essential part of our work. This approach makes us directly accountable to the communities in which we work – our teams are local people, concerned about local issues and community.

Increasingly, our clients need to provide more for less. Our teams support this by creating opportunity and solutions including local employment opportunities and developing skills; investing in local businesses and suppliers and in our network of offices, and creating safe places where people live, work and learn.

We are committed to understanding, respecting and making a positive difference to each community within which we work. We work closely with clients to create projects that support and serve local communities. We understand the catalytic and multiplier effects of VINCI's spend within commercial and social economies.

We set annual social value objectives and measure performance. Our social value strategy includes themes such as community legacy, local expertise and skills, waste, biodiversity and carbon. The effective development of our strategy, combined with our key values of teamwork and innovation, ensures we focus on exceeding our stakeholders' requirements.

We fully document efficient use of resources and record consumption, using a resource efficiency management plan and our recording system, Footprint. Footprint, evidences chain of custody, records waste diverted from landfill, water consumption/recycling data, monitors CO2 emissions/carbon reduction and ensures our timber procurement is from Category A certification schemes.

If waste cannot be eliminated or is a by-product of operations, our standard is to reuse or recycle.

**(v) The reputation for a high standard of business conduct**

As the Board of Directors, our intention is to behave responsibly and ensure that management operates the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours.

On a regular basis the Board reviews the Company's Ethics Policy. It has recently introduced a new code of ethics and anti-bribery programme and issued a modern slavery statement to demonstrate our commitment to seeking to ensure that there is no slavery, forced labour or human trafficking in any part of our business or supply chain. Our whistleblowing (Safecall) process has long been in place.

**(vi) The need to act fairly as between members of the Company**

The Board includes Directors from, and works closely with, its parent company. It is important to us that our shareholders understand our strategy and objectives. We maintain regular, continuing dialogue with them to explain and discuss business performance and future plans.

**Other key initiatives**

**Innovation**

An innovative approach to adding value is vital to continued success in the current business environment. It remains vitally important that, through innovation, we maintain our drive to improve the efficiency of everything we do in order to maintain the highest standards and value for money that our clients rightly demand.

We strive to provide innovative solutions to everyday problems and deliver projects ranging from traditional construction to the extremely complex.

On behalf of the Board



S Wardrop  
Director

29 June 2023

The Directors submit their annual report to the members, together with the audited financial statements for the year ended 31st December 2022.

### **Results and dividends**

The profit for the financial year as shown in the Income Statement on page 13 amounted to £29,473,000 (2021: £16,005,000).

The Company paid a dividend of £43,435,000 (2021: £15,050,00) to VINCI Construction Holding Limited on 20 May 2022. The Company received dividends of £27,541,000 (2021: £16,093,000) from its subsidiary companies on the same day.

### **Directors**

G Godard resigned on 30 September 2022.

No other directors were appointed or resigned during the year.

The present directors are disclosed on Page 1.

### **Post Balance Sheet Event**

The Company's activity is being transferred to its immediate parent company, VINCI Construction Holding Limited from 31<sup>st</sup> March 2023.

### **Indemnity provisions**

No qualifying third-party indemnity provision was in force during the financial year, or at the date of approval of the financial statements, for the benefit of any director of the Company.

### **Going concern**

The financial statements have been prepared on a going concern basis. For at least a period of twelve months from the date of approval of the financial statements, the Company will continue to provide payroll related services to its related parties. The company has adequate liquidity to meet its obligations as they fall due.

As part of assessing the ability to continue as a going concern the Company considered the impact of the ongoing situation in Ukraine, the cost of living crisis and a potential global economic downturn on its business. The company has no active contracts. As a result, and even though globally everyone is confronted with a level of uncertainty, the Directors concluded that the Company has sufficient financial resources to continue as a going concern.

### **Political Donations**

The Company made no political donations nor incurred any political expenditure in the current or previous years.

### **Employees**

The Company has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Should an employee become disabled while in the Company's employment they are guaranteed consideration for alternative positions within the Company which are within their capabilities. It is the Company's policy to offer training and development opportunities to all employees on the basis of the assessment of training needs.

**Disclosure of information to the auditors**

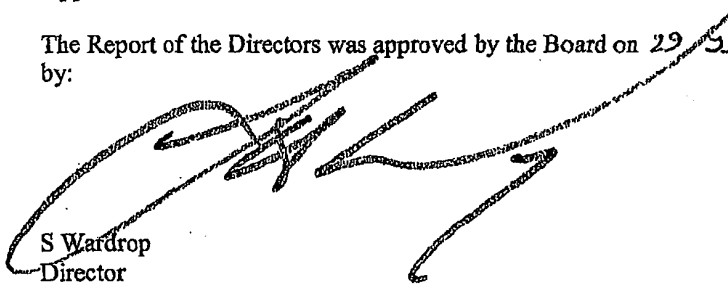
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Independent Auditors**

Constantin were appointed as auditors in April 2022.

**Approval**

The Report of the Directors was approved by the Board on 29 June 2023 and signed on its behalf by:

A large, stylized handwritten signature in black ink, appearing to read 'S Wardrop', is written over the text of the approval section.

S Wardrop  
Director

Company registered number 737204

VINCI Plc  
Astral House  
Imperial Way  
Watford  
Herts  
WD24 4WW

Statement of Directors' Responsibilities in Respect of the Financial Statements

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 Financial Reporting Standard 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 parent company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

### **Opinion**

In our opinion the financial statements of VINCI PLC (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31/12/2022 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 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies;
- the related notes 1 to 19

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

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, 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.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and directors about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

##### **Opinions 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 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 or the directors' report

##### **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.



Thierry de Gennes, ACA (Senior Statutory Auditor)

For and on behalf of Constantin

Chartered Accountants and Statutory Auditor

25 Hosier Lane

London

EC1A 9LQ

Date: 29 June 2023

VINCI PLC

Income Statement  
for the year ended 31 st December 2022

	Note	2022 £000	2021 £000
<b>Revenue</b>		<b>26,104</b>	20,900
Administrative expenses	2	(20,150)	(20,533)
		<hr/>	<hr/>
<b>Operating profit before net financing expense</b>		<b>5,954</b>	367
Impairment in investment	2	(586)	(121)
Dividends received		27,541	16,093
Financial income	5	8,564	5,467
Financial expenses	5	(10,525)	(6,076)
		<hr/>	<hr/>
<b>Profit before taxation</b>		<b>30,948</b>	15,730
Taxation	6	(1,475)	275
		<hr/>	<hr/>
<b>Profit from continuing operations</b>	13	<b>29,473</b>	16,005
		<hr/>	<hr/>

The accompanying notes form part of these financial statements

VINCI PLC

Statement of Comprehensive Income and Statement of Changes in Equity  
for the year ended 31st December 2022

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**Statement of Comprehensive Income**

	2022 £000	2021 £000
Profit for the year	29,473	16,005
Items that will never be reclassified subsequently to the income statement:		
Actuarial gains/(losses) in defined benefit scheme	22,173	(1,693)
Tax on actuarial gains/(losses) in defined benefit scheme	(5,544)	2,219
 Total comprehensive income for the year	 46,102	 16,531

The accompanying notes form part of these financial statements.

# VINCI PLC

## Statement of Comprehensive Income and Statement of Changes in Equity (continued) for the year ended 31st December 2022

	Share capital £000	Retained earnings £000	Total equity £000
At 1st January 2022	80,000	20,491	100,491
Profit for the year	-	29,473	29,473
Other comprehensive expense	-	16,629	16,629
Total Comprehensive income for the year	-	46,102	46,102
Dividend paid	-	(43,435)	(43,435)
At 31st December 2022	80,000	23,158	103,158

	Share capital £000	Retained earnings £000	Total equity £000
At 1st January 2021	80,000	21,263	101,263
Profit for the year	-	16,005	16,005
Other comprehensive expense	-	526	526
Total Comprehensive income for the year	-	16,531	16,531
Equity settled share-based payment transactions	-	(2,253)	(2,253)
Dividend paid	-	(15,050)	(15,050)
At 31st December 2021	80,000	20,491	100,491

The accompanying notes form part of these financial statements.

VINCI PLC

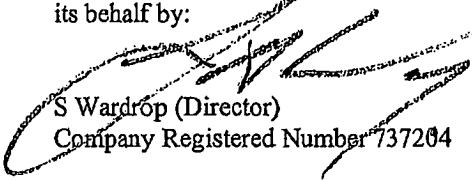
Statement of Financial Position  
at 31st December 2022

	Notes	2022 £000	2021 £000
<b>Non-current assets</b>			
Property, plant and equipment	7	2,101	2,025
Right-of-use asset	7	2,023	2,994
Investments	8	189,841	190,427
Deferred tax asset	11	4,187	11,198
Amounts due from subsidiary		35,752	35,752
		<hr/>	<hr/>
		233,904	242,396
<b>Current assets</b>			
Trade and other receivables	9	3,854	2,386
Tax recoverable		1,816	1,780
		<hr/>	<hr/>
		5,670	4,166
		<hr/>	<hr/>
<b>Total assets</b>		239,574	246,562
<b>Current liabilities</b>			
Bank overdraft and equivalents		88,280	71,944
Trade and other payables	10	32,861	32,848
Lease liabilities		1,064	1,011
		<hr/>	<hr/>
		122,205	105,803
<b>Non-current liabilities</b>			
Lease liabilities		1,115	2,165
Employee benefits	12	13,096	38,103
		<hr/>	<hr/>
<b>Total liabilities</b>		136,416	146,071
		<hr/>	<hr/>
<b>Net assets</b>		103,158	100,491
<b>Equity attributable to equity holders of the Parent</b>			
Issued share capital	13	80,000	80,000
Retained earnings	13	23,158	20,491
		<hr/>	<hr/>
<b>Total equity</b>		103,158	100,491
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

Retained earnings include profit for the year of £29,473,000 (2021: profit of £16,005,000).

The financial statements on pages 13 to 47 were approved by the Board on 29 June 2023 and signed on its behalf by:

  
S Wardrop (Director)

Company Registered Number 737204

## 1. Accounting Policies

VINCI Plc ("the Company") is a company domiciled in the United Kingdom.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### **Basis of preparation**

These financial statements were prepared, on a going concern basis, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company's parent undertaking VINCI Construction SAS includes the Company in its consolidated financial statements. The consolidated financial statements of VINCI Construction SAS are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary, VINCI Construction SAS, 1973 boulevard de la Défense – 92000 Nanterre, Cedex, France.

In these financial statements, the company has applied the disclosure exemptions available under FRS 101 as follows:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments'.
- The requirements of IFRS 7, 'Financial instruments: Disclosures'.
- The requirements of paragraphs 91 to 99 of IFRS 13, 'Fair value measurement'.
- The requirements of IAS 7 to present a cash flow statement.
- The requirements of paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors'.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.
- The requirements of paragraph 17 of IAS 24, 'Related party disclosures' and the requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more far.

The financial statements are prepared on the historical cost basis.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### **Going Concern**

The Company's business activities, performance and position are set out in the Strategic Report. The Company has adequate liquidity to meet its obligations as they fall due. The Company considered any lasting impact of COVID-19 on its business as well as the current situation in Ukraine and a potential global economic downturn on its business. It concluded that the Company has sufficient financial resources to continue as a going concern. As a consequence, the directors continue to adopt the going concern basis in preparing these financial statements.

**Adopted IFRS not yet applied**

The accounting policies applied by the Company in these financial statements are in accordance with Adopted IFRSs and are the same as those applied by the Company in its financial statements for the year ended 31st December 2021.

There are no new standards or amendments that could have a material impact on the financial statements of which application was not mandatory at 1st January 2022.

**Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgements.

The judgements, estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities as at 31<sup>st</sup> December 2022 are as follows:

**- Valuation of lease liabilities and right-of-use assets**

The application of IFRS16 requires the company to make judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets (please see Note 7a). These include determining contracts in scope of IFRS16, determining the contract term and depending on the interest rate used for discounting of future cash flows.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally most relevant:

- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate);
- Otherwise, the company considers other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

Extension options were reviewed and no extension options have been included in the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate can't be determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The incremental borrowing rates are specific to the UK, as determined by our parent company, VINCI SA.

The rates used vary depending on the type of asset and the duration of the lease, averaging 6.86%.

**- Retirement Benefit Obligations**

In determining the valuation of the Company's defined benefit scheme assets and liabilities a number of key assumptions have been made relating to inflation, life expectancy, discount, salary and pension growth rates. These assumptions are largely dependent on factors outside the Company's control.

The Company is exposed to risks through its defined benefit schemes if actual experience differs from the assumptions used and through volatility in the plan assets. Details of the assumptions used and associated sensitivities are given in note 12.

**1. Accounting policies (continued)****Revenue**

The revenue of the Company is recognised in accordance with IFRS 15. It represents amounts recovered from subsidiaries for costs incurred on their behalf as well as fees for services provided to them. The Company's services involve only one performance obligation which is fulfilled progressively. To measure progress towards completion of its services the Company uses a method based on the proportion of costs incurred.

**Expenses***Lease payments – short term or low value*

Payments made under leases with terms less than 12 months or relating to low-value assets are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised over the lease term.

*Net financing costs*

Net financing costs comprise interest payable, financial elements of pensions, interest receivable on funds invested and loans receivable from equity accounted investees, dividend income, foreign exchange gains and losses and gains and losses on hedging instruments that are recognised in the income statement.

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 income statement on the date the entity's right to receive payments is established.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income 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 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 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 asset can be utilised.

**1. Accounting Policies (continued)****Trade and other receivables and payables**

Trade and other receivables and payables are stated at their nominal amount (discounted if material) less impairment losses.

**Financial assets**

Trade receivables, contract assets and amounts due from parent and fellow subsidiary undertakings apply the IFRS 9 “Expected Credit Losses” (ECL) model. Expected credit losses are recognised and measured based on historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits, typically with maturities of three months or less. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The cash balances are swept at the end of each business day to VINCI Finance international, a Group company registered in Belgium who acts as the VINCI group centralised treasury management entity.

These inter-company balances are highly liquid and accessible on demand and meet the definition of cash and cash equivalents.

**Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

**Leases**

The leases to which the Company is party mainly concerns properties.

Based on the accounting policy applied the Company recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

**1. Accounting Policies (continued)****Leases (continued)**

Leases with terms less than 12 months or relating to low-value assets are recognised in the income statement with no impact on the Company's balance sheet.

Lease terms include the minimum lease terms and any renewal periods provided for in the lease. Lease terms for properties have been assessed on the basis of local law and the expected use of the premises.

To determine the interest rate used to calculate the lease liability, the Company took into account the weighted average during of payments, country risk and specific risk.

After the commencement date the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect lease payments made, and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

**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, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**Employee benefits***Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

*Defined benefit plans*

The Company's net obligation in respect of defined benefit pension plans and other post-employment benefits it manages on behalf of the VINCI Plc Group is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

Following the adoption of IAS 19(R) from 1st January 2013 all actuarial gains and losses are immediately recognised in the year they occur directly into equity through the statement of comprehensive income.

**1. Accounting Policies (continued)***Share-based payment transactions*

Performance shares are granted to certain Company employees, entitling them to shares of the ultimate Parent Company; these shares are granted by the ultimate parent. Final vesting of these shares is dependent on the realisation of financial criteria. The fair value of shares granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which employees become unconditionally entitled to the shares. The fair value of the shares granted is calculated by an external actuary and is measured using a valuation model, taking into account the terms and conditions upon which the shares were granted. The amount recognised as an expense is adjusted to reflect the actual number of shares that vest, except where forfeiture is due only to share prices not achieving the threshold for vesting.

Company employees are offered the opportunity to subscribe to the Castor International Savings Scheme. This enables employees to invest in the equity capital of the ultimate Parent Company, VINCI SA. Further details are provided in note 12.

**Investments in debt and equity securities**

Investments in joint ventures, associates and subsidiaries are carried at cost less impairment. Financial instruments held for trading or designated upon initial recognition or at the IFRS 9 transition date if later are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of recognised income and expenditure. No depreciation is provided on freehold land. The principal anticipated useful lives on a straight-line basis are:

Computer, fixtures and fittings and plant and machinery	- from two to fifteen years
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**1. Accounting policies (continued)****Foreign currency**

Transactions in foreign currencies are translated 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 translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. 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.

**Foreign operations**

The assets and liabilities of foreign operations are translated at the exchange rate at the year end. The income and expenses of foreign operations are translated at the date of the transactions.

Foreign currency differences are recognised in the statement of comprehensive income and presented in the translation reserve in equity.

**2. Breakdown of expenses by nature**

Included in profit are the following:	2022	2021
	£000	£000
Depreciation of tangible assets	2,234	2,002
Impairment in value of investment	586	121
Loss on disposal of property, plant and equipment	-	1
Auditors' remuneration - audit of these financial statements	11	15

**3. Employees**

(i) Staff costs during the year amounted to:	2022 £000	2021 £000
Wages and salaries		
Social security costs	7,439	6,387
Pension costs – defined contribution scheme	693	615
– defined benefit scheme	398	658
	120	120
	<hr/>	<hr/>
	8,650	7,780
Share based payments (see note 12)	130	108
	<hr/>	<hr/>
	8,780	7,888
	<hr/>	<hr/>

The monthly average number of employees during the year was as follows:

	2022 No.	2021 No.
Management	4	4
Administration	126	130
Operations	5	8
	<hr/>	<hr/>
	135	142
	<hr/>	<hr/>

**4. Directors' remuneration**

None (2021: none) of the directors received remuneration relating to their service as Directors of VINCI Plc during 2022. None of the current directors (2021: none) is accruing benefits under the Company defined benefit plans and none (2021: none) is accruing benefits under the defined contribution plan.

None of the Directors of the Company exercised share options in 2022 (2021: none). The value of the compensation to directors in share-based payments in 2022 was £nil (2021: £nil).

**5. Finance income and expense**

	2022 £000	2022 £000	2021 £000	2021 £000
Other financial income and similar income:				
Return on pension assets	4,907		4,847	
Interest received	3,520		620	
Foreign exchange gains	137		-	
			133	
<b>Total financial and similar income</b>		<b>8,564</b>		<b>5,467</b>
Financial expenses and similar charges:				
Interest on pension obligation	(5,484)		(5,466)	
Foreign exchange losses	-		(144)	
Interest paid	(4,936)		(333)	
Finance lease liability	(105)			
<b>Total financial and similar charges</b>		<b>(10,525)</b>		<b>(6,076)</b>
<b>Net financial expenses</b>		<b>(1,961)</b>		<b>(609)</b>

**6. Taxation**

Recognised in income statement:	2022 £000	2021 £000
Current tax:		
UK corporation tax on profit for the year	-	-
Adjustments in respect of previous years	(8)	(156)
<b>Total current tax</b>	<b>(8)</b>	<b>(156)</b>
Deferred tax - origination and reversal of timing differences	(1,255)	(627)
Changes in tax rates	-	941
Adjustments in respect of previous years	(212)	117
<b>Tax (charge)/credit on profit on ordinary activities</b>	<b>(1,475)</b>	<b>275</b>

6. **Taxation (continued)****Reconciliation of effective tax rate**

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2022 £000	2021 £000
Profit on ordinary activities before taxation	30,948	15,730
Theoretical tax at UK corporation tax rates 19% (2021: 19%)	(5,880)	(2,989)
Effects of:		
Income not taxable/Expenditure not tax deductible	(809)	(143)
Group relief not paid	201	388
Other adjustments in respect of prior years	(220)	(39)
Dividend income not taxable	5,233	3,058
	<hr/>	<hr/>
Actual total taxation (charge)/credit	(1,475)	275
	<hr/>	<hr/>

The change of the corporation tax rate from 19% to 25% from the financial year beginning 1 April 2023 was substantively enacted on 24 May 2021. The closing deferred tax rate is set as 25% (2021:25%).

Notes to the Financial Statements (continued)  
at 31st December 2022

7.

	Plant and machinery £000	Plant and machinery – in the course of construction £000	Computer systems, fixtures and fittings £000	Total £000
Cost:				
At 1st January 2021	312	51	8,326	8,689
Additions	-	374	1,007	1,381
Disposals	-	-	(1)	(1)
At 31st December 2021	312	425	9,332	10,069
At 1st January 2022	312	425	9,332	10,069
Additions	-	114	1,348	1,462
Reclassification	-	(472)	472	-
Disposals	-	-	(1,186)	(1,186)
At 31st December 2022	312	67	9,966	10,345
Depreciation:				
At 1st January 2021	312	-	6,709	7,021
Charged	-	-	1,023	1,023
Disposals	-	-	-	-
At 31st December 2021	312	-	7,732	8,044
At 1st January 2022	312	-	7,732	8,044
Charged	-	-	1,263	1,263
Disposals	-	-	(1,063)	(1,063)
At 31st December 2022	312	-	7,932	8,244
Net book value:				
At 31st December 2021	-	425	1,600	2,025
At 31st December 2022	-	67	2,034	2,101

## 7(a). Right-of use assets

	Buildings £000	Total £000
Cost:		
At 1st January 2022	5,931	5,931
Disposals	(40)	(40)
	<hr/>	<hr/>
At 31st December 2022	5,891	5,891
	<hr/>	<hr/>
At 1st January 2021	5,919	5,919
Additions	12	12
	<hr/>	<hr/>
At 31 <sup>st</sup> December 2021	5,931	5,931
	<hr/>	<hr/>
Depreciation:		
At 1st January 2022	2,937	2,937
Charged	971	971
Disposals	(40)	(40)
	<hr/>	<hr/>
At 31st December 2022	3,868	3,868
	<hr/>	<hr/>
At 1st January 2021	1,958	1,958
Charged	979	979
	<hr/>	<hr/>
At 31st December 2021	2,937	2,937
	<hr/>	<hr/>
Net book value:		
At 31st December 2022	2,023	2,023
	<hr/>	<hr/>
At 31st December 2021	2,994	2,994
	<hr/>	<hr/>

8. **Investments**

This comprises shares in Group undertakings:

	Total £000
Cost:	
At 1st January 2021	376,057
Disposal	(799)
	<hr/>
At 31st December 2021	375,258
	<hr/>
At 1st January 2022 and 31 <sup>st</sup> December 2022	375,258
	<hr/>
Provisions for impairment:	
At 1st January 2021	185,509
Disposal	(678)
	<hr/>
At 31st December 2021	184,831
	<hr/>
At 1st January 2022	184,831
Increase in the year	586
	<hr/>
At 31st December 2022	185,417
	<hr/>
Net book value:	
At 31st December 2021	190,427
	<hr/>
At 31st December 2022	189,841
	<hr/>

In 2022 the Company provided £586,000 against the investment in Conren Limited.

In 2021 the Company dissolved its investment in Weaver Limited.

A full list of the Company's investments in subsidiaries and associated undertakings at 31<sup>st</sup> December 2022 is given on page 48.

## 9. Trade and other receivables

	2022 £000	2021 £000
Trade receivables	230	126
Due from parent and fellow subsidiary undertakings	427	376
Other taxation and social security	1,995	-
Other receivables	377	134
Prepayments and accrued income	825	1,750
	<hr/>	<hr/>
	3,854	2,386
	<hr/>	<hr/>

The Directors consider that the carrying amounts of trade and other receivables approximate to their fair value at 31st December 2022. After expected credit loss assessment, in accordance with IFRS9, total trade and other receivables are stated net of the provisions for irrecoverable amounts of nil (2021: £nil).

Trade receivables, other receivables and accrued income are analysed as follows:

	2022 Corporate £000	2022 Public sector £000	2021 Corporate £000	2021 Public sector £000
	2022 Corporate £000	2022 Public sector £000	2021 Corporate £000	2021 Public sector £000
Not overdue	3,854	-	2,386	-
Between 1 to 3 months past due	-	-	-	-
Between 3 and 6 months past due	-	-	-	-
More than 6 months past due	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December	3,854	-	2,386	-
	<hr/>	<hr/>	<hr/>	<hr/>

10. **Trade and other payables**

	£000	£000
Due to parent and fellow subsidiary undertakings	21,772	20,846
Other taxation and social security	-	750
Other payables	3,988	8,164
Accruals	7,101	3,088
	<u>32,861</u>	<u>32,848</u>

Included within accruals and other payables are retentions of £nil (2021: £nil).

# 11. Deferred tax assets and liabilities

## Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	1,089	1,613	-	-	1,089	1,613
Employee benefits	3,098	9,585	-	-	3,098	9,585
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Tax assets	4,187	11,198	-	-	4,187	11,198
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## Movement in deferred tax during the prior year

	1 January 2021 £000	Recognised in income £000	Recognised in equity £000	Transferred in £000	31 December 2021 £000
Property, plant and equipment	1,378	235	-	-	1,613
Employee benefits	7,173	193	2,219	-	9,585
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	8,551	428	2,219	-	11,198
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## Movement in deferred tax during the year

	1 January 2022 £000	Recognised in income £000	Recognised in equity £000	Transferred in £000	31 December 2022 £000
Property, plant and equipment	1,613	(524)	-	-	1,089
Employee benefits	9,585	(944)	(5,543)	-	3,098
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	11,198	(1,468)	(5,543)	-	4,187
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The deferred tax is calculated at a rate of 25% (2021:25%).

**11. Deferred tax assets and liabilities (continued)**

## Recoverability of Deferred tax

	No More than 12 months £000	More than 12 months £000	Total £000
Property, plant and equipment	360	729	1,089
Employee benefits	823	2,275	3,098
	<u>1,183</u>	<u>3,004</u>	<u>4,187</u>

**12. Employee Benefits**

Pensions for the majority of monthly paid staff are provided through the VINCI Pension Trust (VPT). A very small number of employees are members of a defined benefit scheme, the VINCI NHS Pension Scheme (VNHSPS). Until 31<sup>st</sup> March 2023 the Company also ran a defined benefit scheme on behalf of the VINCI Plc Group, which was closed to future accrual on 31<sup>st</sup> August 2016, the VINCI Pension Scheme (VPS).

The VPT is a defined contribution occupational pension scheme, run as a Mastertrust arrangement by Legal & General. Contributions are invested on behalf of the members in accordance with their investment wishes or a selected default strategy. At retirement, members can choose to take their fund as cash, drawn down directly from the fund or purchase an annuity.

Fifteen employees are members of the VNHSPS. The VNHSPS was transferred to VINCI Construction UK Limited in 2009 as a result of a business acquisition. The VNHSPS' assets and liabilities were transferred into the VPS on the 1st of January 2021. This was done by aggregating the calculations of the net balance sheet liability of the VPS (pre-merger) with the net balance sheet of the VNHSPS using consistent assumptions in both schemes with effect from the close of business on the 31st December 2019.

The VPS was an externally managed and funded defined benefit pension scheme. The VPS operated under UK trust law and was managed and administered on behalf of its members in accordance with the terms of the trust deed, the scheme rules and UK legislation (principally the Pension Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004). Under UK legislation a defined benefit pension scheme is required to meet the statutory funding objective of having sufficient and appropriate assets to cover its liabilities. Pension fund trustees are required to: prepare a statement of funding principles; obtain regular actuarial valuations and reports; put in place a recovery plan addressing any funding shortfall; and send regular summary funding statements to members of the scheme. The VPS's corporate trustee was VINCI Pensions Limited. VINCI Pensions Limited was the legal owner of the scheme assets which were held separately from the assets of the Group. The Board of VINCI Pensions Limited comprises two trustee directors nominated by members selected from eligible active staff or pensioner members and four appointed by VINCI Plc. The Board was responsible for operating the scheme in line with its formal rules and pensions law. It has a duty to act in the best interests of all scheme members.

## 12. Employee benefits (continued)

On 31<sup>st</sup> March 2023 the assets and liabilities of the VPS were transferred to the VINCI Group Pension scheme (the VGPS), previously named the Ringway Group DB pension scheme. VINCI Plc ceased to participate in the VPS on that date. From 1<sup>st</sup> April 2023 the Principal, and only, Employer of the VGPS is VINCI Construction Management Limited. Members' benefits are not affected by the transfer.

Risks associated with the Company's defined benefit pensions:

Risk	Description	Mitigation
Interest rate risk	Volatility in financial markets can change the calculations of the obligation significantly as the calculation of the obligation is linked to yields on high quality corporate bonds. A decrease in the bond yield will have an adverse impact on the funding position of the scheme.	A decrease in yields will be partially offset by increases in the value of matching plan assets such as index linked gilts and liability driven investments (LDI). In December 2022, exposure to leveraged LDI funds was increased, raising the interest rate hedge from c.60% to c.88%.
Inflation risk	The fund is linked to inflation. A higher rate of expected long term inflation can lead to higher liabilities. This risk is managed by holding inflation-linked bonds and liability driven investments in order to reduce inflation risk.	As part of the investment strategy, the Trustee aims to mitigate this risk through investment in an LDI portfolio.
Investment risk	The Scheme's accounting liabilities are calculated using a discount rate set with reference to corporate bond yields. If the return on the scheme's assets underperform this rate, the accounting deficit will increase.	This risk is partially managed by liability matching assets and the Trustee regularly monitors the funding position, operating a diversified investment strategy.
Longevity risk	The present value of the Scheme's defined benefit liability is calculated by reference to the best estimate of the mortality of the Scheme's members. An increase in the life expectancy of members above that assumed will lead to higher liabilities.	Liabilities reflect the latest mortality information available to actuaries by the CMI (Continuous Mortality Investigation). The Trustee regularly monitors the impact of changes in longevity on Scheme obligations.

At 31 December 2022 there were 15 active members who transferred in from a smaller Group Scheme on 1 January 2021. The last full valuation of the scheme was carried out at 31 December 2019 and was updated for IAS19(R) purposes to 2022 by a qualified actuary.

	2022 £000	2021 £000
Total defined benefit liability	225,792	337,958
Total defined benefit asset	(214,784)	(301,694)
	<hr/>	<hr/>
Net liability for defined benefit obligations (see following table)	11,008	36,264
	<hr/>	<hr/>

## 12. Employee benefits (continued)

## VINCI Pension Scheme (VPS)

## Movement in net defined benefit liability

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability/(asset)	
	2022	2021	2022	2021	2022	2021
	£000	£000	£000	£000	£000	£000
Balance at 1 January	337,958	336,611	301,694	298,778	36,264	37,833
Included in profit or loss						
Current service cost	357	404	-	-	357	404
Interest cost	5,484	5,466	4,907	4,847	577	619
Employees contribution	25	29	25	29	-	-
	<u>343,824</u>	<u>342,510</u>	<u>306,626</u>	<u>303,654</u>	<u>37,198</u>	<u>38,856</u>
Included in OCI						
Remeasurements (gain)/loss:						
Actuarial (gain)/loss arising from						
- Changes in demographic Assumptions	(343)	(654)	-	-	(343)	(654)
- Change in financial assumptions	(116,121)	12,363	-	-	(116,121)	12,363
- Experience adjustment	12,012	(4,043)	-	-	12,012	(4,043)
Return on plan assets						
Excluding interest income	-	-	(82,278)	5,973	82,278	(5,973)
	<u>239,372</u>	<u>350,176</u>	<u>224,348</u>	<u>309,627</u>	<u>15,024</u>	<u>40,549</u>
Other						
Contributions paid by the employer	-	-	4,016	4,285	(4,016)	(4,285)
Benefits paid	(13,580)	(12,218)	(13,580)	(12,218)	-	-
	<u>225,792</u>	<u>337,958</u>	<u>214,784</u>	<u>301,694</u>	<u>11,008</u>	<u>36,264</u>

12. **Employee Benefits (continued)**

Actuarial assumptions

Principal actuarial assumptions (expressed as weighted averages):

	2022 %	2021 %
Discount rate - benefit obligations	4.65	1.65
Future salary increases	1.00	1.00
Inflation	3.15	3.25
Future pension increases (VPS)		
- in payment (pre-1997 joiners)	3.55	3.60
- in payment (pre-1997 joiners)	3.10	3.20
- in deferment		
(i) linked to RPI, capped at 5% per annum	3.15	3.25
(ii) as (i) with a floor of 3% per annum	3.15	3.25
(iii) linked to CPI, capped at 5% per annum	2.55	2.65

Life expectancy (years)	31.12.22		31.12.21	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	21.9	23.9	21.9	23.9
Member age 50 (life expectancy at 65)	22.8	25.0	22.8	25.0

Experience adjustments

	2022		2021		2020		2019		2018		2017	
	£000	%	£000	%	£000	%	£000	%	£000	%	£000	%
Experience adjustments on plan liabilities	(12,012)	5	4,043	1	11,888	-	(176)	-	(4,935)	(2)	(2,630)	(1)
Experience adjustments on plan assets	(82,278)	24	5,973	2	21,256	5	14,542	5	(6,255)	(2)	11,584	4
	(94,290)		10,016		33,144		14,366		(11,190)		8,954	

## 12. Employee Benefits (continued)

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting year would have increased / (decreased) as a result of a change in the respective assumptions as follows:

	VPS 2022 £m	VPS 2021 £m
Discount rate - 0.25% reduction	6.7	13.5
- 0.25% increase	(6.5)	(12.9)
Inflation (RPI, CPI)		
- 0.25% reduction	(2.4)	(7.0)
- 0.25% increase	2.4	7.2

In valuing the liabilities of the pension fund at 31st December 2022, mortality assumptions have been made as indicated above. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31st December 2022 would have decreased by £6.2m (2021: increase of £9.4m) before deferred tax for the VINCI Pension Scheme.

The above sensitivities are based on the average duration of the defined benefit obligation determined at the date of the last full actuarial valuations and are applied to adjust the defined benefit obligation at the end of the reporting year for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

The Company expects to pay £3,292,000 in contributions to its defined benefit plans in 2023. The weighted average duration of the defined benefit obligation at the end of the reporting year is 12.2 years.

### Defined Contribution Plans

The Company operates a number of defined contribution plans on behalf of the VINCI Plc Group. The Company's share of the total expense relating to these plans in the current year was £398,000 (2021: £503,000).

## 12. Employee Benefits (continued)

### Performance Shares

Employees have been granted a maximum number of performance shares as follows: -

Date of grant	No. of Employees	No. of Shares
12th April 2022	1	250
8th April 2021	3	980
9th April 2020	2	796
17th April 2019	2	800

On 17th April 2019, 9th April 2021, 8th April 2022 and 12th April 2022 new long-term incentive plans were set up involving conditional grants to employees, consisting of performance shares only. These shares will only vest definitively after a period of three years.

Vesting is subject to beneficiaries being employed by the VINCI Plc Group until the end of the vesting period, and to performance conditions in respect of the performance shares.

The main assumptions used to determine the fair values of the performance shares currently in force are as follows:

Date of grant	Fair Value at Grant Date	Fair value compared with share price at grant date %	Risk-free interest rate %
12th April 2022	90.91	84.53	(0.52)
8th April 2021	90.70	86.70	(0.64)
9th April 2020	76.50	80.64	(0.44)
17th April 2019	89.68	83.45	(0.40)

The total expenses recognised for the year arising from share-based payments are as follows:

	2022 £000	2021 £000
Equity settled share-based payment expense	51	42

## 12. Employee Benefits (continued)

### Castor International Savings Scheme

During 2022 and 2021 the Company offered to its employees the Castor International Savings Scheme which enables employees through a trust fund, to invest in the equity capital of the parent company VINCI S.A.

The principal characteristics of the plan are as follows:

- acquisition of VINCI S.A. shares purchased on the market on the subscription dates, without discount;
- seven successive subscription periods between April and October 2022 for the 2022 scheme;
- seven successive subscription periods between April and October 2021 for the 2021 scheme;
- financial contribution from the employer company in the form of matching shares (subject to a maximum) provided that:
- investing employees have continuing employment for a period of 3 years after acquisition;
- there is no disposal of shares for 3 years after the subscription date.

#### 2022 Scheme

Share purchase date	Share price (£)	No. of employees	No. of shares
16th May 2022	79.66	60	580
15th June 2022	75.32	36	132
15th July 2022	75.20	33	139
15th August 2022	80.83	34	115
15th September 2022	83.56	32	102
17th October 2022	75.34	37	111
15th November 2022	84.51	15	37

#### 2021 Scheme

Share purchase date	Share price (£)	No. of employees	No. of shares
17th May 2021	82.29	52	434
15th June 2021	84.63	42	158
15th July 2021	76.76	43	176
15th August 2021	79.30	43	157
15th September 2021	76.20	38	121
15th October 2021	77.34	36	126
15th November 2021	82.14	27	192

**12. Employee Benefits (continued)**

The charge for the year arising from the Castor International Savings Scheme has been calculated based on estimating the number of shares in the scheme which will ultimately vest. The calculation includes an estimate of the number of shares that will fail to vest due to scheme leavers. This estimate is based on actual employee data from 2012 to 2021.

The total amounts recognised are as follows:

	£000 2022	£000 2021
Castor payment expense	79	66
Castor liability at year end	132	94

In the balance sheet employee benefits  
are made up as follows

	£000 2022	£000 2021
Pensions	11,008	36,264
Share based payments	2,088	1,839
	<u>13,096</u>	<u>38,103</u>

## 13. Reconciliation of movement in capital and reserves

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1st January 2021	80,000	21,263	101,263
Transactions with owners of the Company			
Profit for the year	-	16,005	16,005
Dividends paid	-	(15,050)	(15,050)
Other comprehensive income	-	526	526
Equity settled share-based payment transactions	-	(2,253)	(2,253)
Restated at 31st December 2021	80,000	20,491	100,491
At 1st January 2022	80,000	20,491	100,491
Transactions with owners of the Company			
Profit for the year	-	29,473	29,473
Dividends paid	-	(43,435)	(43,435)
Other comprehensive income	-	16,629	16,629
Equity settled share-based payment transactions	-	-	-
At 31st December 2022	80,000	23,158	103,158

## Share capital

VINCI Plc is a public company limited by shares.

At 31st December 2022, the authorised, allotted and called up share capital comprised 80,000,000 £1 ordinary shares (2021: 80,000,000).

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.

**14. Financial instruments**

Exposure to credit, liquidity and market risks arises in the normal course of the Company's business. The risks are regularly considered and the impact and how to mitigate them assessed.

**Fair values of financial instruments**

**Trade receivables**

The fair value of trade receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

**Trade payables**

The fair value of trade payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

**Cash and cash equivalents**

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then this is classified as a receivable.

**14. Financial instruments (continued)****Fair values**

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the balance sheet are as follows:

	Carrying amount and fair value	Carrying amount and fair value
	2022	2021
	£000	£000
Trade receivables (note 9)	3,029	636
	<hr/>	<hr/>
Total financial assets	3,029	636
	<hr/>	<hr/>
Lease liabilities	(2,179)	(3,176)
	<hr/>	<hr/>
Total financial liabilities	(116,219)	(104,880)
	<hr/>	<hr/>
Net financial instruments	(113,190)	(104,244)
	<hr/>	<hr/>

### **Credit risk**

#### **Financial risk management**

Credit risk is the risk of financial loss to the Company if a customer or company party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and cash held at financial institutions.

#### **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date for the Company was £3,029,000 (2021: £636,000) being the total of the carrying amount of financial assets shown in the table above.

An impairment loss provision against a trade receivable is created where it is anticipated that its value is not fully recoverable.

### **Liquidity risk**

#### **Financial risk management**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they fall due.

The financial liabilities for the Company at 31st December 2022 comprise bank overdrafts, trade and other payables and lease liabilities.

Trade and other payables shown as current liabilities are expected to mature within six months of the balance sheet date.

Non-current liabilities are expected to mature between one and twelve years after the balance sheet date.

### **Market risk**

#### **Financial risk management**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments.

**14. Financial Instruments (continued)****Interest rate risk**

The Company adopts a policy of ensuring that its exposure to changes in interest rates on bank loans is on a fixed rate basis. Interest rate swaps are entered into to achieve an appropriate mix of fixed and floating rate exposure within the Company's policy.

The Company classifies interest rate swaps as cash flow hedges and states them at fair value. The net fair value of swaps at 31st December 2022 was £nil (2021: £nil).

**Foreign currency risk**

The Company's operations are within the UK and so exposure to foreign currency risk is reduced. Where necessary, to minimise currency exposures on sale and purchase transactions, the Company enters forward foreign exchange contracts. There were no significant outstanding forward foreign exchange contracts at the balance sheet date.

**15. Capital commitments**

The Company had no capital commitments at either 31<sup>st</sup> December 2022 or 31<sup>st</sup> December 2021.

**16. Contingent liabilities**

The Company has entered into guarantees relating to bonds, in the normal course of business, from which no losses are expected to arise.

Joint banking facilities available to the Company, its parent undertaking and certain fellow subsidiary undertakings are secured by cross guarantee. At 31st December 2022, the net Group borrowings were £nil (2021: £nil).

**17. Related party transactions****Identity of related parties**

The company has a related party relationship with its subsidiaries and its parent companies. During the year ended 31st December 2022, the company recharged £26.1m (2021: £20.9m) in management fees and expenses to its subsidiaries.

The company also paid £2.2m (2021: £0.5m) in services purchased from fellow group companies and subsidiaries and £nil (2021: £5.8m) in royalties and service fees paid to its parent company.

At 31st December 2022, the company was owed £36.2 m (2021: £36.1m) by subsidiaries and related parties while subsidiaries and related parties were owed £21.8m (2021: £20.8m).

**18. Post Balance Sheet Events**

The Company's activity is being transferred to its immediate parent company, VINCI Construction Holding Limited from 31<sup>st</sup> March 2023.

**19. Ultimate parent undertaking**

The company is a subsidiary undertaking of VINCI Construction Holding Limited, incorporated in the United Kingdom. At 31st December 2022, the ultimate parent undertaking was VINCI, a company incorporated in France. This is the parent undertaking of VINCI Construction S.A.S, the holding company of the Construction division, the smallest group in which the company is consolidated. VINCI Construction S.A.S is incorporated in France.

The registered address for the immediate parent company VINCI Construction Holding Limited is Astral House, Imperial Way, Watford, Hertfordshire England WD24 4WW.

The largest group in which the results of the company are consolidated is headed by VINCI.

Copies of the financial statements of the above Companies can be obtained from the Company Secretary, VINCI, 1973 boulevard de la Défense – 92000 Nanterre, Cedex, France.

## VINCI PLC

Subsidiary undertakings  
at 31st December 2022

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A list of investments in subsidiaries is given below. All subsidiaries are incorporated in Great Britain. All holdings are of ordinary shares and all subsidiary undertakings are 100% owned.

The registered office address for all undertakings is Astral House, Imperial Way, Watford Hertfordshire WD24 4WW.

### **Construction**

VINCI Construction UK Limited

### **Engineering and Support Services**

Rosser & Russell Maintenance Limited

### **Manufacturing**

Conren Limited

### **Investments**

VINCI UK Developments Limited

C & B Holdings Limited

### **Group Administration and Services**

VINCI Fleet Services Limited

VINCI Property Limited

VINCI Insurance Services Limited

### **Dormant Companies**

Norwest Holst Construction Limited

Storepoint Limited

VINCI Construction Limited

VINCI Group Limited