

COMPANY REGISTRATION NUMBER 08780140



**MERSEYLINK (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 MARCH 2023**



**MERSEYLINK (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

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**MERSEYLINK (HOLDINGS) LIMITED**  
**COMPANY INFORMATION**  
**YEAR ENDED 31 MARCH 2023**

<b>DIRECTORS</b>	V Ellenberg F Schramm A Naafs I Bahena V Singh W Diehl M Templeton
<b>SECRETARY</b>	I Bulley
<b>REGISTERED OFFICE</b>	9 Howard Court Manor Park Runcorn WA7 1SJ
<b>REGISTERED NUMBER</b>	08780140
<b>BANKERS</b>	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
<b>LEGAL ADVISORS</b>	Ashurst LLP London Fruit and Wool Exchange 1 Duval Square E1 6PW
<b>AUDITOR</b>	Johnston Carmichael LLP 7 - 11 Melville street Edinburgh EH3 7PE

**MERSEYLINK (HOLDINGS) LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 MARCH 2023**

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the group during the year was the provision of design, build and finance services on the Mersey Gateway Project in England, in accordance with a Project Agreement the group entered into with Halton Borough Council and the Mersey Gateway Crossings Board Limited. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The group is currently running the design, build and finance services for a 30 year period, providing a full range of design, build and finance services under a contractual agreement that provides a regular future income stream which is subject to deductions for performance adjustments and journey time of the Mersey Gateway Project.

The group commenced trade on 28 March 2014, when the Project Agreement was signed. Construction work on the Mersey Gateway Project started in March 2014, with the bridge opened to the public during 2017.

The group operates in a PFI market under strict contractual obligations. The industry is highly competitive and so companies have to differentiate themselves on affordability, innovation (both design and funding solutions) as well as identifying and satisfying the needs of all stakeholders.

The group's profit for the financial year amounted to £1,159,000 (2022: £1,349,000) and the group's net liabilities at 31 March 2023 were £12,152,000 (2022: £21,955,000).

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

The key business risks affecting the group are considered to relate to supply chain failure of the building contractor, treasury management and control, review of the insurance cover and lifecycle profile.

**Supply chain failure**

The performance of the operations and maintenance contractor is closely monitored on a monthly basis, with their performance assessed against the related contract provisions. The same contract also includes a comprehensive security package, should the related company experience any financial difficulties.

**Treasury management and control**

At the start of the PFI contract the group negotiated debt facilities with external parties to ensure that the group has sufficient funds to finance construction. The board closely monitor the covenants associated with the debt to ensure that the company is meeting its obligations in that regard.

**Insurance cover**

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

**MERSEYLINK (HOLDINGS) LIMITED**  
**STRATEGIC REPORT** *(continued)*  
**YEAR ENDED 31 MARCH 2023**

**PRINCIPAL RISKS AND UNCERTAINTIES** *(continued)*

**Adequacy of lifecycle funds**

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

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

**KEY PERFORMANCE INDICATORS**

The group is dependent on the performance of its subsidiary Merseylink Limited, in order to service its debts. Merseylink Limited is required to maintain levels of expected net cash flow equal to 1.05 times the actual debt service payment due in the next 12 months. The debt service payment due in the next 12 months is expected to be £28,059,000. The group has modelled the anticipated financial performance of its concession across its full term. Management meetings are held on a regular basis to monitor actual financial performance against a budget derived from the financial model.

The group is required to maintain the network to a specified level and ensure that traffic movements meet contractual requirements. The performance against these requirements is closely monitored and reported to the board on a monthly basis.

The board has reviewed the operational performance of the network, together with the actual and projected financial performance, as shown by the detailed financial model. At 31 March 2023, the board consider the performance of the project against such measures to be satisfactory.

On behalf of the board of the directors,

*Albert Naafs*

A Naafs  
Director

9 Howard Court, Manor Park, Runcorn, England, WA7 1SJ

Approved by the board of the directors on 02 / 10 / 2023

**MERSEYLINK (HOLDINGS) LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 MARCH 2023**

The directors present their report and the audited consolidated financial statements of the group for the year ended 31 March 2023. The principal activities and business review are detailed in the Strategic Report.

**FUTURE DEVELOPMENTS**

Management of the project both logistically and financially remains under control. We remain confident that the project will perform in line with our expectations.

**DIVIDENDS**

The directors are unable to recommend a dividend (2022: none).

**DIRECTORS**

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

J Findlay (resigned 18 August 2023)

V Ellenberg

F Schramm

A Naafs (appointed 30 November 2022)

I Bahena

V Singh (appointed 18 August 2023)

W Diehl (appointed 18 August 2023)

A Kornman (resigned 5 May 2023)

J Douglas (resigned 11 May 2023)

M Lopez Simon (resigned 30 April 2023)

M Templeton (appointed 1 April 2023)

A Dunne (resigned 5 May 2023)

**DONATIONS**

The group made charitable donations in the year to Halton Children's Centres Christmas Toy Appeal £2,000 (2022: £1,000), Halton Children's Centres Easter Egg Appeal £750 (2022: £250), and Halton Haven Hospice £500 (2022: £Nil). The group made no political donations during the year (2022: none).

**FINANCIAL RISK MANAGEMENT**

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

The group's financial instruments comprise floating and fixed rate borrowings, the main purpose of which is to raise finance for the group's operations. The group does use derivative financial instruments and has entered into interest rate swaps, the purpose of which are to manage interest rate risk on the group's floating rate borrowings.

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

**Liquidity risk**

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

**MERSEYLINK (HOLDINGS) LIMITED**  
**DIRECTORS' REPORT** (continued)  
**YEAR ENDED 31 MARCH 2023**

**FINANCIAL RISK MANAGEMENT** (continued)

**Interest rate cash flow risk**

The group seeks to minimise its exposure to an upward change in interest rates by both borrowing at fixed rates and by borrowing at floating rates and using interest rate swaps to convert such borrowings from floating to fixed rates. At the year end all the group's floating rate borrowings were at fixed rates after taking account of interest rate swaps. The swaps originally used LIBOR, but during the year this had become synthetic Libor, as a reference interest rate. At 31 March 2023 the company transitioned to SONIA (Sterling Overnight Index Average). The group has not suffered any material adverse consequence as a result of the change.

**Credit risk**

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

**DISCLOSURE OF INFORMATION TO THE AUDITOR**

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 group and company's auditor 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 group and company's auditor are aware of that information.

**GOING CONCERN**

The directors have reviewed the group's projected cash flows by reference to a financial model covering the accounting periods up to 31 March 2044. The directors have also examined the current status of the group's principal contracts, and likely developments for at least 12 months from the date of approval of the financial statements. Having reviewed the available information, the directors consider that the group will be able to meet its financial obligations on the due dates for at least 12 months from the date of approval of the financial statements. Accordingly, the directors consider that it is appropriate for the financial statements of the group to be prepared on a going concern basis.

**INDEPENDENT AUDITOR**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Johnston Carmichael LLP will therefore continue in office.

This report was approved by the Board of directors on 02 / 10 / 2023 and signed on behalf of the Board by

*Albert Naafs*

A Naafs  
Director

9 Howard Court, Manor Park, Runcorn, England, WA7 1SJ

Approved by the board of the directors on 02 / 10 / 2023

**MERSEYLINK (HOLDINGS) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**YEAR ENDED 31 MARCH 2023**

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 prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and 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 United Kingdom Accounting Standards, comprising FRS 102, 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board by:

*Albert Naafs*

A Naafs  
Director

9 Howard Court, Manor Park, Runcorn, England, WA7 1SJ

02 / 10 / 2023



**MERSEYLINK (HOLDINGS) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**MERSEYLINK (HOLDINGS) LIMITED**  
**YEAR ENDED 31 MARCH 2023**

**Opinion**

We have audited the financial statements of Merseylink (Holdings) Limited ('the parent company'), and its subsidiaries ('the group') for the year ended 31 March 2023, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements:

- Give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 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.

**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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 Director's 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 group or parent 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.

**MERSEYLINK (HOLDINGS) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**MERSEYLINK (HOLDINGS) LIMITED (continued)**  
**YEAR ENDED 31 MARCH 2023**

**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.

**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 Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company 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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' responsibilities statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and parent 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 group or parent company or to cease operations, or have no realistic alternative but to do so.

**MERSEYLINK (HOLDINGS) LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**MERSEYLINK (HOLDINGS) LIMITED (continued)**  
**YEAR ENDED 31 MARCH 2023**

**Auditor 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

*Extent 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 assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- United Kingdom Generally Accepted Accounting Practice, including FRS 102;
- UK Companies Act 2006; and
- UK Corporation Tax legislation.

We gained an understanding of how the group and parent company are complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Income recognition; and
- Management override of controls.

**MERSEYLINK (HOLDINGS) LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**MERSEYLINK (HOLDINGS) LIMITED (continued)**  
**YEAR ENDED 31 MARCH 2023**

*Extent the audit was considered capable of detecting irregularities, including fraud (continued)*

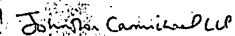
In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Agreeing a sample of income receipts to supporting documentation and bank statements;
- Recalculating the unitary charge received by taking the base charge per the project agreement and uplifting for RPI;
- Performing an assessment on the service margins used in the year and agreeing margins used to the active financial models;
- Reconciling the finance income and amortisation to the finance debtor reconciliation to ensure allocation methodology is in line with contractual terms and relevant accounting standards;
- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the group and parent company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the group and parent company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

**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.



**Grant Roger (Senior Statutory Auditor)**  
**for and on behalf of Johnston Carmichael LLP**  
**Statutory Auditor**  
**Edinburgh, United Kingdom**

**02 / 10 / 2023**

**MERSEYLINK (HOLDINGS) LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
<b>TURNOVER</b>	<b>4</b>	<b>4,249</b>	<b>3,381</b>
Cost of sales		(20)	78
<b>GROSS PROFIT</b>		<b>4,229</b>	<b>3,459</b>
Administrative expenses		(3,191)	(2,799)
<b>OPERATING PROFIT</b>	<b>5</b>	<b>1,038</b>	<b>660</b>
Interest receivable and similar income	7	29,405	28,106
Interest payable and similar expenses	8	(28,813)	(28,514)
<b>PROFIT BEFORE TAXATION</b>		<b>1,630</b>	<b>252</b>
Tax on profit	9	(471)	1,097
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,159</b>	<b>1,349</b>

All of the activities of the group are classed as continuing.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,159</b>	<b>1,349</b>
Fair value of swap liability	16	11,525	11,429
Deferred tax in relation to fair value of swap liability	9 & 11	(2,881)	(2,858)
Deferred tax in relation to rate change	9 & 11	-	1,295
<b>OTHER COMPREHENSIVE INCOME</b>		<b>8,644</b>	<b>9,866</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>9,803</b>	<b>11,215</b>

The notes on pages 16 to 27 form part of these financial statements.

**MERSEYLINK (HOLDINGS) LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 MARCH 2023**

	Note	Called up share capital £000	Hedging reserve £000	Profit and loss account £000	Total shareholders' deficit £000
Balance as at 1 April 2021		51	(17,476)	(15,745)	(33,170)
Profit for the financial year		-	-	1,349	1,349
Fair value of swap liability	16	-	11,429	-	11,429
Deferred tax in relation to fair value of swap liability	11	-	(2,858)	-	(2,858)
Deferred tax in relation to change in rate		-	1,295	-	1,295
Balance as at 31 March 2022		51	(7,610)	(14,396)	(21,955)
Profit for the financial year		-	-	1,159	1,159
Fair value of swap liability	16	-	11,525	-	11,525
Deferred tax in relation to fair value of swap liability	11	-	(2,881)	-	(2,881)
Deferred tax in relation to change in rate		-	-	-	-
Balance as at 31 March 2023		51	1,034	(13,237)	(12,152)

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 MARCH 2023**

	Called up share capital £000	Total shareholders' funds £000
Balance as at 1 April 2021	51	51
Result for the financial year	-	-
Balance as at 31 March 2022	51	51
Result for the financial year	-	-
Balance as at 31 March 2023	51	51

The notes on pages 16 to 27 form part of these financial statements.

**MERSEYLINK (HOLDINGS) LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2023**

		2023	2022
	Note	£000	£000
<b>CURRENT ASSETS</b>			
<b>DEBTORS:</b> Amounts falling due after more than one year	10	382,925	393,993
<b>DEBTORS:</b> Amounts falling due within one year	10	50,845	49,892
Restricted Cash	12	15,740	14,594
Cash at bank and in hand		4,147	4,533
		<hr/> 453,657	<hr/> 463,012
<b>CREDITORS:</b> Amounts falling due within one year	14	(16,549)	(19,720)
		<hr/> 437,108	<hr/> 443,292
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		437,108	443,292
<b>CREDITORS:</b> Amounts falling due after more than one year	15	(449,260)	(465,247)
<b>NET LIABILITIES</b>		<hr/> (12,152)	<hr/> (21,955)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	51	51
Hedging reserve		1,034	(7,610)
Retained earnings		(13,237)	(14,396)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<hr/> (12,152)	<hr/> (21,955)

The financial statements on pages 11 to 27 were approved by the Board of Directors on  
and are signed on their behalf by:

02 / 10 / 2023

*Albert Naafs*

A Naafs  
Director

Company Registration Number: 08780140

The notes on pages 16 to 27 form part of these financial statements.

**MERSEYLINK (HOLDINGS) LIMITED**  
**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £000	2022 £000
<b>FIXED ASSETS</b>			
Investments	13	51	51
<b>NET ASSETS</b>		<u>51</u>	<u>51</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	51	51
Profit and loss account brought forward		-	-
Result for the year		-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>51</u>	<u>51</u>

The financial statements on pages 11 to 27 were approved by the Board of Directors on  
and are signed on their behalf by:

02 / 10 / 2023

*Albert Naafs*

A Naafs  
Director

Company Registration Number: 08780140

The notes on pages 16 to 27 form part of these financial statements.



**MERSEYLINK (HOLDINGS) LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
<b>Cash flows from operating activities</b>			
Profit for the financial year		1,159	1,349
Adjustments for:			
Interest receivable and similar income		(29,405)	(28,106)
Interest payable and similar expenses		28,813	28,514
Tax on profit		471	(1,097)
Changes in:			
Trade and other debtors		8,381	12,384
Trade and other creditors		(2,478)	(5,998)
		<u>6,941</u>	<u>7,046</u>
Cash used in operations			
Interest paid		(25,482)	(27,708)
Interest received		29,405	28,106
Net cash used in operating activities		<u>10,864</u>	<u>7,444</u>
<b>Cash flows from financing activities</b>			
Repayment of loan		(8,569)	(7,815)
Repayment of Mezzanine debt		(1,535)	-
Repayment of subordinated debt		-	(364)
		<u>(10,104)</u>	<u>(8,179)</u>
Net cash (used in)/generated from financing activities			
		<u>760</u>	<u>(735)</u>
<b>(Decrease)/increase in cash</b>			
		<u>760</u>	<u>(735)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		19,127	19,862
<b>Cash and cash equivalents at the end of the year</b>		<u>19,887</u>	<u>19,127</u>

**Analysis of changes in net debt**

	At 1 April 2022 £000	Cash flows £000	Other non-cash changes £000	At 31 March 2023 £000
<b>Net cash:</b>				
Cash at bank and in hand	19,127	760	-	19,887
<b>Debt:</b>				
Debt due within 1 year	(12,858)	10,104	(12,237)	(14,991)
Debt due after more than 1 year	(465,247)	-	15,987	(449,260)
	<u>(478,105)</u>	<u>10,104</u>	<u>3,750</u>	<u>(464,251)</u>
<b>Net debt</b>	<u>(458,978)</u>	<u>10,864</u>	<u>3,750</u>	<u>(444,364)</u>

The notes on pages 16 to 27 form part of these financial statements.

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**1. GENERAL INFORMATION**

The company is a private company limited by shares incorporated in the England, which is registered and domiciled in the United Kingdom at 9 Howard Court, Manor Park, Runcorn, England, WA7 1SJ. The group's principal activities consist solely of the provision of design, build and finance services in respect of the Mersey Gateway Project.

**2. STATEMENT OF COMPLAINEE**

**Basis of accounting**

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including Financial Reporting Standard FRS 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'. The principal accounting policies, which have been applied consistently, are set out below. The presentational and functional currency is pounds sterling. Monetary amounts in these financial statements are rounded to the nearest £000.

**Basis of consolidation**

The consolidated financial statements incorporate those of Merseylink (Holdings) Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All intra-group transactions and balances are eliminated on consolidation. The consolidated financial statements combine the financial statements of Merseylink (Finance) Limited, Merseylink Limited and Merseylink (Issuer) Plc (collectively known as "the group"). The company has taken advantage of section 408 of the Companies Act not to publish its own Profit and Loss Account

The parent company and subsidiaries have therefore taken the following exemptions under the reduced disclosure framework of FRS 102:

- from the requirement to present a statement of cashflows.
- basic financial instruments and other financial instrument issues

Uniform accounting policies are followed throughout the group and the financial statements of all operating subsidiary companies are prepared to the same accounting date as the parent company.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement convention**

The financial statements were prepared under the historical cost convention except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

**Going concern**

The directors have reviewed the group's projected cash flows by reference to a financial model covering the accounting periods up to 31 March 2044. The directors have also examined the current status of the group's principal contracts, and likely developments for at least 12 months from the date of approval of the financial statements. Having reviewed the available information, the directors consider that the group will be able to meet its financial obligations for at least 12 months from the date of approval of the financial statements. Accordingly, the directors consider that it is appropriate for the financial statements of the group to be prepared on a going concern basis.

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Turnover**

Turnover represents the value of services rendered, excluding sales related taxes, and is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Turnover is recognised as contract activity progresses at a mark up on costs related to the provision of services. In line with FRS 102 23.22(a), the mark up is calculated based upon the forecast service revenues and costs over the concession period. Pass through income is stated at invoiced value.

All turnover originates in the United Kingdom.

**Financial asset**

Amounts recoverable under long term Private Finance Initiative contracts will be transferred to a financial asset in accordance with the requirements of section 34 of FRS 102. The amounts receivable are treated as a long-term financial asset. Imputed interest receivable is allocated to the financial asset using a rate to generate a return over the life of the contract. In line with FRS 102 the rate is calculated based upon the forecast service revenues and costs over the concession period.

**Investments**

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

**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 timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is recognised on trading losses carried forward and on the fair value of the swap derivative.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Financial instruments**

*Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

**Other financial instruments**

*Financial instruments not considered to be basic financial instruments (other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Derivative financial instruments and hedging**

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 (see below).

*Cash flow hedges*

The group has entered into interest rate swaps and designated these as hedges for highly probable forecast transactions. The effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the profit and loss account immediately.

*Libor reform*

As noted in the accounts, the group has both loans and swaps which use LIBOR as a reference interest rate. LIBOR ceased to exist at the end of 2021, as required by the Bank of England and the Financial Conduct Authority. LIBOR has now been replaced by a new benchmark interest rate called SONIA (Sterling Overnight Index Average). SONIA is based on actual historic transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from financial institutions and other institutional investors. As from 31 March 2023 the company will use SONIA as a reference interest rate. As both the loans and the related swaps will use SONIA as a reference rate, the group has not suffered any materially adverse consequences as a result of the reform.

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**Critical judgements and estimation uncertainty**

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

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

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

- macroeconomic assumptions in the group's underlying financial model, to include indexation and interest rates. The project has taken out interest rate swaps and therefore has largely fixed its borrowing costs.
- the spend on future major maintenance involved in asset renewal has judgement around timing and quantum in the group's underlying financial model. Neither the adequacy or timing of lifecycle fund receipts are currently thought to be incorrect.
- evaluating the impairment, if any, of debtors. No impairment has been encountered to date.
- accounting for service concession arrangements are suitable for this project and have been in place since financial close.
- management estimation is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits.

**4. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the group. An analysis of turnover by origin and destination is given below:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	<b>4,249</b>	<b>3,381</b>

**5. OPERATING PROFIT**

This is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Auditors' remuneration - audit of the company financial statements	<b>1</b>	<b>1</b>
Auditors' remuneration - audit of the consolidated and fellow subsidiary companies	<b>30</b>	<b>27</b>

The audit fees were borne by the subsidiary undertaking, Merseylink Limited, in the current and prior year.

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**6. PARTICULARS OF EMPLOYEES**

The group and parent company had no employees during the financial year (2022: none). The directors have no contract of service with the group and parent company. The directors did not receive any emoluments in the year in respect of their services as directors of the group and parent company (2022: none). The company accrued charges of £20,000 (2022: £49,000) from the shareholders for making available the services of the directors.

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2023	2022
	£000	£000
Bank interest receivable	286	11
Interest on financial asset	29,119	28,095
	<u>29,405</u>	<u>28,106</u>

Interest is imputed on the finance asset using the rate of 6.89% (2021: 6.55%).

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£000	£000
Interest payable on bond	12,773	12,686
Loan interest	7,164	7,618
Interest payable on subordinated debt	3,897	3,871
Interest payable on mezzanine debt	4,979	4,339
Other interest payable and similar expenses	-	-
	<u>28,813</u>	<u>28,514</u>

Interest payable and similar expenses are recognised using the effective interest rate method.

**9. TAX ON PROFIT/(LOSS)**

**(a) Analysis of charge in the year**

The tax charge in the financial year is made up as follows:

	2023	2022
	£000	£000
Current tax	-	-
Deferred tax:		
- in respect of current financial year	471	48
- in respect of changes in tax rates and laws	-	(1,145)
Total deferred tax (note 11)	<u>471</u>	<u>(1,097)</u>
Tax on profit	<u>471</u>	<u>1,097</u>

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was a debit of £2,881,000 (2022: £1,563,000).

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**9. TAX ON PROFIT/(LOSS) (continued)**

**(b) Factors affecting tax charge**

The current tax assessed on the loss for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%).

	2023	2022
	£000	£000
Profit before taxation	<u>1,630</u>	<u>252</u>
Profit before taxation multiplied by the standard rate of tax in the UK of 19.00% (2022: 19.00%)	310	48
Deferred Tax Asset not recognised	58	
Change in tax rates and laws	<u>103</u>	<u>(1,145)</u>
Total tax charge (note 7(a))	<u>471</u>	<u>(1,097)</u>

**(c) Factors that may affect future tax charges**

On 1 April 2023, the UK Corporation tax rate increased to 25%. This will increase the company's future current tax charge accordingly.

The deferred tax asset at 31 March 2023 has been calculated based on the rate of 25% substantively enacted at the balance sheet date.

**10. DEBTORS**

	Group	Company	Group	Company
	2023	2023	2022	2022
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	3,673	-	5,186	-
Other debtors	3,256	-	3,792	-
Financial asset	41,611	-	39,568	-
Derivative financial assets	952	-	-	-
Prepayments and accrued income	1,353	-	1,346	-
	<u>50,845</u>	<u>-</u>	<u>49,892</u>	<u>-</u>
Amounts falling due after more than one year:				
	Group	Company	Group	Company
	2023	2023	2022	2022
	£000	£000	£000	£000
Financial asset	378,306	-	386,687	-
Derivative financial assets	427	-	-	-
Deferred tax (note 11)	4,192	-	7,306	-
	<u>382,925</u>	<u>-</u>	<u>393,993</u>	<u>-</u>



**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**11. DEFERRED TAX**

The deferred tax included in the Balance Sheet is as follows:

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Included in debtors (note 10)	4,192	-	7,306	-
Included in creditors (note 14)	(238)	-	-	-
	<b>3,954</b>	<b>-</b>	<b>7,306</b>	<b>-</b>

The movement in the deferred tax account during the year was:

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance brought forward	7,306	-	7,773	-
Profit and loss account movement arising during the year (note 9(a))	(471)	-	1,096	-
Deferred tax in relation to fair value of swap liability	(2,881)	-	(2,858)	-
Deferred tax in relation to change of rate	-	-	1,295	-
Balance carried forward	<b>3,954</b>	<b>-</b>	<b>7,306</b>	<b>-</b>

The balance of the deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Trading losses carried forward	4,299	4,770
Deferred tax in relation to fair value of swap liability	(345)	2,536
Balance carried forward	<b>3,954</b>	<b>7,306</b>

There is £58,000 (2022: none) unrecognised deferred tax asset or liability for the group.

Under FRS 102 29.24A, the company has presented the deferred tax asset and the deferred tax liability on a net basis as the taxes are levied by the same tax authority.

**12. RESTRICTED CASH**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Restricted Cash	15,740	-	14,594	-

The group is obligated to keep a separate cash reserve in respect of future debt service costs and major maintenance costs. This restricted cash balance, which is shown separately on the balance sheet, amounts to £15,740,000 at the year end (2022: £14,594,000).

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**13. INVESTMENTS**

	Company 2023 £000	Company 2022 £000
<b>COST</b>		
Balance brought forward and carried forward	51	51
<b>NET BOOK VALUE</b>		
Balance brought forward and carried forward	51	51

The company owns 100% of the issued share capital (£51,000) of Merseylink (Finance) Limited, which owns 100% of the issued share capital (£50,000) of Merseylink (Issuer) plc and 100% of the issued share capital (£1,000) of Merseylink Limited, all of which are registered and domiciled in the United Kingdom at 9 Howard Court, Manor Park, Runcorn, England, WA7 1SJ.

**14. CREDITORS: Amounts falling due within one year**

	Group 2023 £000	Company 2023 £000	Group 2022 £000	Company 2022 £000
Trade creditors	-	-	801	-
Taxation and social security	544	-	1,271	-
Loan including interest	9,135	-	8,569	-
Mezzanine debt including interest	1,563	-	1,665	-
Subordinated debt (including accrued interest)	4,293	-	3,122	-
Swap liability	-	-	2,624	-
Retentions	-	-	198	-
Deferred tax liability (note 11)	238	-	-	-
Accruals and deferred income	776	-	1,470	-
	<b>16,549</b>	<b>-</b>	<b>19,720</b>	<b>-</b>

**15. CREDITORS: Amounts falling due after more than one year**

	Group 2023 £000	Company 2023 £000	Group 2022 £000	Company 2022 £000
Bond	254,304	-	254,178	-
Construction loan	97,233	-	106,024	-
Subordinated debt	48,205	-	47,964	-
Mezzanine debt	49,518	-	49,559	-
SWAP liability	-	-	7,522	-
	<b>449,260</b>	<b>-</b>	<b>465,247</b>	<b>-</b>

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. CREDITORS:** Amounts falling due after more than one year *(continued)*

Offsetting within the Bond liability is an Effective Interest Rate adjustment of £(2,855,000) (2022: £(2,981,000)). Offsetting within the Construction loan liability is an Effective Rate Interest amount of £(1,486,000) (2022: £(2,034,000)). Offsetting within the Subordinated debt liability is an Effective Interest Rate of £(396,000) (2022: £(636,000)). Offsetting within the Mezzanine debt liability is an Effective Interest Rate adjustment of £(2,510,000) (2022: £(1,213,000)). The amortisation of the issue costs forms part of the Interest Payable and similar expenses for each facility in Note 8.

Borrowings include £257,159,000 of 3.842% Bonds listed on the Irish Stock Exchange due 2043, of which all were issued (2022: £257,159,000). The Bonds have the benefit of a payment guarantee of scheduled interest and principal provided by HM Treasury. The Bond is repayable in twenty two six-monthly instalments between September 2032 and March 2043.

The Bond, Construction loan are secured by a fixed charge over all leasehold interests, book debts, project accounts and intellectual property of the company and by a floating charge over the company's undertakings and assets.

Interest is charged on the Construction loan at a variable rate of LIBOR + 2.0% but, as noted earlier, this changed to SONIA on 31 March 2023. As at 31 March 2023 the total amount outstanding on the Construction loan is £108,058,000 (2021: £116,627,000). The Construction loan relates to senior secured funding granted by a group of lenders. The Construction loan facility is for a total value of £143,228,000 (2022: £143,228,000). The Construction loan is repayable in twenty nine instalments between March 2018 and March 2032.

Interest is charged on the Mezzanine debt at a fixed rate of 8.3% and a 5.4% index linked rate. As at 31 March 2023 the total amount outstanding on the Mezzanine debt is £53,591,000 (2022: £52,437,000). The Mezzanine debt is repayable in forty three instalments between March 2022 and March 2043.

Subordinated debt represents a £48,601,000 (2022: £48,601,000) unsecured subordinated loan facility due to the shareholders of the group. The subordinated loan facility bears interest at a fixed rate of 7.561% and is fully repayable by 2044.

The group has also entered into swap arrangements with Crédit Agricole Corporate and Investment Bank, Sumitomo Mitsui Banking Corporation, Lloyds Bank plc, KFW IPEX-Bank and Macquarie Bank Limited in order to fix the base interest rate (SONIA) on the loan facilities. The fair value of the swap arrangements at the year end was a positive £1,379,000 (2022: negative £10,146,000). Market values have been used to determine the fair value of the swap arrangements.

The amounts due after five years on the bond, construction loan, subordinated debt and mezzanine debt are £257,159,000 (2022: £257,159,000), £55,323,000 (2022: £67,156,000), £48,601,000 (2022: £48,601,000) and £53,472,000 (2022: £50,985,000) respectively.

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2023**

**16. FINANCIAL INSTRUMENTS**

Carrying amount of financial instruments stated at fair value	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Financial liabilities</b>		
Financial liabilities measured at fair value - interest rate swap	<b>427</b>	<b>(10,146)</b>

**17. CONTINGENCIES AND COMMITMENTS**

Under the terms of a contract dated 28 March 2014 with FCC Construcción S.A., Samsung C&T ECUK Limited and Kier Infrastructure & Overseas Limited, the group is committed to payments totalling £455,103,000 in respect of design and construction services. Payments are made as the design and construction work progresses. The capital commitments contracted but not provided for as at 31 March 2023 totalled £Nil (2022: £16,000).

**18. CALLED UP SHARE CAPITAL**

	<b>Group</b>	<b>Group</b>
	<b>2022 and</b>	<b>2022 and</b>
	<b>2023</b>	<b>2023</b>
<b>Allotted, called up and fully paid:</b>	<b>No</b>	<b>£000</b>
Ordinary shares of £1 each	<b>51,000</b>	<b>51</b>
	<b>Company</b>	<b>Company</b>
	<b>2022 and</b>	<b>2022 and</b>
	<b>2023</b>	<b>2023</b>
<b>Allotted, called up and fully paid:</b>	<b>No</b>	<b>£000</b>
Ordinary shares of £1 each	<b>51,000</b>	<b>51</b>

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

**MERSEYLINK (HOLDINGS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. RELATED PARTIES**

During the year the group entered into the following transactions with related parties:

	Transactions with related parties		Payables to related parties	
	2023	2022	2023	2022
	£000	£000	£000	£000
FCC Mersey Gateway Limited	915	926	12,777	12,746
MG Bridge Investments Limited	1,372	1,389	19,165	19,120
Wigg Investments Limited	7,647	5,261	74,544	72,294

In addition to the above amounts the group accrued charges of £20,000 (2022: £49,000) from the above shareholders for making available the services of the directors. As at the 31 March 2023 the total accrued and unpaid is £67,000 (2022: £190,000).

At 31 March 2023, 25% of the share capital in Merseylink (Holdings) Limited was held by FCC Mersey Gateway Limited, 37.5% of the share capital was held by MG Bridge Investments Limited and 37.5% of the share capital was held by Wigg Investments Limited.

**20. CONTROLLING PARTIES**

At 31 March 2023, 25% of the share capital in Merseylink (Holdings) Limited was held by FCC Mersey Gateway Limited, 37.5% of the share capital was held by MG Bridge Investments Limited and 37.5% of the share capital was held by Wigg Investments Limited.

The largest and smallest group in which the results of the Company are consolidated is that headed by Merseylink (Holdings) Limited, incorporated in the United Kingdom. Copies can be obtained from: Companies House, Crown Way, Cardiff, CF14 3UZ. No other financial statements consolidate the results of the group.

The ultimate controlling party is the board of the directors.