

REGISTERED NUMBER: 11391059 (England and Wales)

Keolis Amey Wales Cymru Limited
Annual Report and Financial Statements
For year ended 31 March 2020



**Contents of the Financial Statements
Year ended 31 March 2020**

	Page
Company information	1
Strategic report	2
Directors' report	5
Directors' responsibilities statement	7
Report of the independent auditor	8
Profit and loss account	10
Balance Sheet	11
Statement of changes in equity	12
Notes to the financial statements	13

Keolis Amey Wales Cymru Limited (Registered number: 11391059)

Company Information
Year ended 31 March 2020

Directors: Sir D W Jones (appointed on 28 January 2020)
A J F Gordon
L Jones
B D M Tabary
P S Anderson (appointed on 5 August 2020)
A Joy (appointed on 5 August 2020)

Secretary: G Dunlop

Registered office: 2 Callaghan Square
Cardiff
CF10 5BT
United Kingdom

Registered number: 11391059 (England and Wales)

Auditor: Ernst & Young LLP
1 More London Place
London
SE1 2AF

Strategic Report
Year ended 31 March 2020

The directors present their strategic report for the year from 1 April 2019 to 31 March 2020.

Review of Business

The principal activity of Keolis Amey Wales Cymru Limited (the company) during the year is that of an operator and development partner for the operation of passenger railway services and infrastructure management.

The company was incorporated on the 31 May 2018 and is a joint venture formed between Keolis (UK) Limited and Amey Rail Limited. Keolis (UK) Limited holds 60% and Amey Rail Limited 40% of the share capital of Keolis Amey Wales Cymru Limited. Keolis (UK) Limited and Amey Rail Limited also operate Docklands Light Railway for Transport for London (TfL) and Manchester Metrolink for Transport for Greater Manchester (TfGM).

On 4 June 2018, the Welsh Government announced that Keolis (UK) Limited and Amey Rail Limited as a joint venture would become the next operator and development partner for the Wales & Borders network commencing 14 October 2018, to 12 October 2033.

Keolis Amey Wales Cymru Ltd is the Operator and Development Partner (ODP) trading as Transport for Wales Rail Services (TfWRS). The structure of the ODP Grant Agreement includes Infrastructure Services as well as Rail Services, and the Core Valley Line (CVL) assets transferred from Network Rail to the ODP in March 2020.

TfWRS assumed responsibility for rail services in Wales and the Borders at 0200 on 14 October 2018, succeeding Arriva Trains Wales who had served as the incumbent Train Operating Company (TOC) for 15 years.

This is the first time that a Grant has been let by Transport for Wales (TfW), who were seeking a partner capable of transforming the rail network for the benefit of the Welsh nation and its borders.

As such, the ODP commitments are delivered through both an operating company (OpCo) Keolis Amey Operations / Gweithrediadau Keolis Amey Limited and an infrastructure company (InfraCo) Amey Keolis Infrastructure / Seilwaith Keolis Limited. Both companies are owned by a joint venture of Keolis and Amey. Funding is received from Welsh Government via Transport for Wales and passthrough to the JV entities OpCo and InfraCo.

There are two main parts to the Infrastructure Delivery organisation, Infrastructure Services and Infrastructure Management. The Infrastructure Services (IS) team, under the Infrastructure Services director, delivers the Infrastructure Services and ODP Infrastructure Works as part of the Core Valley Line (CVL) transformation. The IS team will also deliver any Additional Infrastructure Services and Additional Infrastructure Works for Associated Projects which may be awarded to the ODP. The Infrastructure Management (IM) team deliver the Infrastructure Manager Services under the Infrastructure Management director.

Rail services relate to the operation of passenger railway services and wider transformational projects such as new / cascaded rolling stock, and station / depot improvements.

Key performance indicators.
No KPIs exist for the company

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to local and national competition and factors which would cause a decline in the market.

Covid-19

Uncertainty over the government guidance regarding the use of public transport as a result of the Covid-19 virus remains a risk at the balance sheet date and beyond. An agreement has been entered into with TfW to fund various costs and capital expenditure until October 2020 as a minimum. As it is uncertain how long the company will continue to be impacted by the virus and an extension to the funding arrangement has yet to be agreed, the Directors have assessed the impact of this on the going concern assumption (see Going Concern section on Page 4 for further details).

Competitive risk

Competition remains an ongoing risk and has the potential to impact on future revenues as other entities enter the marketplace for passenger transport services and bid on existing contracts as they go to tender. However, the company manages the risk by continually assessing and reviewing the performance of its operations and developing and implementing improvements to its services.

Political risk

Changes in Government or to laws, regulations, policies, local authority attitudes towards public transport and reductions in the availability of Government financial support could adversely impact the company's operations and financial position. The company actively participates in key industry, trade and Government steering groups and use internal initiatives across

Strategic Report (continued)
Year ended 31 March 2020

the business to offset the impact of external issues.

Credit risk

Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. The company does not consider that it is materially exposed to credit risk.

Cash flow and liquidity risk

Cash flow and liquidity risk is the risk that the company's available cash will not be sufficient to meet its financial obligations. The company actively manages its cash flow position including collection of debts and timely payment of creditors. The impact of Covid-19 on passenger revenue has a significant impact on cash flow. Currently the risk is managed through an agreement with TfW to cover various costs. However, due to the uncertainties around how long the company will continue to be impacted by the virus the Directors have considered whether the impact on cash flow has an impact on the going concern assumption (see Going Concern section on Page 4 for further details).

Foreign Exchange risk

Foreign exchange risk refers to the potential for loss from exposure to foreign exchange rate fluctuations. The company does not consider that it is materially exposed to foreign exchange risk because few of its transactions are conducted in currencies other than Sterling.

Grant compliance risk

The company is required to comply with certain conditions as part of its Grant Agreement. If it fails to comply with these conditions, it may be liable to penalties including the potential termination of the contract. Various members of the Senior Management team sit on key Boards and Steering Groups responsible for overseeing delivery in vital areas of the business. Grant compliance is closely managed and monitored, and procedures are in place to minimise the risk of non-compliance.

Future developments

The directors aim to fulfil committed obligations as specified in the Grant Agreement and work with Transport for Wales to provide a high quality, safe, integrated, affordable and accessible transport network. There is significant investment planned over the contract term and the company intends to provide a transformed customer experience, deriving maximum value from all the resources available over the contract. Future impact of the Covid-19 outbreak can be found in the Going Concern section on page 4. The directors have entered into informal discussions with TfW which may or may not result in the termination of the Grant Agreement. Termination of the Grant Agreement could result in the Company ceasing to trade.

Approved by the board and signed on its behalf by:



Alistair Gordon
Director

Date: 11/09/2020

Keolis Amey Wales Cymru Limited (Registered number: 11391059)

**Directors' Report
Year ended 31 March 2020**

The directors present their annual report on the affairs of Keolis Amey Wales Cymru Limited ('the company'), together with the financial statements and auditor's report, for the year ended 31 March 2020.

Organisation and principal activity

Keolis Amey Wales Cymru Limited was incorporated on 31 May 2018 (Companies House registration no 11391059). The principal activity of the company in the year under review is a holding company for Keolis Amey Operations/Gweithrediadau Keolis Amey Limited and Amey Keolis Infrastructure/Seilwaith Amey Keolis Limited.

Future developments

Details of future developments can be found in the Strategic Report on page 2.

Events after the balance sheet date

There is an ongoing impact to the rail travel as a result of Covid-19 and government guidance to ensure social distancing. An Emergency Interim Agreement was entered into with TfW (on behalf of Welsh Ministers) to provide additional financial support effective from 1st March 2020 until 2nd May 2020. Furthermore, a second agreement was entered into on 03 May 2020 to provide further financial support until 17th October 2020 at a minimum; the financial impact of which will be recognised within the financial year ending 31st March 2021. Further details of future impacts can be found in the Going Concern section.

Dividends

No dividends were paid during the year ended 31 March 2020 (2019: £nil).

Financial Risk Management

The company's activities expose it to a number of financial risks that have been discussed in the principal risks and uncertainties section of the strategic report.

Going concern

The final quarter of the year saw some significant reductions in rail travel through the Covid – 19 pandemic, due to the lock down and social distancing measures put in place by the UK and Welsh Government. The medium and long-term impact on train travel in Wales (and elsewhere) is uncertain. The company is not itself reliant on passenger revenue however as obligations of the grant agreement are delivered by OpCo the company is impacted by its performance. Whilst passenger revenue is a vital element of the future revenue streams of OpCo, it is also financially supported and subsidised through Transport for Wales (TfW) as an agency of the Welsh Government, this subsidy is passed through the company.

There have been variations to the Grant Agreement to support the company to continue to provide and develop quality railway services in Wales effective from March 2020 through until 17 October 2020, an extension of this agreement is probable but as yet not confirmed.

The directors have entered into informal discussions with TfW which may or may not result in the termination of the Grant Agreement. Termination of the Grant Agreement could result in the Company ceasing to trade and the directors have considered this scenario and have concluded that the Company would continue as a going concern for at least twelve months from the date of approval of the financial statements but these discussions create further uncertainty.

The directors have considered this uncertainty and concluded that the business has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. However, while the Company has taken a number of mitigating actions to manage liquidity, this matter creates a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern

The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern.

Directors' Report (continued)
Year ended 31 March 2020

Directors

The directors, who served throughout the year and up to the date of this report, were as follows:

Sir D W Jones	(appointed on 28 January 2020)
N R Hindle	(resigned on 31 January 2020)
A Ghafoor	(resigned on 13 March 2020)
A J F Gordon	
L Jones	
B D M Tabary	
P S Anderson	(appointed on 5 August 2020)
A Joy	(appointed on 5 August 2020)

Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Ernst & Young LLP, will be proposed for reappointment in accordance Section 485 of the Companies Act 2006

Approved by the board and signed on its behalf by:



Alistair Gordon
Director

Date: 11/09/2020

**Directors' responsibilities statement
Year ended 31 March 2020**

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the members of Keolis Amey Wales Cymru Limited
Year ended 31 March 2020

Opinion

We have audited the financial statements of Keolis Amey Wales Cymru Limited for the year ended 31 March 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2020 and of its result 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's responsibilities for the audit of the financial statements section of our report below. 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 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.

Material uncertainty related to going concern

We draw attention to Note 1.2 and Note 13 in the financial statements, which describe the uncertainty relating to the level of support the Company would receive from TfW in the event of further lockdowns and the informal discussions with TfW which may or may not result in the termination of the Grant Agreement. As stated in Note 1.2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 7, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the members of Keolis Amey Wales Cymru Limited
Year ended 31 March 2020

Matters on which we are required to report by exception

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 material misstatements in the strategic report or 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Ernst & Young LLP

Claire Johnson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
14 September 2020

Profit and loss account
Year ended 31 March 2020

	Note	Year ended 2020 £000	Period ended 2019 £000
Turnover	2	214,734	102,738
Cost of Sales		(172,405)	(86,415)
Gross Profit		42,329	16,323
Administrative expenses		(42,329)	(16,323)
Operating Profit		-	-
Interest receivable	6	2	1
Interest payable	7	(2)	(1)
Profit/(Loss) before taxation		-	-
Taxation	8	-	-
Profit/(Loss) after taxation		-	-

The results for both periods are derived wholly from continuing operations.

The accompanying notes form an integral part of these financial statements.

There are no other gains or losses in the year, and accordingly no statement of other comprehensive income is presented.

Keolis Amey Wales Cymru Limited (Registered number: 11391059)

**Balance Sheet
As at 31 March 2020**

			2020		2019
	Note	£000	£000	£000	£000
Current assets					
Stock		-		-	
Debtors	9	470		275	
Cash at bank and in hand		587		-	
		<u>1,057</u>		<u>275</u>	
Creditors: Amounts falling due within one year	10	<u>(1,057)</u>		<u>(275)</u>	
Net current assets / (liabilities)			-		-
Total assets less current liabilities			-		-
Creditors: amounts falling due after more than one year			-		-
Net assets / (liabilities)			<u>-</u>		<u>-</u>
Capital and Reserves					
Called up share capital	11		-		-
Profit and loss account			-		-
Total shareholders' funds / (deficit)			<u>-</u>		<u>-</u>

The financial statements of Keolis Amey Wales Cymru Limited (registered number 11391059) were approved by the board of directors and authorised for issue 11 September 2020. They were signed on its behalf by:



Alistair Gordon
Director

Date: 11/09/2020

Statement of changes in equity
Year ended 31 March 2020

	Share capital	Profit and loss account	Total
	£000	£000	£000
At 31 May 2018			
Issue of share capital	-	-	-
Profit for the financial year	-	-	-
At 31 March 2019	-	-	-
Year ended 31 March 2020			
Issue of share capital	-	-	-
Profit for the financial year	-	-	-
At 31 March 2020	-	-	-

Notes to the Financial Statements
Year ended 31 March 2020

1. Accounting policies

1.1 Basis of Preparation of Financial Statements

Keolis Amey Wales Cymru Limited ('the company') is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historic cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is pounds sterling because that is the currency of the primary economic environment in which the company operates. The presentational currency is pounds sterling rounded to the nearest thousand.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company is consolidated in the financial statements of its parent, Keolis S.A., a company registered in France, which may be obtained at 20, rue Le Peletier 75009 Paris – France, or on the Keolis website at www.keolis.com. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

1.2 Going concern

The final quarter of the year saw some significant reductions in rail travel through the Covid – 19 pandemic, due to the lock down and social distancing measures put in place by the UK and Welsh Government. The medium and long-term impact on train travel in Wales (and elsewhere) is uncertain. The company is not itself reliant on passenger revenue however as obligations of the grant agreement are delivered by OpCo the company is impacted by its performance. Whilst passenger revenue is a vital element of the future revenue streams of OpCo, it is also financially supported and subsidised through Transport for Wales (TfW) as an agency of the Welsh Government, this subsidy is passed through the company.

There have been variations to the Grant Agreement to support the company to continue to provide and develop quality railway services in Wales effective from March 2020 through until 17 October 2020, an extension of this agreement is probable but as yet not confirmed.

The directors have entered into informal discussions with TfW which may or may not result in the termination of the Grant Agreement. Termination of the Grant Agreement could result in the Company ceasing to trade and the directors have considered this scenario and have concluded that the Company would continue as a going concern for at least twelve months from the date of approval of the financial statements but these discussions create further uncertainty.

The directors have considered this uncertainty and concluded that the business has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. However, while the Company has taken a number of mitigating actions to manage liquidity, this matter creates a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Notes to the Financial Statements - continued
Year ended 31 March 2020

1. Accounting policies (continued)

1.4 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.5 Foreign currency

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

1.6 Debtors

Trade and other debtors are initially measured at fair value. In general, this is equivalent to the costs of purchase. Receivables for which there are substantial objective indications of an impairment are adjusted appropriately.

Trade and other debtors are impaired when there is objective evidence that the estimated future cash flows associated with the asset have been affected. In addition, certain trade and other debtors that are not considered to be individually impaired, may be assessed for impairment on a collective basis. Objective evidence for impairment could be observable changes in national or local economic conditions / government policies on transport.

1.7 Creditors

Creditors are obligations to pay for goods / services that have been acquired in the ordinary course of business. Trade and other creditors are initially stated at fair value.

1.8 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not

Keolis Amey Wales Cymru Limited (Registered number: 11391059)

Notes to the Financial Statements - continued
Year ended 31 March 2020

1. Accounting policies (continued)

readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

There are no critical judgements applied for the year ended 31 March 2020.

Notes to the Financial Statements - continued
Year ended 31 March 2020

2. Turnover

The turnover and profit before taxation are attributable to the principal activities of the Company.

An analysis of turnover is given below:

	2020	2019
	£000	£000
Rail Service Payment	172,405	86,415
Other revenue	42,329	16,323
Total Revenue	214,734	102,738

All turnover arose within the United Kingdom.

3. Staff Costs

The company has no employees.

4. Auditor's remuneration

The company paid the following amounts to its Auditor in respect of the audit of its financial statements:

	2020	2019
	£000	£000
Fees for the audit of the company	15	11
	15	11

Additionally, the auditor received a fee of £5,000 (2019: £nil) in respect of other non-audit services.

5. Directors' Emoluments

The directors that served during the year received no remuneration or fees for their services to the company (2019: £nil)

6. Interest receivable and similar income

	2020	2019
	£000	£000
Bank interest receivable	2	1
	2	1

Keolis Amey Wales Cymru Limited (Registered number: 11391059)

Notes to the Financial Statements - continued
Year ended 31 March 2020

7. Interest payable and similar charges

	2020	2019
	£000	£000
Bank interest payable	(2)	(1)
	<u>(2)</u>	<u>(1)</u>

8. Taxation

The tax on the profit for the period was £Nil (2019: £nil)

There is no difference in the current year (2019: no difference) between the profit or loss for the year multiplied by the applicable tax rate of 19% (2019: 19%) and the tax on the profit for the year.

9. Debtors: amounts falling due within one year

	2020	2019
	£000	£000
Trade Debtors	434	-
Prepayments and accrued income	36	275
	<u>470</u>	<u>275</u>

10. Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade Creditors	1,057	-
Accruals	-	275
	<u>1,057</u>	<u>275</u>

11. Called Up Share Capital

	2020	2019
	£000	£000
100 Ordinary Shares At £1 Each	-	-
	<u>-</u>	<u>-</u>

12. Ultimate parent company

The company's immediate parent company is Keolis (UK) Limited, a non-quoted public company incorporated in England.

Keolis (UK) Limited's immediate parent company Keolis S.A., a non-quoted public company incorporated in France. Keolis S.A. is the parent undertaking of the smallest group of companies for which group accounts are prepared. Copies of these accounts can be obtained from the registered office of Keolis S.A. located at 20, rue Le Peletier 75009 Paris – France, or on the Keolis website at www.keolis.com.

The company's ultimate parent companies and controlling shareholders are SNCF and Caisse de Depot et Placement du Quebec (CDQ). SNCF is a company registered in France. CDQ is established by statute in Quebec Canada. The respective controlling interests in the company are 30.0% CDQ and 70.0% SNCF.

SNCF is the parent undertaking of the largest group of companies for which group accounts are prepared. Copies of these accounts can be obtained at SNCF, 34 rue du Commandant René Mouchotte 75014, Paris, France, or on the SNCF website at www.sncf.com.

13. Subsequent Events

There is an ongoing impact to the rail travel as a result of Covid-19 and government guidance to ensure social distancing. An Emergency Interim Agreement was entered into with TFW (on behalf of Welsh Ministers) to provide additional financial support effective from 1st March 2020 until 2nd May 2020. Furthermore, a second agreement was entered into on 03 May 2020 to provide further financial support until 17th October 2020 at a minimum; the financial impact of which will be recognised within the financial year ending 31st March 2021. Further details of future impacts can be found in the Going Concern section.