Eurovia Management Limited

Directors' report and financial statements

Registered number 1271059

For the year ended 31 December 2011

Contents

Directors' Report

The directors present their annual report, together with the financial statements and auditors' report for the year ended 31 December 2011

Principal activity

The principal activity of the Company is the provision of management services to other companies within the Eurovia-Ringway Group

Business review

The Company has continued to provide central shared services to the rest of the Eurovia-Ringway Group during 2011, with the aim of recovering some of these costs from other fellow subsidiary undertakings.

The results for 2011 are set out on page 6

Key features of which are

- Turnover of £10,340,840
- Loss before tax of £1,660,603

The directors consider the effect the business has on the environment and are always looking for ways in which to improve its usage of materials, manage its waste more effectively and use energy in a more efficient manner

Dividends

The directors do not recommend the payment of a dividend for the year *(2010 £nil)*

Directors

The directors, who served throughout the year except as noted, were as follows

F Amossé	(resigned 31 July 2011)
G Batut	(appointed 23 June 2011)
D Binding	
D Campbell	(appointed 17 October 2011)
C Connor	
S Lysionek	
K Pollock	
A Simon	(resigned 1 April 2012)
P Sulliot	(resigned 1 January 2011)
S Wardrop	

Directors' Report *(continued)*

Disabled employees

It is the policy of the Company to encourage the employment, training and advancement of disabled persons wherever possible In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged

Employee participation

The Company's employees are kept informed on matters related to this Company, and its associated and parent companies in the United Kingdom and abroad, through formal and informal meetings, regularly published newsletters and through the Company's intranet Regular meetings are held with employees to discuss local matters and the Company's results and forecasts are discussed All employees with more than three months' service are eligible and encouraged to subscribe from time to time to the ultimate parent company's employee share purchase scheme

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk The Company does not use financial derivatives to mitigate these risks

Credit risk

The Company's principal financial assets are intercompany balances

The Company's credit risk is limited as the principal counterparties are fellow group undertakings

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

Liquidity risk

The Company receives additional funding from its shareholder in order to ensure sufficient funds are available for ongoing operations and future developments

Price risk

The Company is exposed to commodity price risk The Company manages its exposure to commodity price risk through contractual terms with major customers

Charitable and political contributions

Charitable contributions and donations during the year amounted to £12,143 *(2010 £6,112)* The Company made no political contributions during the year *(2010 £nil)*

Disclosure of information to auditors

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

Auditors

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

Approved by the Board and signed on its behalf by,

Registered office
Albion House
Springfield Road
Horsham
West Sussex
RH12 2RW
Registered number 1271059

S Lysionek
Company Secretary
25 May 2012

Statement of Directors' responsibilities in respect of the Directors' report and financial statements

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

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

• select suitable accounting policies and then apply them consistently,

• make judgments and estimates that are reasonable and prudent,

• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position if the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG

Independent auditor's report to the members of Eurovia Management Limited

We have audited the financial statements of Eurovia Management Limited for the year ended 31 December 2011 set out on pages 6 to 16

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

• give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,

• have been properly prepared in accordance with UK Generally Accepted Accounting Practice, And

• have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of Eurovia Management Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

D A Bowen (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

28 May 2012

Profit and loss account
for the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover from continuing operations	*1*	**10,340,840**	12,136,244
Cost of sales		**(8,357,787)**	(12,397,708)
Gross profit / (loss)		**1,983,053**	(261,464)
Administrative expenses		**(3,254,771)**	(2,356,215)
Operating loss on continuing operations		**(1,271,718)**	(2,617,679)
Interest receivable	*4*	**84,158**	90,715
Interest payable	*4*	**(3,043)**	(41,311)
Loss on ordinary activities before taxation from continuing operations		**(1,190,603)**	(2,568,275)
Tax on loss on ordinary activities	*7*	**(37,092)**	686,018
Loss for the financial year		**(1,227,695)**	(1,882,257)

The notes on pages 8 to 16 form part of the financial statements

There are no recognised gains or losses in either the current or previous financial year other than as shown above Accordingly, no statement of total recognised gains and losses is required.

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2011

	Called-up share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	**Total 2011** **£**	Total 2010 £
Shareholders' funds at 1 January	79,340	18,053	8,405	2,746,918	**2,852,716**	4,734,973
Increase in share capital	5,000,000	-	-	-	**5,000,000**	-
Loss for the financial year	-	-	-	(1,227,695)	**(1,227,695)**	(1,882,257)
Shareholders' funds at 31 December	**5,079,340**	**18,053**	**8,405**	**1,519,223**	**6,625,021**	2,852,716

Balance sheet
at 31 December 2011

	Note		2011		2010
		£	£	£	£
Fixed assets					
Tangible assets	8		2,223,495		2,633,091
Current assets					
Debtors	9	10,224,361		10,920,843	
Cash at bank and in hand		838,760		629,992	
		11,063,121		11,550,835	
Creditors amounts falling due within one year	10	(6,155,667)		(9,881,210)	
Net current assets			4,907,454		1,669,625
Total assets less current liabilities			7,130,949		4,302,716
Creditors amounts falling due after more than one year	10		-		(1,000,000)
Provisions for liabilities and charges	11		(505,928)		(450,000)
Net assets			6,625,021		2,852,716
Capital and reserves					
Called-up share capital	13		5,079,340		79,340
Share premium account			18,053		18,053
Capital redemption reserve			8,405		8,405
Profit and loss account			1,519,223		2,746,918
Shareholders' funds			6,625,021		2,852,716

The notes on pages 8 to 16 form part of the financial statements

These financial statements were approved by the board of directors on 25 May 2012 and were signed on its behalf by

S Wardrop
Director

Company Registration Number 1271059

Notes to the financial statements
(forming part of the financial statements)

1 Accounting policies

The principal accounting policies adopted are summarised below They have all been applied consistently throughout the year and in the preceding year

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Under FRS 1 'Cash flow statements' the company is exempt from the requirements to prepare a cash flow statement on the grounds that greater than 90% of the voting rights are controlled by its parent undertaking which includes the results of the company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Eurovia Group Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Vinci SA, the ultimate parent company, incorporated in France, within which this Company is included, can be obtained from the Secretary, Vinci SA, 1 Cours Ferdinand-de Lesseps, 92851 – Rueil Malmaison Cedex, France or the Secretary, Eurovia Group Limited, Albion House, Springfield Road, Horsham, West Sussex, RH12 2RW

Turnover

Turnover during the year represents amounts receivable for management services provided to other fellow group undertakings net of VAT, and other sales related taxes

Tangible fixed assets and depreciation

Fixed assets are stated at their purchase cost, together with any incidental expenses of acquisition, less depreciation Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold property	- 2% per annum
Leasehold property	- 2% per annum or the term of the lease if shorter
Plant and machinery	- 20% to 25% per annum
Motor vehicles	- 16% per annum
Office equipment	- 10% to 50% per annum

In the case of assets purchased second hand, the depreciation rates are increased to reflect the reduced remaining useful lives No depreciation is provided on freehold land, nor on assets under construction

Taxation

The tax expense represents the sum of the tax currently receivable and deferred tax

The tax currently receivable is based on taxable loss for the year Taxable loss differs from net loss as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The Company's asset for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable loss Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Rentals payable under operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the relevant lease

Retirement benefit costs

The Company participates in a defined contribution pension scheme The assets of the scheme are held separately from those of the Company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

The Company also participates in the Ringway Group Retirement Benefit Scheme This is a defined benefit scheme, the assets and liabilities of which are held independently from the Company The Company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for them as if they were defined contribution schemes Contributions to the schemes are charged to the profit and loss account when payable

Share based payments

From time to time the Company's ultimate parent company offers employees the Castor Savings Scheme which enables employees, through a trust fund, to invest in a joint portfolio of shares in the ultimate parent company, Vinci SA This entitles the employees who invest the right to benefit from the increase in share price of the ultimate parent company, from grant date until the vesting date, which is a minimum of 5 years, except in specific defined circumstances

The aggregate compensation expense that would arise in respect of the Castor scheme up to and including the current financial year is immaterial, and accordingly, the Company has opted not to recognise any adjustments arising in respect of these schemes in the current year

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

2 Segmental information

All the significant operations of the company in the year were in the provision of management services No significant turnover arises from activities outside the UK Accordingly the directors consider that the company operates in only one business segment and geographic market As a result, no further analysis is required to be provided

Notes *(continued)*

3 Loss on ordinary activities before taxation

	2011	2010
	£	£
This is stated after charging / (crediting):		
Hire of plant and machinery	**82,130**	127,136
Charges on other operating leases	**58,085**	109,484
Profit on sale of fixed assets	**-**	(16,922)
Depreciation	**474,756**	483,846
Auditors' remuneration - audit of these financial statements	**6,800**	10,000
- tax services	**6,500**	8,000
	13,300	18,000

4 Interest receivable and payable

	2011	2010
	£	£
Interest receivable and similar income	**84,158**	90,715
Interest payable and similar charges		
Bank overdrafts	**(3,043)**	(41,311)
Total interest payable	**(3,043)**	(41,311)

5 Directors' remuneration

	2011	2010
	£	£
Directors' emoluments	**1,236,761**	1,104,088
Compensation for loss of office	**-**	30,000
Directors' emoluments	**1,236,761**	1,134,088
Company contributions to a money purchase pension scheme	**82,112**	74,686
Company contributions to defined benefit pension schemes	**19,823**	18,810

The aggregate emoluments of the highest paid director was £349,712 *(2010 £287,118)* Company pension contributions of £43,500 *(2010 £43,500)* were made to a defined contribution pension scheme on his behalf

	No. of directors	
	2011	2010
Number of directors who are members of a money purchase pension scheme	**5**	5
Number of directors who are members of a defined benefit pension scheme	**1**	1

Notes *(continued)*

6 Staff costs

The average monthly number of employees, including Directors, was

	2011	2010
Administration	**103**	120

Their aggregate remuneration comprised

	2011 £	2010 £
Wages and salaries	**5,471,688**	6,102,818
Social security costs	**668,666**	692,889
Other pension costs	**392,440**	913,665
Total direct costs of employment	**6,532,794**	7,709,372

Retirement benefit schemes

Defined contribution

The company participates in a defined contribution scheme for all qualifying employees The total cost charged of £293,690 (*2010 £327,228*) represents contributions payable by the company to these schemes At 31 December 2011 contributions of £40,695 (*2010 £36,039*) due in respect of the current reporting period had not been paid over to the scheme

Defined Benefit

The Group operates defined benefit schemes which were established specifically to accommodate employees transferring from the public sector to replicate their existing benefit structure These schemes were amalgamated into one scheme with effect from 1 September 2007 The scheme is administered by independent Trustees

Full actuarial valuations of the combined scheme took place on 31 August 2010 These valuations have been updated at 31 December 2011 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17 The major assumptions used for the valuation as at 31 December 2011 are future salary increases 3 35% *(2010 3 75%)*, pension increases 3 10% *(2010 3 50%)*, discount rate 4 65% *(2010 5 50%)* and inflation 3 1% *(2010 3 50%)*

As the schemes operate for more than one Eurovia group subsidiary, the Company is unable to identify its share of the underlying assets and liabilities of the scheme The schemes' actuaries have assessed the liabilities of the combined scheme at 31 December 2011 at £35,290,000 showing a deficit of £11,829,000 The related deferred tax asset amounts to £2,957,250 No provision for these amounts has been made in these accounts However, in conjunction with the Actuary's recommendations, the Group has increased its funding rate to 22 2% *(2010 19 0%)* The Group is also funding the existing actuarially calculated deficit at £68,600 per month from 1 January 2012

Full pension scheme disclosure is provided in the Eurovia Group Limited consolidated accounts for the year ended 31 December 2011

Employee benefits

Some of the Company's employees are entitled to share based payments, ultimately settled by physical delivery of shares in the ultimate parent company, VINCI SA Full disclosure regarding these schemes is provided in the Eurovia Group Limited consolidated accounts for the year ended 31 December 2011

Notes *(continued)*

7 Tax on loss on ordinary activities

a) Analysis of tax (credit) / charge in the year

The tax charge comprises

	2011 £	2010 £
UK corporation tax at 26 5% *(2010 28 0%)*	**(75,732)**	(661,649)
Adjustment to prior years' tax provision	**191,259**	(12,333)
Total current tax	**115,527**	(673,982)
Deferred tax at 25% *(2010 28%) (note 12)*	**(78,435)**	(12,036)
Total tax on loss on ordinary activities	**37,092**	(686,018)

b) Factors affecting tax (credit) / charge for the current year

The tax assessed for the year is lower *(2010 lower)* than the standard rate of corporation tax in the UK of 26 5% *(2010 28%)* The differences are explained below

	2011 %	2010 %
Standard tax rate for year as a percentage of losses	**26.5**	28 0
Effects of		
Expenses not deductible for tax purposes	**(7.1)**	(1 0)
Depreciation in excess of capital allowances	**(6.0)**	(1 0)
Adjustments to tax charge in respect of previous periods	**(3.7)**	-
Current tax (credit) / charge for year as a percentage of losses	**9.7**	26 0

Notes *(continued)*

8 Tangible fixed assets

	Freehold property £	Long leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Assets in course of construction £	Total £
Cost							
At 1 January 2011	1,497,298	735,999	176,408	13,000	3,046,568	9,000	5,478,273
Additions	-	-	-	-	74,160	-	74,160
Disposals	-	-	-	-	-	-	-
Inter-company transfers	-	-	(117,111)	-	(38,990)	(9,000)	(165,101)
At 31 December 2011	1,497,298	735,999	59,297	13,000	3,081,738	-	5,387,332
Depreciation							
At 1 January 2011	176,202	253,729	176,408	13,000	2,225,843	-	2,845,182
Charge for the year	20,331	14,720	-	-	439,705	-	474,756
Eliminated on disposal	-	-	-	-	-	-	-
Inter-company transfers	-	-	(117,111)	-	(38,990)	-	(156,101)
At 31 December 2011	196,533	268,449	59,297	13,000	2,626,558	-	3,163,837
Net book value							
At 31 December 2011	**1,300,765**	**467,550**	-	-	**455,180**	-	**2,223,495**
At 31 December 2010	1,321,096	482,270	-	-	820,725	9,000	2,633,091

The historic cost of freehold land which is included in freehold property above and which is not depreciated is £480,748 *(2010 £480,748)*

Notes *(continued)*

9 Debtors

	2011 £	2010 £
Trade debtors	**241,651**	238,970
Amounts owed by group undertakings	**5,994,950**	6,080,477
Other debtors	**264,881**	338,884
Other taxation and social security	**2,453,567**	2,037,641
Corporation tax	**144,257**	750,266
Prepayments and accrued income	**768,365**	1,196,350
Deferred tax asset *(note 12)*	**356,690**	278,255
	10,224,361	10,920,843

10 Creditors

	2011 £	2010 £
Amounts falling due within one year		
Trade creditors	**332,919**	838,928
Amounts owed to group undertakings	**2,181,073**	6,219,378
Other taxation and social security	**66,922**	316,192
Other creditors	**144,671**	144,175
Accruals and deferred income	**3,430,082**	2,362,537
	6,155,667	9,881,210
Amounts falling due after more than one year		
Amounts owed to group undertakings	**-**	1,000,000

11 Provisions for liabilities and charges

	Other £	Total £
At 1 January	**450,000**	**450,000**
Charged to profit and loss account	**250,000**	**250,000**
Released unused	**(194,072)**	**(194,072)**
At 31 December	**505,928**	**505,928**

Other provisions relate to costs which are expected to be utilised within the next 12 months

Notes *(continued)*

12 Deferred taxation

The movement in the deferred tax asset during the year was

	2011
	£
At 1 January	278,255
Amounts credited to profit and loss account *(note 7)*	78,435
At 31 December	356,690

The deferred tax asset consists of the following amounts

	2011	2010
	£	£
Depreciation in excess of capital allowances	335,180	254,291
Pension fund accrual	9,010	9,964
Other timing differences	12,500	14,000
	356,690	278,255

13 Called-up share capital

	2011	2010
	£	£
Authorised		
5,079,340 ordinary shares of £1 each	5,079,340	224,070
Issued and fully paid		
5,079,340 ordinary shares of £1 each	5,079,340	79,340

On 24 May 2011 the authorised share capital was increased by 4,855,270 and a further £5,000,000 ordinary shares of £1 each were issued at par

14 Commitments under operating leases

The company is committed to making the following operating lease payments during the next financial year on leases expiring

	2011		2010	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Expiry date				
- within one year	-	23,462	-	10,723
- between two and five years	12,097	20,566	-	25,085
- after five years	15,250	-	15,250	-
	27,347	44,028	15,250	35,808

Notes *(continued)*

15 Related party transactions

As Eurovia Group Limited owns 100% of the issued share capital of the company, advantage has been taken of the provisions contained in FRS 8 'Related Party Transactions' which allow non-disclosure of transactions or balances with entities which form part of the Group or investee of the Group qualifying as related parties

16 Parent company and ultimate controlling party

The largest group in which the results of the Company are consolidated is that headed by VINCI SA, incorporated in France This is the ultimate parent company and the ultimate controlling party The smallest group in which they are consolidated is that headed by Eurovia Group Limited, the Company's immediate parent undertaking, incorporated in England and Wales The consolidated financial statements of these groups are available to the public and may be obtained from the Secretary, VINCI SA, 1 Cours Ferdinand-de-Lesseps, 92851 – Rueil Malmaison Cedex, France or the Secretary, Eurovia Group Limited, Albion House, Springfield Road, Horsham, West Sussex, RH12 2RW