

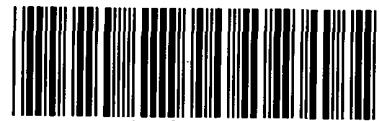
Registered number: 02756434

Ringway Infrastructure Services Limited

Annual Report and Financial Statements

for the year ended 31 December 2015

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Ringway Infrastructure Services Limited

Company Information

Directors	G Batut D Binding R Gillespie N Goddard J Nicholson W Taylor S A Wardrop D Rowley (appointed 9 July 2015) P Horton (resigned 31 March 2016)
Company secretary	S Lysionek
Registered number	02756434
Registered office	Albion House Springfield Road Horsham West Sussex RH12 2RW
Independent auditor	KPMG LLP Chartered Accountants 1 Forest Gate Brighton Road Crawley RH11 9PT

Ringway Infrastructure Services Limited

Contents

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements	5
Independent Auditor's Report	6
Income Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 34

Ringway Infrastructure Services Limited

Strategic Report for the year ended 31 December 2015

Introduction

As one of the leading providers of highway infrastructure services in the UK, the Company is renowned for consistently delivering cost-effective performance and sustainable, innovative solutions. The Company prides itself on its flexible approach, breadth of expertise, and strong client partnerships, which enables it to meet and anticipate its client's needs.

Business review

Our Ringway term service businesses provide a variety of highway related asset management services for Local Authorities.

The loss before tax for the year amounted to £5,895,556. This is a significant improvement on the 2014 loss of £11,248,776 as a result of the recovery plans put in place throughout 2014 and 2015.

Ringway has had a tough period of assimilation of new personnel, largely through TUPE in 2013 and 2014, which necessitated a number of significant senior management changes through the course of the year. Business recovery plans were put in place in Q3 of 2013 and business improvement initiatives were put in place to improve the business throughout 2014 and 2015.

These term service regional businesses posted positive management results in our more mature Divisions, but as highlighted above, the new long term contracts which commenced in 2012 and 2013 incurred significant mobilisation and start-up costs which had a significant impact on our results leading to a loss for the Company.

The Highway service contracts that commenced in the last three years are as follows: -

- North Yorkshire April 2012
- Shropshire April 2012
- Cheshire West & Chester September 2012
- Hertfordshire October 2012
- Milton Keynes April 2014 commenced
- Worcestershire June 2014 re-secured & re-commenced
- Bracknell Forest October 2014 re-secured Highways Lot & secured Street Lighting Lot in addition
- Wiltshire & Swindon Contract tendered in Q4 2015, awarded in February 2016 commencing April 2016

We continue to improve our staff and operative training, along with business process optimisation and system compliance. This does result in efficiency improvements and improved predictability, which will deliver more sustainable results in the coming years but the assimilation of so many long term contracts with new people whom TUPE transferred to Ringway, has been a significant challenge in the early years of new Highway service contracts.

The market for new work has been significantly tougher over the last three years with increasing tendering costs per bid and more elongated procurement periods. This necessitates a significant time and cash investment that is only recovered if successful and therefore an increasing need to be more selective in what is pursued. We have been building stronger relationships with prospective customers to enable a better understanding of required service outcomes and a more successful tendering process.

We continue to work closely with our parent company EUROVIA S.A.S, which provides some specialist support on our major bids and enhances our ability to introduce innovative products and processes to our markets through their extensive product Research and Development capability.

Our year end order book stood at nearly £1billion of secured work which is a very good position in the current economic climate.

Financial key performance indicators

The loss before tax for the year amounted to £5,985,556. This is a significant improvement on the 2014 loss of £11,248,776 as a result of the recovery plans put in place throughout 2014 and 2015.

Ringway Infrastructure Services Limited

Strategic Report (continued) for the year ended 31 December 2015 Principal risks and uncertainties

The Directors view the principal business risks and uncertainties faced by the company are related to its abilities to continue winning new, or retaining existing, major maintenance contracts at a commercial price to keep the order book at a sustainable level and being able to manage those contracts successfully to generate a sustainable level of profit.

Credit risk

The Company's principal financial assets are bank balances and trade receivables.

The Company's credit risk is primarily attributable to its trade receivables. However, the Company's major customers are government agencies so the potential credit risk is limited and credit checks are undertaken on other new customers. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds 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 parent company or third party bankers on normal commercial terms and subject to the Company meeting the normal liquidity limits imposed by the lender. These are as required in order to ensure sufficient funds are available for ongoing operations and future developments. The Group seeks to manage financial risk by investing cash assets safely and profitably.

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 and suppliers.

This report was approved by the board and signed on its behalf.



S Lysionek
Company Secretary

Date: 28 Sept 2016

Ringway Infrastructure Services Limited

Directors' Report for the year ended 31 December 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the Company during the year was the provision of road and highway infrastructure asset management, operating and maintenance services.

Results and dividends

The loss for the year, after taxation, amounted to £4,721,295 (2014 - loss £8,995,010).

The directors do not recommend the payment of a dividend for the year (2014 - £nil).

Directors

The Directors who served during the year were:

G Batut
D Binding
R Gillespie
N Goddard
J Nicholson
W Taylor
S A Wardrop
D Rowley (appointed 9 July 2015)
P Horton (resigned 31 March 2016)

Future developments

The financial year ended 31 December 2016 should see an improvement in the results of the Company as a continuing result of cost savings and efficiency improvements.

Employee involvement

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.

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.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Ringway Infrastructure Services Limited

**Directors' Report (continued)
for the year ended 31 December 2015**

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



S Lysionek
Company Secretary

Date: 28 Sept 2016

Albion House
Springfield Road
Horsham
West Sussex
RH12 2RW

Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements for the year ended 31 December 2015

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 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;
- 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 Shareholders of Ringway Infrastructure Services Limited

We have audited the financial statements of Ringway Infrastructure Services Limited for the year ended 31 December 2015, set out on pages 7 to 34. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements on page 5, 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 Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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.

Mark Sheppard (Senior Statutory Auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants

1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Date: 30 September 2016.

Ringway Infrastructure Services Limited

Income Statement for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	4	217,012,769	203,143,310
Cost of sales		(189,079,048)	(178,817,945)
Gross profit		27,933,721	24,325,365
Administrative expenses		(32,990,664)	(34,621,669)
Fair value movements		72,000	-
Operating loss	5	(4,984,943)	(10,296,304)
Interest receivable and similar income	8	-	111
Interest payable and similar charges	9	(395,995)	(501,583)
Other finance costs	10	(514,618)	(451,000)
Loss before tax		(5,895,556)	(11,248,776)
Tax on loss on ordinary activities	11	1,174,261	2,253,766
Loss for the year		(4,721,295)	(8,995,010)

The notes on pages 11 to 34 form part of these financial statements.

Ringway Infrastructure Services Limited

Other Comprehensive Income for the year ended 31 December 2015

	Note	2015 £	2014 £
Loss for the financial year		(4,721,295)	(8,995,010)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit liability		1,169,000	(5,547,000)
Income tax on items that will not be reclassified to profit or loss		(232,322)	1,266,800
		936,678	(4,280,200)
Total comprehensive income for the year		(3,784,617)	(13,275,210)

Ringway Infrastructure Services Limited
Registered number:02756434

Statement of Financial Position
as at 31 December 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible fixed assets	12		15,116,825		13,308,008
Current assets					
Stocks	13	1,488,623		1,542,845	
Debtors: amounts falling due after more than one year	14	5,098,913		5,307,983	
Debtors: amounts falling due within one year	14	29,733,247		20,468,393	
Cash at bank and in hand		20,429,500		11,857,460	
		<u>56,750,283</u>		<u>39,176,681</u>	
Creditors: amounts falling due within one year	15	(32,107,877)		(34,304,926)	
Net current assets			<u>24,642,406</u>		<u>4,871,755</u>
Total assets less current liabilities			<u>39,759,231</u>		<u>18,179,763</u>
Creditors: amounts falling due after more than one year	16		(6,612,493)		(7,500,000)
			<u>33,146,738</u>		<u>10,679,763</u>
Provisions for liabilities					
Other provisions	20		(6,955,466)		(4,770,380)
Pension liability			(13,692,106)		(13,004,000)
Net assets			<u><u>12,499,166</u></u>		<u><u>(7,094,617)</u></u>
Capital and reserves					
Called up share capital	21		30,200,000		5,200,000
Share premium account			19,777		19,777
Profit and loss account			(17,720,611)		(12,314,394)
			<u><u>12,499,166</u></u>		<u><u>(7,094,617)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


S.A Wardrop
 Director

Date: 28 Sept 2016

The notes on pages 11 to 34 form part of these financial statements.

Ringway Infrastructure Services Limited

Statement of Changes in Equity for the year ended 31 December 2015

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2015	5,200,000	19,777	(13,935,994)	(8,716,217)
Comprehensive income for the year				
Loss for the year	-	-	(4,721,295)	(4,721,295)
Other comprehensive income recognised directly in equity	-	-	936,678	936,678
Other comprehensive income for the year	-	-	936,678	936,678
Total comprehensive income for the year	-	-	(3,784,617)	(3,784,617)
Shares issued during the year	25,000,000	-	-	25,000,000
Total transactions with owners	25,000,000	-	-	25,000,000
At 31 December 2015	30,200,000	19,777	(17,720,611)	12,499,166

Statement of Changes in Equity for the year ended 31 December 2014

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2014	5,200,000	19,777	(660,784)	4,558,993
Comprehensive income for the year				
Loss for the year	-	-	(8,995,010)	(8,995,010)
Other comprehensive income recognised directly in equity	-	-	(4,280,200)	(4,280,200)
Other comprehensive income for the year	-	-	(4,280,200)	(4,280,200)
Total comprehensive income for the year	-	-	(13,275,210)	(13,275,210)
At 31 December 2014	5,200,000	19,777	(13,935,994)	(8,716,217)

The notes on pages 11 to 34 form part of these financial statements.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

1. General information

The Company's registered office is at Albion House, Springfield Road, Horsham, West Sussex, RH12 2RW. The Company has several principle places of business located throughout the country, where the Company has its Highway Service Contracts.

The Company is domiciled in the United Kingdom.

The principal activity of the Company during the year was the provision of road and highway infrastructure asset management, operating and maintenance services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

Information on the impact of first-time adoption of FRS 101 is given in note 27.

All amounts are rounded to the nearest GBP, except when otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

First time application of FRS 100 and FRS 101

In the current year the Company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in the note 27.

There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

**Notes to the Financial Statements
for the year ended 31 December 2015**

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

In these financial statements, the Company applied the exemptions available under FRS101 in respect of the following:

- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- The effects of new but not yet effective IFRSs
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

As the consolidated financial statements of Eurovia UK Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS101 available in respect of the following disclosures:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

The Company's business activity, together with the factors likely to affect its future performance and position are set out in the Business review which forms part of the Strategic Report. Eurovia UK Limited will fully support the Company during the operation of its contracts and will ensure sufficient funds are available for the Company to meet its liabilities as they fall due. The Directors therefore have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future and have adopted the going concern basis of accounting in preparing the annual financial statements.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

2. Accounting policies (continued)

2.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% per annum
Long-term leasehold property	- term on the lease
Plant and equipment	- 10% to 25% per annum
Motor vehicles	- 17% to 33% per annum
Fixtures and office equipment	- 25% to 50% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

**Notes to the Financial Statements
for the year ended 31 December 2015**

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Construction contract debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the turnover accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as accruals and deferred income in the balance sheet.

2.8 Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2.9 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash, loans and borrowings, and trade and other creditors.

Trade and other debtors

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

Trade and other creditors

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

Cash

Cash comprises cash balances and call deposits.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

2. Accounting policies (continued)

2.10 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "CGU").

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

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

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases: Lessee

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 101 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.15 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

**Notes to the Financial Statements
for the year ended 31 December 2015**

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income and any adjustment to tax payable in respect of previous years.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the Company's financial statements in compliance with FRS 101 requires management to make judgments that affect amounts reported and disclosures in the financial statements and related notes. Judgments 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.

The Company believes the following represent a summary of these significant judgments in the financial statements.

Evaluation of Operating Lease Commitments - Company as Lessee

Management assesses at the inception of the lease whether an agreement is finance or operating lease based on which party bears substantially all the risk and benefits incidental to the ownership of the leased asset. The Company leases various parcels of land and buildings where its operations are located. Based on management's assessment, the risks and rewards related to the properties are retained by the lessor. Accordingly, the leases are accounted for as operating leases.

Recognition of Deferred Tax Assets

The Company recognises deferred tax assets based on estimates of taxable income that will be available against which the deductible temporary differences can be utilised. The estimate is based on the Company's past result and future expectations on revenues and expenses. Deferred tax assets were fully recognised because management believes that future taxable profit will be available against which the deferred tax assets can be fully utilised.

Provisions

The Company has created a foreseeable losses provision in respect of certain contracts where projections up to completion of that contract, based on the most likely estimated outcome, indicate a loss. A factor that may cause a change in the amount and timing of this provision is the estimate of the forecasted profit or loss on contracts, and the estimate of the start and completion dates of the contracts.

Construction contract debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the turnover accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as accruals and deferred income in the balance sheet.

4. Turnover

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Services	216,897,038	203,066,748
Finished goods	115,731	76,562
	<u>217,012,769</u>	<u>203,143,310</u>

All turnover arose within the United Kingdom.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

5. Operating loss

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	3,270,783	3,420,136
Exchange differences	-	4,991
	<u>3,270,783</u>	<u>3,425,127</u>

6. Auditor's remuneration

The company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company:

	2015 £	2014 £
Fees for the audit of the Company	79,000	61,000
	<u>79,000</u>	<u>61,000</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

7. Employees

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	40,123,749	40,559,616
Social security costs	3,912,270	3,925,383
Other pension costs	3,293,860	3,383,071
	<u>47,329,879</u>	<u>47,868,070</u>

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

	2015 No.	2014 No.
Operations	1,112	1,146
Administration	314	301
	<u>1,426</u>	<u>1,447</u>

No amounts were paid directly to Directors during the year. The Directors received emoluments of £893,317 (2014 - £947,650) and pension contributions of £103,619 (2014 - £117,112) paid by another Company within the Eurovia UK Group and recharged to this Company. The amount recharged in respect of the highest paid Director amounted to £200,707 (2014 - £246,219) and included pension contributions of £30,741 (2014 - £28,940). Of these recharges 6 Directors (2014 - 6) were members of a defined contribution scheme, and 1 Director (2014 - 1) a member of a defined benefit scheme.

Ringway Infrastructure Services Limited

**Notes to the Financial Statements
for the year ended 31 December 2015**

8. Interest receivable

	2015	2014
	£	£
Other interest receivable	-	111

9. Interest payable and similar charges

	2015	2014
	£	£
Loans from group undertakings	395,995	501,583

10. Other finance costs

	2015	2014
	£	£
Net interest on net defined benefit liability	(514,618)	(451,000)

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

11. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on loss for the year	(1,637,524)	(1,763,245)
Adjustments in respect of previous periods	108,797	(26,730)
Total current tax	(1,528,727)	(1,789,975)
Deferred tax		
Origination and reversal of timing differences	354,466	(463,791)
Total deferred tax	354,466	(463,791)
Taxation on loss on ordinary activities	(1,174,261)	(2,253,766)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	(5,895,556)	(11,248,776)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%)	(1,193,850)	(2,418,487)
Effects of:		
Expenses not deductible for tax purposes	1,559	23,510
Adjustments to tax charge in respect of prior periods	18,030	141,211
Total tax charge for the year	(1,174,261)	(2,253,766)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly. The deferred tax asset at the balance sheet date has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

12. Tangible fixed assets

	Land and buildings £	Short-term leasehold property £	Plant and equipment £	Motor vehicles £	Fixtures and office equipment £	Assets under construction £	Total £
Cost or valuation							
At 1 January 2015	151,175	640,202	14,503,676	16,585,383	832,547	-	32,712,983
Additions	-	-	2,998,509	145,192	2,518	1,885,275	5,031,494
Transfers intra group	-	-	137,768	33,679	-	-	171,447
Disposals	(5,409)	-	(1,664,173)	(318,702)	(8,168)	-	(1,996,452)
Transfers between classes	110,453	(640,202)	(35,106)	283,628	17,117	264,110	-
At 31 December 2015	256,219	-	15,940,674	16,729,180	844,014	2,149,385	35,919,472
Depreciation							
At 1 January 2015	114,789	489,799	7,521,924	10,505,176	773,287	-	19,404,975
Charge owned for the period	11,556	-	1,237,791	1,890,292	131,144	-	3,270,783
Transfers intra group	-	-	34,559	17,792	-	-	52,351
Disposals	(5,409)	-	(1,593,183)	(318,702)	(8,168)	-	(1,925,462)
Transfers between classes	8,163	(489,799)	870,765	(252,935)	(136,194)	-	-
At 31 December 2015	129,099	-	8,071,856	11,841,623	760,069	-	20,802,647
Net book value							
At 31 December 2015	127,120	-	7,868,818	4,887,557	83,945	2,149,385	15,116,825
At 31 December 2014	36,386	150,403	6,981,752	6,080,207	59,260	-	13,308,008

Freehold land with a cost of £nil that is not depreciated has been included in Land and buildings. Various assets have been reclassified during the year, the Company believes this classification gives a more accurate description of the assets held by the Company.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	<u>1,831,368</u>	<u>-</u>

13. Stocks

	2015 £	2014 £
Raw materials and consumables	<u>1,488,623</u>	<u>1,542,845</u>

The cost of stocks recognised as expense and included in costs of sales amounted to £13,941,493 and £11,654,845 in 2015 and 2014, respectively. As all stocks are carried at cost, no provision for inventory obsolescence is recognised in expense in 2015 and 2014.

14. Debtors

	2015 £	2014 £
Due after more than one year		
Other debtors	476,271	506,953
Deferred tax asset (note 19)	4,622,642	5,209,430
	<u>5,098,913</u>	<u>5,716,383</u>
	2015 £	2014 £
Due within one year		
Trade debtors	864,101	3,523,943
Amounts owed by group undertakings	22,185,905	1,170,410
Other debtors	41,352	140,326
Prepayments and accrued income	70,674	20,221
Amounts recoverable on long term contracts	4,933,691	13,632,648
Group relief receivable	1,637,524	1,980,845
	<u>29,733,247</u>	<u>20,468,393</u>

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

14. Debtors (continued)

Trade debtors and amounts recoverable on long-term contracts are analysed below:

	2015 £	2014 £
Trade debtors	1,597,133	4,031,287
less: provision for doubtful accounts	(733,032)	(507,344)
	<u>864,101</u>	<u>3,523,943</u>

	2015 £	2014 £
Amounts recoverable on long term contracts	5,771,859	21,563,947
less: provision for impairment	(838,168)	(7,931,299)
	<u>4,933,691</u>	<u>13,632,648</u>

	2015 £
Trade debtors	
At 1 January 2015	507,344
Charged to the profit or loss	225,688
At 31 December 2015	<u>733,032</u>

	2015 £
Long term contracts	
At 1 January 2015	7,931,299
Charged to the profit or loss	(7,093,131)
At 31 December 2015	<u>838,168</u>

The provision charged to the profit or loss is presented under 'Administrative expenses' in the statement of comprehensive income.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

15. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	15,487,773	15,110,397
Amounts owed to group undertakings	514,938	1,971,815
Amounts owed to ultimate parent	2,534,238	2,500,000
Taxation and social security	6,959,620	7,869,468
Obligations under finance lease and hire purchase contracts	218,875	-
Other creditors	1,926,439	1,470,860
Accruals	4,465,994	5,382,386
	<u>32,107,877</u>	<u>34,304,926</u>

16. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	1,612,493	-
Amounts owed to group undertakings	5,000,000	7,500,000
	<u>6,612,493</u>	<u>7,500,000</u>

17. Interest bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest bearing loans and borrowings, which are measured at amortised cost.

In 2012 the Company took out a new unsecured 7 year loan in sterling from a member of the Vinci S.A. Group for £15,000,000 to finance future capital expenditure. The nominal rate of interest on this loan is 3.5%.

This loan is repayable in equal annual installments and will mature in 2019

	2015 Face Value £	2015 Carrying value £	2014 Face value £	2014 Carrying Value £
Loan with Vinci S.A.Group GBP 3.5%	<u>7,534,238</u>	<u>7,534,238</u>	<u>10,000,000</u>	<u>10,000,000</u>

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

18. Hire purchase & finance leases

Finance lease liabilities are payable as follows:

	2015 £	2014 £
Within one year	218,875	-
Between 1-2 years	175,570	-
Between 2-5 years	1,436,923	-
	<u>1,831,368</u>	<u>-</u>

Finance lease liabilities are secured on the leased assets.

19. Deferred taxation

	2015 £	2014 £
At 1 January 2015	5,209,430	3,478,839
Charged to the profit or loss	(354,466)	463,791
Charged to other comprehensive income	(232,322)	1,266,800
At end of year	<u>4,622,642</u>	<u>5,209,430</u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	1,745,450	2,155,202
Pension deficit	2,738,421	3,006,800
Other timing differences	138,771	47,428
	<u>4,622,642</u>	<u>5,209,430</u>

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

20 Provisions

	Contract provisions £	Other provisions £	Foreseeable losses provision £	Total £
At 1 January 2015	861,937	1,700,000	2,208,443	4,770,380
Charged to the profit or loss	227,667	44,004	3,242,000	3,513,671
Released not used	(154,138)	(837,000)	(135,443)	(1,126,581)
Utilised in year	(145,000)	(57,004)	-	(202,004)
At 31 December 2015	790,466	850,000	5,315,000	6,955,466

Contract provisions relate to provisions on contracts, including the costs of rectifying faulty workmanship in future periods of work completed in the current or earlier years. The company estimates this liability to be £790,466 for the current year based on past experience (2014 - £861,937).

The Company has created a foreseeable losses provision in respect of certain contracts where projections up to completion of that contract, based on the most likely estimated outcome, indicate a loss. This provision is expected to be released over the next twelve months. A factor that may cause a change in the amount and timing of this provision is the estimate of the forecasted profit or loss on contracts, and the estimate of the start and completion dates of the contracts.

21. Share capital

	2015 £	2014 £
Authorised, allotted, called up and fully paid		
30,200,000 (2014 - 5,200,000) Ordinary shares of £1 each	30,200,000	5,200,000

During the year the Company issued a further 25,000,000 Ordinary shares of £1 each at par to its parent company, Eurovia UK Limited.

22. Contingent liabilities

The Company has in the normal course of business given guarantees in respect of bonds relating to the Company's own contracts, from which no losses are expected to arise. The maximum liability under these at 31 December 2015 was £9,528,000 (2014 - £9,253,000).

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

23. Pension commitments

Defined Contribution

The Company participates in a defined contribution retirement benefit scheme for all qualifying employees. The total cost charged of £735,624 (2014 - £725,578) represents contributions payable by the Company to this scheme. The Company also made contributions to other pension schemes for certain qualifying employees which amounted to £2,558,236 (2014 - £2,657,493). At 31 December 2015 contributions of £108,478 (2014 - £46,843) due in respect of the current reporting period had not been paid over to the scheme.

The Company operates a Defined Benefit Pension Scheme.

The defined benefit plan is administered by a board of trustees that is legally separate from the Company. The trustees of the pension fund are required by law to act in the best interests of the plan participants and are responsible for setting certain policies (e.g. investment, contribution and indexation policies) of the fund. The plan typically exposes the Company to actuarial risks such as investment risk, interest rate risk, salary growth risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase in plan liabilities. This would detrimentally impact the balance sheet position and may give rise to increased charges in the future. This effect would be partially offset by an increase in the value of the plan's bond holdings. Additionally, caps on inflationary increases are in place to protect the plan against extreme inflation.

The defined benefit plan for the Company's employees and former employees give rise to benefits that are mainly based on final salaries. It also provides benefits in the event of death and disability. At 31 December 2015, 554 people, including 265 retired people, were covered by the plan. The plan is now closed to new members.

The investment strategy for plan assets is defined by the trustees representing the pension funds. Contribution schedules and the plan's level of funding are negotiated by the employer and the trustee, based on three-yearly actuarial valuations. Contribution schedules are intended to cover future service costs and any deficit arising from vested rights.

Reconciliation of present value of plan liabilities:

	2015 £	2014 £
At the beginning of the year	46,609,000	39,295,000
Current service cost	377,106	368,000
Interest cost	1,792,000	1,756,000
Actuarial gains and losses recognised in other comprehensive income	(1,505,000)	6,038,000
Employee contributions	48,000	90,000
Benefits paid to beneficiaries	(1,838,000)	(938,000)
At the end of the year	45,483,106	46,609,000

	2015 £	2014 £
Reconciliation of present value of plan assets:		
At the beginning of the year	31,575,000	29,482,000
Interest income	1,278,000	1,305,000
Actuarial gains and losses recognised in other comprehensive income	(336,000)	491,000
Contributions paid by the employer and employees	1,112,000	1,235,000
Benefits paid to beneficiaries	(1,838,000)	(938,000)
At the end of the year	31,791,000	31,575,000

Composition of plan assets:

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

23. Pension commitments (continued)

	2015 £	2014 £
Equities	27,070,000	24,838,000
Bonds	2,179,000	2,276,000
Gilts	2,356,000	2,766,000
Cash	186,000	1,695,000
Total plan assets	31,791,000	31,575,000

During the period, the actual return on plan assets was £671,000.

	2015 £	2014 £
Fair value of plan assets	31,791,000	31,575,000
Present value of plan liabilities	(45,483,106)	(46,609,000)
Net pension scheme liability	(13,692,106)	(15,034,000)

The amounts recognised in profit or loss are as follows:

	2015 £	2014 £
Current service cost	(377,106)	(368,000)
Net interest cost on retirement benefit obligation	(514,618)	(451,000)
Total	(891,724)	(819,000)

The Company expects to contribute £1,060,398 to its Defined Benefit Pension Scheme in 2016.

	2015 £	2014 £
Actuarial gains and losses recognised in other comprehensive income		
Actual return less interest income included in net interest income	(607,000)	491,000
Experience gains and losses arising on the scheme liabilities	624,000	(133,000)
Changes in assumptions underlying the present value of the scheme liabilities	1,152,000	(5,905,000)
	1,169,000	(5,547,000)

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

23. Pension commitments (continued)

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2015 %	2014 %
Discount rate	3.7	4.0
Future salary increases	3.2	3.4
Future pension increases	2.2 - 2.5	2.4 - 3.4
Inflation assumption	2.2 - 3.2	2.4 - 3.4
Mortality rates		
- for a male aged 65 now	22	22.2
- at 65 for a male aged 45 now	23.1	23.2
- for a female aged 65 now	24.3	24.2
- at 65 for a female member aged 45 now	25.4	25.3

In respect of the scheme a 0.25 point fall in the discount rate would increase scheme liabilities by 4.6%.

In respect of the scheme a 0.25 point increase in long-term inflation rates would increase the value of the scheme liabilities by 4.7%.

In respect of the scheme sensitivity to mortality rates this is calculated based on a one-year reduction in the age of each beneficiary. Applying this assumption increases the corresponding obligation by around 3.2%.

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth. The average duration of the defined benefit obligation at the period ending 31 December 2015 is 19 years.

**Notes to the Financial Statements
for the year ended 31 December 2015**

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

Aggregate rental charges included as part of "Cost of sales" and "Administrative expense" arising from the above operating lease commitments amounted to £2,337,232 and £1,600,890 in 2015 and 2014, respectively.

During the year the Company sold and purchased goods and services in the ordinary course of business at market rates and terms to a related party. Amounts owed by and to these companies are discussed below:

Page 31

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

26. 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 UK 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 respectively from the Secretary, VINCI SA, 1 Cours Ferdinand-de-Lesseps, 92851 – Reuil Malmaison Cedex, France, or the Secretary, Eurovia UK Limited, Albion House, Springfield Road, Horsham, West Sussex RH12 2RW.

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

27. First time adoption of FRS 101

	<i>As previously stated 1 January 2014</i>	<i>Effect of transition 1 January 2014</i>	FRS 101 (as restated) 1 January 2014	<i>As previously stated 31 December 2014</i>	<i>Effect of transition 31 December 2014</i>	FRS 101 (as restated) 31 December 2014
Note	£	£	£	£	£	£
Fixed assets	15,398,502	-	15,398,502	13,308,008	-	13,308,008
Current assets	43,160,721	1,962,600	45,123,321	36,578,281	3,006,800	39,585,081
Creditors: amounts falling due within one year	(34,280,098)	-	(34,280,098)	(34,304,926)	-	(34,304,926)
Net current assets	8,880,623	1,962,600	10,843,223	2,273,355	3,006,800	5,280,155
Total assets less current liabilities	24,279,125	1,962,600	26,241,725	15,581,363	3,006,800	18,588,163
Creditors: amounts falling due after more than one year	(10,000,000)	-	(10,000,000)	(7,500,000)	-	(7,500,000)
Other provisions	(1,869,732)	-	(1,869,732)	(4,770,380)	-	(4,770,380)
Pension liability	-	(9,813,000)	(9,813,000)	-	(15,034,000)	(15,034,000)
Net assets/(liabilities)	12,409,393	(7,850,400)	4,558,993	3,310,983	(12,027,200)	(8,716,217)
Capital and reserves	12,409,393	(7,850,400)	4,558,993	3,310,983	(12,027,200)	(8,716,217)

Ringway Infrastructure Services Limited

Notes to the Financial Statements for the year ended 31 December 2015

27. First time adoption of FRS 101 (continued)

		<i>As previously stated 31 December 2014 £</i>	<i>Effect of transition 31 December 2014 £</i>	FRS 101 (as restated) 31 December 2014 £
Turnover		203,143,310	-	203,143,310
Cost of sales		(178,817,945)	-	(178,817,945)
		<hr/>	<hr/>	<hr/>
		24,325,365	-	24,325,365
Administrative expenses	1	(35,393,669)	772,000	(34,621,669)
		<hr/>	<hr/>	<hr/>
Operating profit		(11,068,304)	772,000	(10,296,304)
Interest receivable and similar income		111	-	111
Interest payable and similar charges		(501,583)	-	(501,583)
Other finance income	1	-	(451,000)	(451,000)
Taxation	1	2,471,366	(217,600)	2,253,766
		<hr/>	<hr/>	<hr/>
Loss on ordinary activities after taxation and for the financial year		(9,098,410)	103,400	(8,995,010)
		<hr/>	<hr/>	<hr/>

Explanation of changes to previously reported profit and equity:

- 1 Under FRS 101 the Company has recorded a deferred tax asset in relation to the defined benefit pension scheme. This amounted to an additional tax asset of £3,006,800 (2013 - £1,962,600) as no amounts were previously recorded under UK GAAP.

Also as a result of FRS 101 and the recording of the defined benefit scheme within this Company, loss before tax has decreased by £321,000 and the taxation credit reduced by £217,600.

- 2 Under UK GAAP long term contract balances were historically shown as part of stocks, under FRS 101 these have been reclassified and are now shown under debtors due within one year with no overall impact on current assets.
- 3 Under FRS 101 the Company has recorded the Ringway defined benefit scheme within its books, under UK GAAP this was previously accounted for in the Eurovia UK Limited consolidated accounts.