

Company Number: 03046316

ABERTIS MOTORWAYS UK LIMITED

Report and Financial Statements

31 December 2015

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ABERTIS MOTORWAYS UK LIMITED
REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2015

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ABERTIS MOTORWAYS UK LIMITED
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OFFICERS AND PROFESSIONAL ADVISORS

Contents

DIRECTORS

Francisco José Aljaro Navarro
Carlos Francisco Del Rio Carcano
Mary Annabel Gatehouse (Resigned 12/01/16)
Daniel Vilanova Abad (Resigned 12/01/16)
Richard Stillwell (Resigned 31/12/15)
Joaquin Schjaer Rosales (Appointed 12/01/16)
Virginia Navarro Virgos (Appointed 12/01/16)

SECRETARY

Mary Annabel Gatehouse (Resigned 12/01/16)
Virginia Navarro Virgos (Appointed 12/01/16)

COMPANY NUMBER

03046316

REGISTERED OFFICE

Broad Street House
55 Old Broad Street
London
EC2 M1RX

BANKERS

Banco Santander SA
London Branch
5th Floor
2 Triton Square
Regents Place
London
NW1 3AN

INDEPENDENT AUDITOR

Deloitte LLP
Bristol
United Kingdom

ABERTIS MOTORWAYS UK LIMITED

REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2015

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company and the financial statements for the year ended 31 December 2015 which are prepared under the small company exemption and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Principal activity and business review

The principal activity of Abertis Motorways UK Limited ("the Company") continued to be that of a joint venture partner in Road Management Group Limited, whose activities include road construction and the operation of related Toll Road Concessions.

On 8 February 1996 two subsidiaries of Road Management Group Limited entered into separate contracts with the Secretary of State for Environment, Transport and the Regions to design, build, finance, operate and maintain sections of the A1 (M) and the A419/A417 trunk roads respectively. The A1 (M) project was an upgrade to motorway standard of existing stretches of the A1 trunk road between Alconbury and Peterborough. The A419/A417 project involved upgrading the existing road to all-purpose dual carriageway standard, including the construction of three new bypass schemes and the operation and maintenance of the existing stretch of the road between Swindon and Gloucester. Financial close on the two projects was achieved on 28 March 1996 and progress has been satisfactory on all aspects of the Design, Build, Finance and Operation contracts since that time. The construction phase of the A419/A417 project was successfully completed on 1 July 1998 whilst the A1 (M) construction phase was completed on 18 December 1998. Traffic volumes in the year were largely stable, showing an increase of 4.2% (5% Peterborough/4% Gloucester) for both the A1 (M) and A417/419 on the previous year on ordinary vehicles, which is significantly above the company's long term expected growth levels. The Road Management Group Limited directors are confident that the traffic volumes will show a year on year increase from 2016 onwards. HGVs continue to perform well on both roads.

Going Concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors

The directors who have served throughout the year and subsequently were as follows:

Francisco José Aljaro Navarro
Carlos Francisco Del Rio Carcano
Mary Annabel Gatehouse (Resigned 12/01/16)
Daniel Vilanova Abad (Resigned 12/01/16)
Richard Stillwell (Resigned 31/12/15)
Joaquin Schjaer Rosales (Appointed 12/01/16)
Virginia Navarro Virgos (Appointed 12/01/16)

Results and dividends

The profit and loss account for the year is set out on page 7. No dividends have been paid or proposed for the year ended 31 December 2015 (2014 – Nil).

ABERTIS MOTORWAYS UK LIMITED
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DIRECTORS' REPORT

Disclosure of information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

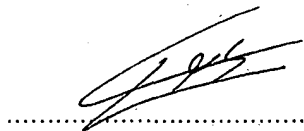
This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Auditors

The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006 and therefore a strategic report is not required.

Approved by the Board of Directors and signed on behalf of the Board



..... JOAQUIN SCHISLER – Director

Date 22 SEPTEMBER 2016

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgements and accounting estimates that are reasonable and prudent;
- 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 proper 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 to 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.

ABERTIS MOTORWAYS UK LIMITED
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INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF ABERTIS MOTORWAYS UK LIMITED

We have audited the financial statements of Abertis Motorways UK Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

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.

ABERTIS MOTORWAYS UK LIMITED
REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2015

INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF ABERTIS MOTORWAYS UK 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; or
- the directors were not entitled to take advantage of the small Companies' exemption from preparing a Strategic Report or in preparing the Directors' Report.

Andrew Wright

Andrew Wright (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Bristol, United Kingdom
Date: *23 September 2016*

ABERTIS MOTORWAYS UK LIMITED
REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2015

PROFIT AND LOSS ACCOUNT

	Note	2015 £	2014 £
TURNOVER	2	178,520	176,563
Administrative expenses		(83,613)	(76,238)
OPERATING PROFIT	4	94,907	100,325
Interest receivable and similar income	5	1,027,000	916,760
Interest payable and similar charges		(70,062)	(70,635)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,051,845	946,450
Tax charge on profit on ordinary activities	6	(14,358)	(205,761)
PROFIT FOR THE YEAR	12	<u>1,037,487</u>	<u>740,689</u>

Continuing Operations

The results for 2015 were derived from continuing operations

ABERTIS MOTORWAYS UK LIMITED
REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2015

BALANCE SHEET

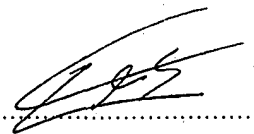
	Note	2015 £	2014 £
FIXED ASSETS			
Investment	7	<u>11,706,640</u>	<u>11,706,640</u>
CURRENT ASSETS			
Debtors			
- due within one year	8	629,693	629,419
- due after more than one year	8	9,003,398	7,976,398
Cash at bank and in hand		<u>2,563,927</u>	<u>2,720,861</u>
		12,197,018	11,326,678
CREDITORS: amounts falling due within one year	9	<u>204,193</u>	<u>172,151</u>
NET CURRENT ASSETS		<u>11,992,825</u>	<u>11,154,527</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		23,699,465	22,861,167
CREDITORS: amounts falling due after more than one year	10	<u>7,585,175</u>	<u>7,784,364</u>
NET ASSETS		<u>16,114,290</u>	<u>15,076,803</u>
CAPITAL AND RESERVES			
Called up share capital	11	10,000,000	10,000,000
Profit and loss account	11	<u>6,114,290</u>	<u>5,076,803</u>
SHAREHOLDER'S FUNDS	12	<u>16,114,290</u>	<u>15,076,803</u>

The notes on pages 9 to 15 form part of these accounts and financial statements.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These financial statements were approved and authorised for issue by the Board of Directors on

Signed on behalf of the Board of Directors



 JOAQUIN SCHIAER Director

Date: 22 SEPTEMBER 2016

ABERTIS MOTORWAYS UK LIMITED
REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

A summary of the principal accounting policies is set out below, all of which have been applied consistently throughout the current and preceding year.

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the Directors' Report.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard No 1 (revised) not to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group, and the consolidated financial statements of its ultimate parent undertaking, Abertis Infraestructuras S.A, in which the Company is included, are publically available from the address stated in note 14.

Revenue recognition

Turnover represents amounts receivable for management services net of VAT. All turnover is from within the United Kingdom. Turnover is recognised in the Profit and Loss account in the period of which the service is provided, which coincides with the corresponding accrual of the income.

Investments

In accordance with Financial Reporting Standard 9 "Associates and Joint Ventures", the holding in Road Management Group Limited is accounted for as a fixed asset investment at cost less any impairment.

Taxation

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

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

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. TURNOVER

Turnover represents amounts receivable for management services net of VAT. All turnover is from within the United Kingdom. In the opinion of the directors, the Company operates in a single class of business.

3. DIRECTORS' EMOLUMENTS

	2015	2014
	£	£
Directors remuneration and other benefits etc	5,322	-

4. OPERATING PROFIT

Operating profit is stated after charging:

	2015	2014
	£	£
Auditor's remuneration – audit fee	9,250	9,250
– non audit fees	8,736	11,986
	17,986	21,236

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£	£
Interest receivable from Road Management Group (see note 15)	1,027,000	916,760
	1,027,000	916,760

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. TAX CHARGE/ (CREDIT) ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of corporation tax charge for the year

	2015 £	2014 £
Current tax		
UK corporation tax	212,999	203,487
Consortium relief adjustment	(199,189)	-
Prior year adjustment	548	2,274
	<u>14,358</u>	<u>205,761</u>

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

The difference between the total current corporation tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,051,845</u>	<u>946,450</u>
Profit on ordinary activities multiplied by the UK statutory tax rate of 20.25% (2014: 21.50%)	212,999	203,487
Effects of:		
Consortium relief adjustment	(199,189)	-
Prior year adjustment	548	2,274
Current tax charge/ (credit) for year	<u>14,358</u>	<u>205,761</u>

The UK Government enacted a reduction in the main tax rate of corporation tax to 21% from 1 April 2014 and a further reduction to 20% from 1 April 2015. Going forward, the UK Government has confirmed the Corporation Tax rate is to reduce to 18% by 2020. The Company is not aware of any factors that would materially affect the future tax charge apart from these proposed, phased reductions in corporation tax rates. Adjustments to tax charge of previous periods mainly relate to changes to consortium relief balances with Road Management Group Ltd (RMG). As per RMG's shareholders agreement consortium relief balances should be settled at the rate for which RMG could utilise those losses if they were not being provided to the shareholders. Therefore unsettled balances should be remeasured to the current corporation tax rate where RMG has carried forward tax losses in excess of the amounts identified for consortium relief. The intention is for the consortium relief balances to be settled when RMG makes a distribution to the shareholders. As RMG still has carried forward tax losses it is not being disadvantaged by not being able to use losses which have been given up for consortium relief. Therefore the consortium relief balance has been remeasured using 18% as the tax rate.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FIXED ASSET INVESTMENT

	2015 £	2014 £
Investment in Road Management Group Limited at cost and net book value as at 1 January and 31 December	11,706,640	11,706,640

On 31 December 2015 the investment in Road Management Group Limited consists of 8,445,000 £1 ordinary shares, 33.3% of the total ordinary share capital. The principal activity of this joint venture is to finance and operate road contracts with the Secretary of State for Environment, Transport and the Regions. The directors believe that the carrying value of the investments is supported by their underlying net assets.

The consolidated net assets and the results of the Road Management Group Limited were as follows:

Financial measure	2015 £'000	2014 £'000
Net assets	113,236	109,484
Profit after tax	3,438	5,056

Investment in Road Management Group Limited (RMG)

At 31 December 2015, Abertis Motorways UK Limited holds an investment in RMG which has a carrying value of £11.7m (2014: £11.7m), and has amounts receivable from RMG of £9.5m (2014: £8.6m).

The financial statements of RMG for the year ended 31 December 2015 contain disclosure which explains that there was a breach of European Investment Bank's (EIB) loan covenant because of the downgrading of the credit rating of the monoliner insurers and, consequently, RMG's bank would be entitled to request RMG to obtain a replacement guarantor for their bonds. RMG has received a written waiver from EIB which waives their right to request a replacement guarantor until at least 31 January 2016.

The directors of Abertis Motorways UK Limited have reviewed, and are satisfied with RMG's projected profits and cash flows which have been prepared on the basis of a detailed analysis of the RMG finances, contracts, availability of funding, and likely future traffic trends, covering accounting periods up to 31 December 2026.

Following this review, the directors are confident that the carrying value of the investment and the amounts receivable from RMG are recoverable, and note that the RMG financial statements for the year ending 31 December 2015 have been prepared on a going concern basis.

ABERTIS MOTORWAYS UK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Amount owed by Road Management Group Limited	53,243	52,969
Loan to Road Management Group Limited	500,000	500,000
Loan to RMS Peterborough	40,314	40,314
Loan to RMS Gloucester	24,781	24,781
Prepayments	11,355	11,355
	<u>629,693</u>	<u>629,419</u>
Amounts falling due after more than one year:		
Loan to Road Management Group Limited	<u>9,003,398</u>	<u>7,976,398</u>

The loan to Road Management Group Limited is a subordinated loan, bearing interest at 12% per annum, which is repaid as sufficient funds become available after allowing for working capital requirements.

The amounts due from RMS bear interest at a variable rate based in LIBOR.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Corporation tax	108,306	101,792
VAT	5,889	6,423
Accruals	89,998	63,936
	<u>204,193</u>	<u>172,151</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Loans	<u>7,585,175</u>	<u>7,784,364</u>

Included in Loans is an advance from Road Management Group of £5,085,490 (2014: £5,085,490). The advance from Road Management Group is repayable at the end of the concession period in 2027. There is no interest payable on this advance and the loans are unsecured.

An amount of £2,499,685 (2014: £2,698,874) due to Road Management Group is also included in the Loans figure. This amount relates to consortium relief surrendered and is not expected to be repaid within the next three years. The loans are unsecured.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Called up, allotted and fully paid		
10,000,000 (2014-10,000,000) ordinary shares of £1 each	10,000,000	10,000,000

PROFIT AND LOSS RESERVES

	2015 £	2014 £
1 January	5,076,803	4,336,114
Retained profit for the financial year (note 12)	1,037,487	740,689
31 December	6,114,290	5,076,803

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2015 £	2014 £
Profit for the financial year	1,037,487	740,689
Net increase in equity shareholder's funds	1,037,487	740,689
Opening equity shareholder's funds	15,076,803	14,336,114
Closing equity shareholder's funds	16,114,290	15,076,803

13. EMPLOYEES

The Company has no employees (2014 - nil) other than its executive directors, one of whom received Remuneration as noted in note 3. All other directors received no remuneration in connection with their services to the Company in either the current or the preceding year.

14. ULTIMATE PARENT UNDERTAKING

The Company's immediate and ultimate parent company, and controlling party, as at 31 December 2015 was Abertis Infraestructuras S.A., a company incorporated in Spain.

The smallest and largest group of which Abertis Motorways UK Limited is a member and for which group financial statements are drawn up is that headed by Abertis Infraestructuras S.A. which is incorporated in Spain. Consolidated financial statements for the group are available from Abertis Infraestructuras S.A., Avda. Pedralbes 17, 08034 Barcelona, Spain, and from the website <http://www.abertis.com>.

ABERTIS MOTORWAYS UK LIMITED
REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary undertaking of Abertis Infraestructuras S.A., the Company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Abertis Infraestructuras S.A.

During the period the Company recorded the following income in the ordinary course of business from the Road Management Group Limited joint venture:

	2015	2014
	£	£
Sales	187,520	176,563
Interest income	<u>1,027,000</u>	<u>916,760</u>

The amounts owed from and to Road Management Group are disclosed in notes 8 and 10 respectively.

See Notes 5 and 10 for other interest income, expenses and balances with RMG and abertis group companies.