

Company Number: 03046316

ABERTIS MOTORWAYS UK LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2016

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**ABERTIS MOTORWAYS UK LIMITED
REPORT AND FINANCIAL STATEMENTS**

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ABERTIS MOTORWAYS UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Francisco José Aljaro Navarro
Victor Enseñat Coe
Javier Carol Vilarasau
Virginia Navarro Virgos

SECRETARY

Virginia Navarro Virgos

COMPANY NUMBER

03046316

REGISTERED OFFICE

Broad Street House
55 Old Broad Street
London
EC2M 1RX

BANKERS

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

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
Cardiff
United Kingdom

ABERTIS MOTORWAYS UK LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company and the financial statements for the year ended 31 December 2016 which are prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and the provision of Section 1A "Small Entities" of Financial Reporting Standard FRS 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 projects involved upgrading the existing roads 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 4.9% (5% Peterborough/5% Gloucester) for both the A1 (M) and A417/419 on the previous year on HGVs, 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 2017 onwards. Ordinary vehicles continue to perform well on both roads growing at 3% year on year.

Third party indemnity provision for directors

There is a third party indemnity provision in place for the benefit of all directors of the company.

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 financial statements.

Directors

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

Francisco José Aljaro Navarro
Victor Enseñat Coe (Appointed 12/06/17)
Javier Carol Vilarasau (Appointed 12/06/2017)
Carlos Francisco Del Rio Carcano (Resigned 12/06/2017)
Mary Annabel Gatehouse (Resigned 12/01/16)
Daniel Vilanova-Abad (Resigned 12/01/16)
Joaquín Schjaer Rosales (Appointed 12/01/16 ; Resigned 12/06/2017)
Virginia Navarro Virgos (Appointed 12/01/16)

Results and dividends

The profit and loss account for the year is set out on page 6. No dividends have been paid or proposed for the year ended 31 December 2016 (2015 – nil).

ABERTIS MOTORWAYS UK LIMITED

DIRECTORS' REPORT (continued)

Auditor

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

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

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



Victor Enseñat Coe – Director

Date: 26 SEPTEMBER 2017.

ABERTIS MOTORWAYS UK LIMITED

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

We have audited the financial statements of Abertis Motorways UK Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Statement of Financial Position and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member 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 member those matters we are required to state to it 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 Directors' Responsibilities Statement, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

ABERTIS MOTORWAYS UK LIMITED

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBER 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Andrew Woodhead (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Cardiff, United Kingdom

Date: 29 September 2017

ABERTIS MOTORWAYS UK LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
TURNOVER	2	180,897	178,520
Administrative expenses		(79,273)	(83,613)
OPERATING PROFIT	4	101,624	94,907
Interest receivable and similar income	5	1,150,000	1,027,000
Interest payable and similar charges		(69,859)	(70,062)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,181,765	1,051,845
Tax charge on profit on ordinary activities	6	(136,758)	(14,358)
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDER OF THE COMPANY		<u>1,045,007</u>	<u>1,037,487</u>

ABERTIS MOTORWAYS UK LIMITED

STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investment	7	11,706,640	11,706,640
CURRENT ASSETS			
Debtors			
- due within one year	8	576,575	629,693
- due after more than one year	8	10,153,398	9,003,398
Cash at bank and in hand		2,441,381	2,563,927
		13,171,354	12,197,018
CREDITORS: amounts falling due within one year	9	(7,718,697)	(7,789,368)
NET CURRENT ASSETS		5,452,657	4,407,650
NET ASSETS		17,159,297	16,114,290
CAPITAL AND RESERVES			
Called-up share capital	10	10,000,000	10,000,000
Profit and loss account	10	7,159,297	6,114,290
SHAREHOLDER'S FUNDS		17,159,297	16,114,290

The notes on pages 8 to 16 form part of these 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 102 (section 1A).

These financial statements were approved and authorised by the Board of Directors on and were signed on its behalf by:



Victor Ensefiat Coe - Director

26 SEPTEMBER 2017

ABERTIS MOTORWAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATUTORY INFORMATION

Abertis Motorways UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the officers and professional advisers page.

The presentational and functional currency of the financial statements is Pounds Sterling (£).

2. 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 provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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 financial statements.

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 in which the service is provided, which coincides with the corresponding accrual of the income.

Investments

In accordance with Financial Reporting Standard 102 (FRS 102) – Section 15 – Investment in Joint Ventures, the holding in Road Management Group Limited is treated as a jointly controlled fixed asset investment. The directors have considered it reasonable to value the investments at the historic cost shown within the old UK GAAP accounts.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each statement of financial position. If such indication exists, the recoverable amount of the asset, or the asset's cash-generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation reserve.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

ABERTIS MOTORWAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (continued)

Impairment (continued)

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

First year of transition

The company's date of transition to FRS 102 was 1 January 2015.

No transitional adjustments have been made to the comparative figures and the company's financial position and performance have not been affected as a result of the transition to FRS 102. There have been no significant changes to the accounting policies as a result of the new financial reporting framework.

Prior year reclassification

A prior year adjustment has been entered, with the directors confirming the loans due to Road Management Group Limited are repayable on demand. Loans previously shown under creditors due in more than one year are now classified as creditors due in less than one year.

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 substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position 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.

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 statement of financial position date. Deferred tax is measured on a non-discounted basis.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ABERTIS MOTORWAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (1) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

Critical accounting judgements

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

ABERTIS MOTORWAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

Critical accounting judgements (continued)

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

After review of the financial statements, the directors have determined that there are no critical judgements made in the process of applying the company's accounting policies that have an effect on the amounts recognised in the financial statements.

3. DIRECTORS' EMOLUMENTS

	2016	2015
	£	£
Directors' remuneration and other benefits	-	5,322

The company has no employees (2015: nil) other than its four executive directors (2015: 5). The directors received no remuneration in connection with their services to the company in the current year (2015: £5,322).

4. OPERATING PROFIT

Operating profit is stated after charging:

	2016	2015
	£	£
Auditor's remuneration – audit fee	9,979	9,250

There are no non-audit service fees paid to the auditors in the current year (2015: £8,736).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£	£
Interest receivable from Road Management Group (see note 11)	1,150,000	1,027,000

ABERTIS MOTORWAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of corporation tax charge for the year

	2016	2015
	£	£
Current tax		
UK corporation tax	236,353	212,999
Consortium relief adjustment	(99,595)	(199,189)
Prior year adjustment	-	548
	<u>136,758</u>	<u>14,358</u>

(b) Factors affecting corporation tax charge 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:

	2016	2015
	£	£
Profit on ordinary activities before tax	<u>1,181,765</u>	<u>1,051,845</u>
Profit on ordinary activities multiplied by the UK statutory tax rate of 20.00% (2015: 20.25%)	236,353	212,999
Effects of:		
Consortium relief adjustment	(99,595)	(199,189)
Prior year adjustment	-	548
Current tax charge for year	<u>136,758</u>	<u>14,358</u>

The main rate of corporation tax for 2016 is 20% and is to reduce to 19% from 1 April 2017. Going forward, the UK Government has confirmed the corporation tax rate is to reduce to 17% 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 Limited (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.

ABERTIS MOTORWAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. FIXED ASSET INVESTMENT

	2016 £	2015 £
Investment in Road Management Group Limited at cost and net book value as at 31 December	<u>11,706,640</u>	<u>11,706,640</u>

On 31 December 2016 the investment in Road Management Group Limited consists of 8,445,001 £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 investment is supported by its underlying net assets.

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

Financial measure	2016 £'000	2015 £'000
Net assets	116,071	113,236
Profit after tax	2,675	3,438

Investment in Road Management Group Limited (RMG)

At 31 December 2016, Abertis Motorways UK Limited holds an investment in RMG which has a carrying value of £11.7m (2015: £11.7m), and has amounts receivable from RMG of £10.7m (2015: £9.5m).

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 ended 31 December 2016 have been prepared on a going concern basis.

ABERTIS MOTORWAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. DEBTORS

	2016 £	2015 £
Amounts falling due within one year:		
Amount owed by Road Management Group Limited	-	53,243
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	11,480	11,355
	<u>576,575</u>	<u>629,693</u>
Amounts falling due after more than one year:		
Loan to Road Management Group Limited	<u>10,153,398</u>	<u>9,003,398</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 on LIBOR.

9. CREDITORS – AMOUNTS FALLING WITHIN ONE YEAR

	2016 £	2015 £
Corporation tax	120,022	108,306
VAT	4,144	5,889
Accruals	108,951	89,998
Loans	<u>7,485,580</u>	<u>7,585,175</u>
	<u>7,718,697</u>	<u>7,789,368</u>

Included in Loans is an advance from Road Management Group Limited of £5,085,490 (2015: £5,085,490). The advance from Road Management Group Limited is repayable on demand. There is no interest payable on this advance and the loan is unsecured.

An amount of £2,400,090 (2015: £2,499,685) due to Road Management Group Limited is also included in the Loans figure. This amount relates to consortium relief surrendered and is also repayable on demand. The loan is unsecured.

ABERTIS MOTORWAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. CALLED-UP SHARE CAPITAL

	2016 £	2015 £
Called-up, allotted and fully paid		
10,000,000 (2015:10,000,000) ordinary shares of £1 each	10,000,000	10,000,000

PROFIT AND LOSS RESERVES

	2016 £	2015 £
At 1 January	6,114,290	5,076,803
Retained profit for the financial year	1,045,007	1,037,487
At 31 December	7,159,297	6,114,290

11. RELATED PARTY TRANSACTIONS

As a wholly-owned subsidiary undertaking of Abertis Infraestructuras S.A., the company has taken advantage of the exemption in Section 33 of FRS 102 "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:

	2016 £	2015 £
Sales	180,897	187,520
Interest income	1,150,000	1,027,000

The amounts owed from and to Road Management Group Limited are disclosed in notes 5, 8 and 9. See notes 8 and 9 for balances with other Abertis group companies.

ABERTIS MOTORWAYS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. FINANCIAL INSTRUMENTS

The carrying values of the company's financial assets and liabilities are summarised by category below:

	2016 £'000	2015 £'000
Financial assets		
Measured at amortised cost		
Inter-company debtors	10,653,398	9,556,641
Cash	2,441,381	2,563,927
	<u>13,094,779</u>	<u>12,120,568</u>
Financial liabilities		
Measured at amortised cost		
Inter-company creditors	7,485,580	7,585,175
	<u>7,485,580</u>	<u>7,585,175</u>

13. ULTIMATE PARENT UNDERTAKING

The company's immediate and ultimate parent company, and controlling party, as at 31 December 2016 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>.