

# **Traffic Information Services (TIS) Limited**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2012**

**Registered Number 4017551**



# **Traffic Information Services (TIS) Limited**

## **Financial Statements**

**Year Ended 31 December 2012**

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# **Traffic Information Services (TIS) Limited**

## **Company Information**

### **The board of directors**

Nigel Middleton (Served from 19 March 2009 to 15 February 2013)  
Graham Baldock (Served from 30 June 2010 to 15 February 2013)  
Thomas Haga (Served from 1 October 2011 to 8 February 2013)  
BIIF Corporate Services Limited (Appointed 15 February 2013)  
John Ivor Cavill (Appointed 8 March 2013)  
Richard David Hoile (Appointed 8 February 2013)

### **Company secretary**

Infrastructure Managers Limited

### **Registered office**

c/o Dundas & Wilson  
Northwest Wing Bush House  
Aldwych  
London  
WC2B 4EZ

### **Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants  
and Statutory Auditors  
Erskine House  
68-73 Queen Street  
Edinburgh  
EH2 4NH

### **Bankers**

National Westminster Bank Plc  
Middlesex  
TW18 4PU

# **Traffic Information Services (TIS) Limited**

## **The Directors' Report**

### **Year Ended 31 December 2012**

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 December 2012

#### **Principal Activities and Business Review**

The Company's principal activity was to develop, finance and operate a strategic traffic management system and Traffic Control Centre. The Company's contract with the Highways Agency has now concluded.

#### **Results and Dividends**

The loss for the year, after taxation, amounted to £65,381 (2011 profit £800,145). Particulars of dividends paid are detailed in note 9 to the financial statements.

The loss for the year will be transferred to reserves.

The Directors consider the results for the year to be satisfactory.

#### **Key performance indicators**

The performance of the Company from a cash perspective is assessed on a six monthly basis by the testing of the covenants of the senior debt provider. The key indicator being the debt service cover ratio. The Company has been performing well and has been compliant with the covenants laid out in the loan agreement.

#### **Directors**

The directors who served the Company during the year and up to the date of this report are listed on page 1.

#### **Auditor**

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office  
c/o Dundas & Wilson  
Northwest Wing Bush House  
Aldwych  
London  
WC2B 4EZ

Signed by order of the directors



Infrastructure Managers Limited  
Company Secretary

Approved by the directors on 11 April 2013

# **Traffic Information Services (TIS) Limited**

## **Statement of Directors' Responsibilities**

### **Year Ended 31 December 2012**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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). 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors' Responsibilities were approved by the board on 11 April 2013 and signed on its behalf by



Michael Forrest, for and on behalf of  
BIIF Corporate Services Limited  
Director

# **Traffic Information Services (TIS) Limited**

## **Independent Auditors' Report to the Members of Traffic Information Services (TIS) Limited**

We have audited the financial statements of Traffic Information Services (TIS) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective Responsibilities of Directors and Auditors**

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

This report, including the opinions, has been prepared for and only for the Company's Members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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 2012 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **Traffic Information Services (TIS) Limited**

## **Independent Auditors' Report to the Members of Traffic Information Services (TIS) 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



Martin Cowie (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh

16 April 2013

# Traffic Information Services (TIS) Limited

## Profit and Loss Account

Year Ended 31 December 2012

	Note	2012 £	2011 £
<b>Turnover</b>	2	–	9,793,569
Cost of sales		–	(8,714,338)
<b>Gross profit</b>		–	1,079,231
Administrative expenses		(65,796)	(479,099)
Other operating income	3	–	34,498
<b>Operating (loss)/profit</b>	4	(65,796)	634,630
Interest receivable	6	519	518,321
Interest payable and similar charges	7	–	(11,277)
<b>(Loss)/profit on ordinary activities before taxation</b>		(65,277)	1,141,674
Tax on (loss)/profit on ordinary activities	8	(104)	(341,529)
<b>(Loss)/profit for the financial year</b>		(65,381)	800,145

All of the activities of the Company are classed as continuing

The Company has no recognised gains and losses other than those included in the loss above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

The notes on pages 8 to 12 form part of these financial statements



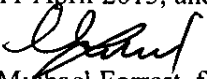
# Traffic Information Services (TIS) Limited

## Balance Sheet

As at 31 December 2012

	Note	2012 £	2011 £
<b>Current assets</b>			
Debtors due within one year	10	270,641	507,194
Cash at bank		59,817	43,167
		<u>330,458</u>	<u>550,361</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(157,749)</u>	<u>(162,271)</u>
<b>Net current assets</b>		<u>172,709</u>	<u>388,090</u>
<b>Net assets</b>		<u>172,709</u>	<u>388,090</u>
<b>Capital and reserves</b>			
Share capital	12	1	1
Profit and loss account	13	172,708	388,089
<b>Equity shareholders' funds</b>	14	<u>172,709</u>	<u>388,090</u>

These financial statements on pages 6 to 12 were approved by the directors and authorised for issue on 11 April 2013, and are signed on their behalf by

  
Michael Forrest, for and on behalf of  
BIIF Corporate Services Limited  
Director

Company Registration Number 4017551

The notes on pages 8 to 12 form part of these financial statements

# **Traffic Information Services (TIS) Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2012**

#### **1 Accounting policies**

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

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The financial statements have been prepared on a going concern basis as the Company's financial projections indicate that sufficient funds will be generated to allow on-going obligations to be met as they fall due.

##### **Cash flow statement**

The Company is a subsidiary of BIIF Holdco Limited and is included in the consolidated financial statements of BIIF Holdco Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1.

##### **Turnover**

Turnover, which is stated net of Value Added Tax, represents fees related to the provision of driver information services, all within the United Kingdom.

##### **Deferred taxation**

Deferred tax is provided, using the incremental liability method, on timing differences that have originated but not reversed at the balance sheet date where the transactions or events that give rise to an obligation to pay more or less tax in the future have occurred by the balance sheet date. A deferred tax asset is recognised only when it is considered more likely than not that it will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws in force at the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### **Accounting for PFI contracts**

Within Public Private Partnership ("PPP") projects (including Private Finance Initiative ("PFI") projects), where the concession agreement transfers limited risk and rewards associated with ownership to the contractor, the costs incurred during the period of initial asset construction, as a direct consequence of financing, designing and constructing the asset, are shown as 'assets in the course of construction' within current assets. On completion of the asset construction phase the asset is transferred to debtors as 'amounts receivable under PFI contracts'.

Revenues received from the customer, following completion of the asset construction phase, are apportioned between capital repayments and operating revenue based on an implicit rate over the contract life. The 'finance income' element of the capital repayments will be shown within interest receivable.

# Traffic Information Services (TIS) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 1 Accounting policies (*continued*)

##### Taxation

The tax expense represents the sum of current tax expense and deferred tax expense

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

#### 2 Turnover

The turnover and loss before tax are attributable to the one principal activity of the Company. An analysis of turnover is given below.

	2012	2011
	£	£
United Kingdom	-	9,793,569

Turnover, which is stated net of Value Added Tax, represents fees related to the provision of driver information services, all within the United Kingdom.

#### 3 Other operating income

	2012	2011
	£	£
Other operating income	-	34,498

#### 4 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2012	2011
	£	£
Auditors' remuneration		
- as auditor	6,394	12,898

#### 5 Particulars of employees and directors

The Directors did not receive any remuneration from the Company during the year (2011: £nil). There were no employees in the financial year other than the directors (2011: nil).

# Traffic Information Services (TIS) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 6 Interest receivable

	2012	2011
	£	£
Bank interest receivable	519	16,758
Finance income receivable under PFI contracts	–	230,922
Interest from group undertakings	–	270,641
	<u>519</u>	<u>518,321</u>

#### 7 Interest payable and similar charges

	2012	2011
	£	£
Intercompany loans	–	11,277
	<u>–</u>	<u>11,277</u>

#### 8 Taxation on ordinary activities

##### (a) Analysis of charge in the year

	2012	2011
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20% (2011 - 26.49%)	104	885,252
Total current tax	<u>104</u>	<u>885,252</u>
Deferred tax		
Origination and reversal of timing differences	–	(543,723)
Tax on (loss)/profit on ordinary activities	<u>104</u>	<u>341,529</u>

##### (b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2011 - 26.49%)

	2012	2011
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(65,277)</u>	<u>1,141,674</u>
(Loss)/profit on ordinary activities by rate of tax	(13,055)	302,594
Expenses not deductible for tax purposes	13,159	49,907
Capital allowances for year in excess of depreciation	–	532,751
Total current tax (note 8(a))	<u>104</u>	<u>885,252</u>

# Traffic Information Services (TIS) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 9 Dividends

##### Equity dividends

	2012 £	2011 £
Paid during the year		
Interim dividend of £150,000 (2011 £13,591,000) per ordinary share	<u>150,000</u>	<u>13,591,000</u>

#### 10 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	270,641	270,641
Other debtors	—	236,553
	<u>270,641</u>	<u>507,194</u>

Amounts owed by group undertakings represents accrued interest receivable

#### 11 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	—	8,049
Amounts owed to group undertakings	120,498	120,498
Corporation tax	104	—
Accruals and deferred income	37,147	33,724
	<u>157,749</u>	<u>162,271</u>

Amounts owed to group undertakings include group relieved tax losses due to parent companies, bearing no interest

#### 12 Share capital

##### Authorised share capital:

	2012 £	2011 £
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

##### Allotted, called up and fully paid:

	2012 No	£	2011 No	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

# Traffic Information Services (TIS) Limited

## Notes to the Financial Statements

### Year Ended 31 December 2012

#### 13 Profit and loss account

	2012	2011
	£	£
Balance brought forward	388,089	354,857
(Loss)/profit for the financial year	(65,381)	800,145
Equity dividends	(150,000)	(13,591,000)
Net reduction of share capital	–	12,824,087
Balance carried forward	<u>172,708</u>	<u>388,089</u>

#### 14 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
(Loss)/Profit for the financial year	(65,381)	800,145
Equity dividends	(150,000)	(13,591,000)
Net reduction of share capital	–	12,824,087
Net (reduction)/addition to shareholders' funds	<u>(215,381)</u>	<u>33,232</u>
Opening shareholders' funds	388,090	354,858
Closing shareholders' funds	<u>172,709</u>	<u>388,090</u>

#### 15 Related party disclosures

The Directors have considered the provisions contained within FRS 8 and are satisfied that there are no further disclosures required

Disclosure of related party transactions that the Directors have with the group which is consolidated at BIIF Holdco Limited are included in the accounts of that entity

#### 16 Ultimate parent company

The immediate parent company is Traffic Information Services (TIS) Holdings Limited, a company incorporated in Great Britain and registered in England and Wales

The ultimate parent and controlling entity is Barclays Integrated Infrastructure Fund LP  
Barclays Integrated Infrastructure Fund LP is owned by a number of investors, with no one investor having individual control