

Egis Road Operation (UK) Ltd

Registered number 06693340

Directors' report and financial statements

For the period ended 31 December 2009

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EGIS ROAD OPERATION (UK) LTD

COMPANY INFORMATION

Directors	Francois Bienvenue Malcolm Carr (appointed 27 November 2009) Pierre Ibarboure Pierre Charcellay (resigned 27 November 2009) Paul Henty (resigned 23 September 2008)
Company secretary	Deborah King
Company number	06693340
Registered office	47 The Grove London N3 1QT
Auditors	Mazars LLP Chartered accountants & Statutory auditors Times House Throwley Way Sutton Surrey SM1 4JQ

EGIS ROAD OPERATION (UK) LTD

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EGIS ROAD OPERATION (UK) LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2009

The directors present their report and the financial statements for the period ended 31 December 2009

Principal activities

The principal activity of the company is the joint management, through its participation in a joint arrangement, of the operation and maintenance of motorways

Business review

The company was incorporated on 10 September 2008 and the period under review represents the first period of trading for the company

During this period, the maintenance contract that constitutes the principal activity completed its "pre-contract" and "mobilisation" phases. In the last 3 months the operational phase also commenced

Results

The loss for the period, after taxation, amounted to £50,245

Directors

The directors who served during the period were

Francois Bienvenue
Malcolm Carr (appointed 27 November 2009)
Pierre Ibarboure
Pierre Charcellay (resigned 27 November 2009)
Paul Henty (resigned 23 September 2008)

Future developments

The directors expect operations to increase in future years as the contract becomes fully operational

EGIS ROAD OPERATION (UK) LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2009

Financial instruments

The directors keep under review the risks to which the company is exposed and adjust their management and controls as necessary. The principal risks arise from its participation in a joint venture (JV) that has a 30 year contract for motorway operation and maintenance. The directors' assessment of the risks to the company, which arise mainly from the JV, are as follows:

Financial performance

The company is exposed to the financial performance of the JV over which it does not have direct control. The Egis Group has representatives on the management board of the JV. Both through those representatives and from regular financial information from the JV, the board is able to monitor and influence the performance of the JV. The company is developing, with its partners in the JV, an internal audit programme for the JV, to be carried out by representatives from the partners. Additionally the JV will be audited by a firm of accountants that is independent of all of the partners. The board also sets budgets for company overheads and monitors expenditure.

Income

Much of the annual income of the JV is fixed by contract, and will be incremented annually by inflation. Work required under the contract includes periodic refurbishment or replacement of major parts of the motorway system. The JV receives equal annual payments (incremented for inflation) for these periodic outgoings. The JV is exposed to any shortfall between the amounts received plus accumulated interest and the actual costs of the work. The JV has a process of continual re-appraisal of the optimum points for refurbishment or replacement of the assets and of providing for any shortfall in the build up of reserves for the work.

Credit risk

The directors consider that there is negligible counterparty risk to income because the JV contract is ultimately with HM Government. The funds building up for the periodic refurbishment/replacement of assets are on deposit through major UK banks in amounts exceeding any government guarantees. The JV is exposed to the risk of default by any of the banks with whom it has made deposits.

Liquidity

The directors consider that the company has sufficient funds available for its operation.

Exchange rates

The company is exposed to exchange rate risks, mainly on the cost of services provided to it by parent and associated companies within the Egis Group in Europe.

Supplier payment policy

Suppliers are paid in line with credit terms agreed.

EGIS ROAD OPERATION (UK) LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2009

Statement of directors' responsibilities

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Provision of information to auditors

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 auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

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.....
Pierre Ibarboure
Director

Date

20th July, 2010

EGIS ROAD OPERATION (UK) LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EGIS ROAD OPERATION (UK) LTD

We have audited the financial statements of Egis Road Operation (UK) Ltd for the period ended 31 December 2009, which comprise the Profit and Loss Account, the 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 1, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the 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 2009 and of its loss for the period 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 the other matter prescribed by the Companies Act 2006

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

EGIS ROAD OPERATION (UK) LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EGIS ROAD OPERATION (UK) LTD

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

Mazars LLP

Mazars LLP, Chartered accountants (Statutory auditors)

Elisabeth Maxwell (Senior statutory auditor)

Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Date

27th July 2010

EGIS ROAD OPERATION (UK) LTD

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2009

	Note	2009 £
Turnover	1,2	4,816,000
Cost of sales		(4,784,545)
Gross profit		31,455
Administrative expenses		(76,158)
Operating loss	3	(44,703)
Interest payable	5	(5,542)
Loss on ordinary activities before taxation		(50,245)
Tax on loss on ordinary activities		-
Loss for the financial period		(50,245)

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 other than those included in the Profit and Loss Account

The notes on pages 8 to 11 form part of these financial statements

EGIS ROAD OPERATION (UK) LTD

Registered number 06693340

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Note	£	2009 £
Current assets			
Debtors	6	3,185,959	
Cash at bank		243,783	
		<u>3,429,742</u>	
Creditors' amounts falling due within one year	7	<u>(3,479,887)</u>	
Net current liabilities			(50,145)
Total assets less current liabilities			<u>(50,145)</u>
Capital and reserves			
Called up share capital	8		100
Profit and loss account			<u>(50,245)</u>
Shareholders' deficit	9		<u>(50,145)</u>

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


Pierre Ibarboure
Director

Date 20th July, 2010.

The notes on pages 8 to 11 form part of these financial statements

EGIS ROAD OPERATION (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Joint arrangements

The company has a contractual agreement with other participants to engage in joint activities that do not create entities carrying on a trade of their own. The company includes its share of assets and liabilities in such joint arrangements and of the profit or loss from such joint arrangements, measured in accordance with the terms of the arrangement, which is pro-rata to the company's interest in the joint arrangement

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

EGIS ROAD OPERATION (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

1. Accounting Policies (continued)

1.7 Pensions

Employees of Dartford River Crossing (DRC) that have transferred to ERO UK in September 2009 are members of the DRC Pension Scheme. This is a defined benefit pension scheme.

However, ERO UK has agreed, as stated in the jointly controlled operation agreement, with the Highways Agency that ERO UK is not responsible for the liabilities of the pension scheme. Therefore any lump sum payments to the pension scheme that are due in relation to funding the deficit are the responsibility of the Highways Agency.

Furthermore, any monthly contributions due to the pension scheme as part of meeting the requirements of the statement of contributions and scheme rules are paid by ERO UK but reimbursed by the Highways Agency. In conclusion, ERO UK does not have any responsibility for making contributions due to pension scheme as this is ultimately funded by the Highways Agency.

1.8 Going concern

Although currently in a net liability position, the financial statements are prepared on a going concern basis due to the fact that the primary contract is in the process of becoming fully operational, at which point the company is expected to become profitable.

2. Turnover

The whole of the turnover is attributable to the principal activity of the company, being the maintenance contract in respect of the M25 motorway.

All turnover arose within the United Kingdom.

3. Operating loss

The operating loss is stated after charging

	2009
	£
Auditors' remuneration	12,000

During the period, no director received any emoluments.

EGIS ROAD OPERATION (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

4. Staff costs

Staff costs were as follows

	2009 £
Wages and salaries	903,527
Social security costs	66,544
Other pension costs	7,461
	<u>977,532</u>

There are no directors to whom retirement benefits are accruing under money purchase or defined benefit pension schemes

The average monthly number of employees, including the directors, during the period was as follows

	2009 No
Directors	3
Operational	97
	<u>100</u>

5 Interest payable

	2009 £
On loans from group undertakings	<u>5,542</u>

6 Debtors

	2009 £
Trade debtors	770,264
Prepayments and accrued income	2,415,695
	<u>3,185,959</u>

EGIS ROAD OPERATION (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2009

**7. Creditors:
Amounts falling due within one year**

	2009
	£
Trade creditors	153,058
Amounts owed to group undertakings	2,906,147
Amounts owed to joint ventures	85,274
Social security and other taxes	242,854
Other creditors	68,200
Accruals and deferred income	24,354
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	3,479,887
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8. Share capital

	2009
	£
Allotted, called up and fully paid	
100 Ordinary shares of £1 each	100
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The company allotted and issued 100 shares of £1 each during the period. A total consideration of £100 was received.

9. Reconciliation of movement in shareholders' deficit

	2009
	£
Opening shareholders' funds	-
Loss for the period	(50,245)
Shares issued during the period	100
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Closing shareholders' deficit	(50,145)
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10. Related party transactions

The company has taken advantage of the exemption allowable under Financial Reporting Standard 8 from disclosing details of transactions with other group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

11. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Egis Road Operation SA. The ultimate parent undertaking is Caisse de Dépôts, a company incorporated in France. Copies of the consolidated financial statements can be obtained from 11, avenue du centre, CS 30530, Saint-Quentin-en-Yvelines, 78 286 Guyancourt Cedex, France.