Eurosigns (UK) Limited

Directors' report and financial statements

Registered number 2283390

For the year ended 31 December 2012

Contents

Directors' Report

The directors present their annual report, together with the audited financial statements, for the year ended 31 December 2012

Principal activity

The principal activity of the Company during the year was the manufacture and erection of road signs and the provision of reflective liveries for both emergency and commercial vehicles

Business review

The results for 2012 are set out on page 6

Key features of which are

- Turnover of £6,510,724
- Gross margin of 21 9%
- Profit before tax of £80,708

2012 was a successful year for the company, there was an increase of 47% in turnover compared to the previous year, and the company also returned to profitability as a result of this

A large part of this increase in turnover can be attributed to the work undertaken in respect of the London 2012 Olympic Games Eurosigns were one of two specialist signage suppliers that delivered the fixed external signage for the Games, a contract involving the supply, installation and then subsequent decommissioning of up to 60,000 traffic signs around the venues and on the Olympic Route Network

The traffic signage presented its own challenges as the signs needed to display directions to different events throughout both the Olympics and Paralympics and as a result of this the company developed a new signage solution – a peel off sign face The company eventually delivered over 2,200 of these new signs, with up to seven peel off sign faces

The company also supported LOCOG with car parking and event signage throughout the games

The directors consider the effects the business has on the environment and are always looking for ways in which to improve its usage of materials, manage its waste more effectively and use energy in a more efficient manner

During 2013 the company will be completing a feasibility study on installing both a renewable energy system and a water recycling system at their signs factory

Dividends

The Directors do not recommend a dividend for the year *(2011 £nil)*

Directors

The directors who served throughout the year except as noted, were as follows

G Batut	(appointed 03 September 2012)
C Girod	
S Girod	
P Sulliot	(resigned 03 September 2012)
S Wardrop	

Disabled employees

It is the policy of the Company to encourage the employment, training and advancement of disabled persons wherever possible In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged

Directors' Report *(continued)*

Employee participation

The Company's employees are kept informed on matters related to this Company, and its associated and parent companies in the United Kingdom and abroad, through formal and informal meetings, regularly published newsletters and through the Company's intranet Regular meetings are held with employees to discuss local matters and the Company's results and forecasts are discussed All employees with more than three months' service are eligible and encouraged to subscribe from time to time to the ultimate parent company's employee share purchase scheme

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, liquidity risk and price risk The Company does not use financial derivatives to mitigate these risks

Credit risk

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

The Company's credit risk is primarily attributable to its trade debtors Credit checks are undertaken on new customers The amounts presented in the balance sheet are net of allowances for doubtful debtors An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

Liquidity risk

The Company receives additional funding from its shareholders in order to ensure sufficient funds are available for ongoing operations and future developments

Price risk

The Company is exposed to commodity price risk The Company manages its exposure to commodity price risk through contractual terms with major customers and suppliers

Charitable and political contributions

Charitable contributions and donations during the period amounted to £nil *(2011 £nil)* The Company made no political contributions during the year *(2011 £nil)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

Approved by the Board and signed on its behalf by

S Lysionek
Company Secretary

Registered office
Albion House
Springfield Road
Horsham
West Sussex RH12 2RW

Registered number 2283390
19/09/2013

Statement of Directors' responsibilities in respect of the Director's report and financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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, 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 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 if the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG

Independent auditor's report to the members of Eurosigns (UK) Limited

We have audited the financial statements of Eurosigns (UK) Limited for the year ended 31 December 2012 set out on pages 6 to 18

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www frc org uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements

• give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,

• have been properly prepared in accordance with UK 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

Independent auditor's report to the members of Eurosigns (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

20 September 2013

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

Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Profit and loss account
for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover from continuing operations	*1*	**6,510,724**	4,400,338
Cost of sales		**(5,082,110)**	(3,640,671)
Gross profit		**1,428,614**	759,667
Administrative expenses		**(1,342,938)**	(1,257,689)
Operating profit / (loss) on continuing operations		**85,676**	(498,022)
Interest receivable	*4*	**1,238**	2,465
Interest payable	*4*	**(6,206)**	(1,166)
Profit / (loss) on ordinary activities before taxation from continuing activities		**80,708**	(496,723)
Tax on profit / (loss) on ordinary activities	*7*	**56,781**	140,073
Profit / (loss) for the financial year		**137,489**	(356,650)

The notes on pages 10 to 18 form part of the financial statements

There are no recognised gains or losses in either the current or previous financial year other than as shown above Accordingly, no statement of total recognised gains and losses is required

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2012

	Called-up share capital £	Profit and loss account £	Total 2012 £	Total 2011 £
Shareholders' funds at 1 January	1,300,000	67,825	**1,367,825**	1,924,475
Profit / (loss) for the financial year	-	137,489	**137,489**	(356,650)
Dividends paid	-	-	-	(200,000)
Shareholders' funds at 31 December	**1,300,000**	**205,314**	**1,505,314**	1,367,825

Balance sheet
as at 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	9		1,211,626		1,288,869
Current assets					
Stocks and work in progress	10	330,729		289,090	
Debtors	11	782,236		563,945	
Cash at bank and in hand		5,720		497,341	
		1,118,685		1,350,376	
Creditors amounts falling due within one year	12	(674,997)		(916,588)	
Net current assets			443,688		433,788
Total assets less current liabilities			1,655,314		1,722,657
Creditors amounts falling due after one year	13		(150,000)		(200,000)
Provisions for liabilities and charges	14		-		(154,832)
			1,505,314		1,367,825
Capital and reserves					
Called-up share capital	16		1,300,000		1,300,000
Profit and loss account			205,314		67,825
Shareholders' funds			1,505,314		1,367,825

The notes on pages 10 to 18 form part of the financial statements

These financial statements were approved by the board of directors on 19th September 2013 and were signed on its behalf by

S Wardrop
Director

Company Registration Number 2283390

Cash flow statement
for the year ended 31 December 2012

	2012	2012	2011	2011
	£	£	£	£
Net cash flow from operating activities		**(460,154)**		(6,348)
Returns on investments and servicing of finance:				
Interest received	**1,238**		2,465	
Interest paid	**(1,804)**		-	
		(566)		2,465
UK corporation tax received		**61,117**		-
Equity dividends paid		-		(200,000)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		**(42,018)**		(229,326)
Net cash (outflow) before financing		**(441,621)**		(433,209)
Financing				
(Decrease) / increase in shareholder loan		**(50,000)**		250,000
Decrease in cash in the year		**(491,621)**		(183,209)

Notes to the cash flow statement

for the year ended 31 December 2012

Reconciliation of operating profit / (loss) to operating cash flows

	2012	2011
	£	£
Operating profit / (loss)	85,676	(498,022)
Depreciation	119,261	107,068
(Increase) / decrease in stocks and work in progress	(41,639)	34,896
(Increase) / decrease in debtors	(170,334)	453,155
Decrease in creditors	(453,118)	(103,445)
Net cash flow from operating activities	(460,154)	(6,348)

Reconciliation of net cash flow to movement in net (debt) / funds

for the year ended 31 December 2012

	2012		2011	
	£	£	£	£
Decrease in cash in the year	(491,621)		(183,209)	
Decrease / (increase) in shareholder loan	50,000		(250,000)	
Change in net funds resulting from cash flows		(441,621)		(433,209)
Movement in net funds in year		(441,621)		(433,209)
Net funds at 1 January		247,341		680,550
Net (debt) / funds at 31 December		(194,280)		247,341

Analysis of net (debt) / funds	As at 1 January 2012	Cash flow	**As at 31 December 2012**
	£	£	£
Cash at bank and in hand	497,341	(491,621)	5,720
Loan from shareholder	(250,000)	50,000	(200,000)
	247,341	(441,621)	(194,280)

Notes to the financial statements
(forming part of the financial statements)

1 Accounting policies

The principal accounting policies adopted are summarised below They have all been applied consistently throughout the year and in the preceding year

The directors have a reasonable expectation that the company will have adequate resources to continue in operation al existence for the foreseeable future and have continues to adopt the going concern basis of accounting in preparing the annual financial statements

Basis of preparation

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

Turnover

Turnover during the year represents amounts receivable for goods and services provided in the normal course of business, net of VAT, trade discounts and other sales-related taxes Turnover from the sales of goods is recognised when goods are physically delivered and title has passed

Tangible fixed assets and depreciation

Fixed assets are stated at their purchase cost, together with any incidental expenses of acquisition, less depreciation Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold property	- 2% per annum
Plant and machinery	- 13% to 25% per annum
Motor vehicles	- 17% per annum
Office equipment	- 20% to 50% per annum

In the case of assets purchased second hand, the depreciation rates are increased to reflect the reduced remaining useful lives No depreciation is provided on freehold land

Stocks

Stocks are stated at the lower of cost and net realisable value Cost represents direct materials, direct labour and attributable overheads

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable 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 that have been enacted or substantively enacted by the balance sheet date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Rentals payable under operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the relevant lease

Retirement benefit costs

The Company participates in a defined contribution pension scheme The assets of the scheme are held separately from those of the Company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Share based payments

From time to time the Company's ultimate parent company offers employees the Castor Savings Scheme which enables employees, through a joint trust fund, to invest in a portfolio of shares in the ultimate parent company, Vinci SA This entitles the employees who invest the right to benefit from the increase in the share price of the ultimate parent company, from grant date until the vesting date, which is a minimum of five years, except in specified defined circumstances

The aggregate compensation expense that would arise in respect of the Castor scheme up to and including the current financial year is immaterial, and accordingly, the Company has opted not to recognise any adjustments arising in respect of these schemes in the current year

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

2 Segmental information

All the significant operations of the company in the year were in the highway maintenance business No significant turnover arises from activities outside the UK Accordingly the directors consider that the company operates in only one business segment and geographic market As a result, no further analysis is required to be provided

Notes *(continued)*

3 Profit / (loss) on ordinary activities before taxation

	2012	2011
	£	£
This is stated after charging		
Hire of plant and machinery	49,974	54,239
Depreciation of tangible fixed assets	119,261	107,068
Auditors remuneration - audit of these financial statements	6,500	6,500
- tax services	3,000	3,000
	9,500	9,500

4 Interest receivable and payable

	2012	2011
	£	£
Interest receivable	1,238	2,465
Interest payable	6,206	1,166

5 Directors' remuneration

No director received any remuneration from the company during the year

6 Staff costs

The average monthly number of employees, including Directors, was

	2012	2011
Operations	30	34
Administration	16	17
	46	51

Their aggregate remuneration comprised

	2012	2011
	£	£
Wages and salaries	1,068,059	1,088,157
Social security costs	107,901	104,400
Other pension costs	14,567	15,323
Total direct costs of employment	1,190,527	1,207,880

Notes *(continued)*

6 Staff costs *(continued)*

Retirement benefit schemes

Defined contributions

The company participates in a defined contribution retirement benefit scheme for all qualifying employees The total cost charged of £14,567 *(2011 £15,323)* represents contributions payable by the company to these schemes At 31 December 2012 contributions of £2,038 *(2011 £2,002)* due in respect of the current reporting period had not been paid over to the schemes

7 Tax on profit / (loss) on ordinary activities

a) Analysis of tax charge / credit in the year

The tax charge / credit comprises

	2012 £	2011 £
UK corporation tax at 24 5% *(2011 26 5%)*	**49,727**	(142,125)
Adjustment to prior years' tax provision	**31,281**	(22,131)
Total current tax	**81,008**	(164,256)
Deferred tax at 23% *(2011 25%) (note 15)*	**(137,789)**	24,183
Total tax on profit / (loss) on ordinary activities	**(56,781)**	(140,073)

b) Factors affecting tax charge for the current year

The tax assessed for the year is higher *(2011 higher)* than the standard rate of corporation tax in the UK of 24 5% *(2011 26 5%)* The differences are explained below

	2012 %	2011 %
Standard tax rate for year as a percentage of profits / (losses)	**24.5**	26 5
Effects of		
Expenses not deductible for tax purposes	**0 1**	1 1
Depreciation in excess of capital allowances	**37 1**	1 0
Adjustments to tax charge in respect of previous periods	**38 7**	4 5
Current tax charge for year as a percentage of profits / (losses)	**100 4**	33 1

Notes *(continued)*

8 Dividends

a) Amounts recognised as distributions to equity holders in the year:	**2012** **£**	2011 £
Final dividend paid for the year ended 31 December 2011 of £nil *(2010 £0 15)* per ordinary share	-	200,000
b) Proposed dividends not recognised in the year:		
Proposed final dividend for the year ended 31 December 2012 of £nil *(2011 £nil)* per ordinary share	-	-

9 Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 January 2012	1,282,768	728,009	88,429	169,627	2,268,833
Additions	12,798	29,220	-	-	42,018
At 31 December 2012	1,295,566	757,229	88,429	169,627	2,310,851
Depreciation					
At 1 January 2012	305,194	484,591	52,942	137,237	979,964
Charge for the year	21,854	56,980	14,738	25,689	119,261
At 31 December 2012	327,048	541,571	67,680	162,926	1,099,225
Net book value					
At 31 December 2012	**968,518**	**215,658**	**20,749**	**6,701**	**1,211,626**
At 31 December 2011	977,574	243,418	35,487	32,390	1,288,869

Freehold land with a cost of £585,095 that is not depreciated has been included in Freehold Property *(2011 £585,095)*

10 Stocks and work in progress

	2012 **£**	2011 £
Raw materials and consumables	**255,386**	234,818
Finished goods	**32,907**	40,459
Work in progress	**42,436**	13,813
	330,729	289,090

Notes *(continued)*

11 Debtors

	2012	2011
	£	£
Amounts falling due within one year		
Trade debtors	**364,125**	173,040
Amounts owed by group undertakings	**345,740**	209,694
Other debtors	**2,666**	4,913
Other taxation and social security	-	14,109
Corporation tax	-	142,125
Prepayments and accrued income	**21,748**	20,064
Deferred tax asset (*note 15*)	**47,957**	-
	782,236	563,945

12 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	**416,445**	513,928
Amounts owed to group undertakings	**55,568**	217,772
Other taxation and social security	**55,453**	28,992
Other creditors	**31,536**	90,571
Accruals and deferred income	**115,995**	65,325
	674,997	916,588

13 Creditors: amounts falling due after more than one year

	2012	2011
	£	£
Amounts owed to group undertakings	**150,000**	200,000
	150,000	200,000

The amounts owed to Group undertakings include loans of £200,000 and bear interest at a rate of LIBOR plus 1 5% The loan is repayable in 5 equal instalments commencing 1 October 2012

14 Provisions for liabilities and charges

	Deferred taxation	Other	Total
	£	£	£
At 1 January 2012	89,832	65,000	**154,832**
Credited to profit and loss account	(89,832)	(65,000)	**(154,832)**
At 31 December 2012	-	-	-

Notes *(continued)*

14 Provisions for liabilities and charges *(continued)*

Other

The Company is liable to bear all or part of the costs of rectifying products in future periods, of items sold in the current or earlier years The company estimates this liability to be £nil for the current year based on past experience *(2011 £65,000)* and has provided this sum accordingly

15 Deferred taxation

The deferred tax asset consists of the following amounts

	2012	2011
	£	£
Depreciation in excess of capital allowances / (capital allowances in excess of depreciation)	37,961	(89,832)
Other timing differences	5,503	-
Tax losses carried forward	4,493	-
	47,957	(89,832)

16 Called-up share capital

	2012	2011
	£	£
Authorised:		
1,300,000 ordinary shares of £1 each	1,300,000	1,300,000
Issued and fully paid:		
1,300,000 ordinary shares of £1 each	1,300,000	1,300,000

17 Commitments under operating leases

The company is committed to making the following operating lease payments during the next financial year on leases expiring

	2012	2011
	Other	Other
Expiry date	£	£
- within one year	6,963	5,690
- between two and five years	9,238	13,707
	16,201	19,397

18 Contingent liabilities

Performance bonds and guarantees have been entered into in the normal course of business, the maximum liability under these at 31 December 2012 was £60,000 *(2011 £60,000)*

Notes *(continued)*

19 Capital commitments

There were no amounts contracted for, but not provided in the accounts in 2012 *(2011 nil)*

20 Related party transactions

The company had the following transactions during the year and balances at the year end with fellow subsidiary and joint venture companies

Sales during the year ended 31 December.	**2012**	2011
	£	£
Ringway Infrastructure Services Limited	**903,341**	763,489
Eurovia Infrastructure Limited	**518,680**	1,121,869
Eurovia Management Limited	**27,702**	6,689
Euromark GB Limited	**11,136**	2,003
Jean Lefebvre UK Limited	**51**	170
Ringway Hounslow Highways Limited	**18,854**	-
South West Highways Limited	**45,033**	33,817
BEAR Scotland Limited	**320,001**	388,756
Ringway Jacobs Limited	**1,006,218**	230,197
	2,851,016	2,546,990

Purchases during the year ended 31 December:	**2012**	2011
	£	£
Eurovia Infrastructure Limited	**334,285**	13,465
	334,285	13,465

Amounts owed by group undertakings as at 31 December	**2012**	2011
	£	£
Ringway Infrastructure Services Limited	**120,917**	23,819
Euromark (GB) Limited	**2,794**	-
Eurovia Infrastructure Services Limited	**8,126**	111,997
Eurovia Management Limited	**-**	21,884
Ringway Island Roads Limited	**86**	-
Ringway Hounslow Highways Limited	**18,854**	-
South West Highways Limited	**13,745**	7,533
Ringway Jacobs Limited	**181,218**	40,634
BEAR Scotland Limited	**-**	3,827
	345,740	209,694

Amounts owed to group undertakings at 31 December	**2012**	2011
	£	£
Eurovia Management Limited	**-**	166,607
Eurovia Group Limited	**205,568**	251,165
	205,568	417,772

Notes *(continued)*

21 Parent companies and ultimate controlling party

The largest group in which the results of the Company are consolidated is that headed by VINCI SA, incorporated in France This is the ultimate parent company and the ultimate controlling party The smallest group in which they are consolidated is that headed by Eurovia Group Limited , the Company's immediate parent undertaking, incorporated in England and Wales The consolidated accounts of these groups are available to the public and may be obtained from the Secretary, VINCI SA, 1 Cours Ferdinand-de-Lesseps, 92851 – Rueil Malmaison Cedex, France or the Secretary, Eurovia Group Limited, Albion House, Springfield Road, Horsham, West Sussex, RH12 2RW