

COMPANY REGISTRATION NUMBER: 03070488

Road Management Consolidated PLC
Unaudited Annual Report and Financial Statements
31 December 2022



Road Management Consolidated PLC

Annual Report and Financial Statements

Year Ended 31 December 2022

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Road Management Consolidated PLC

Officers and Professional Advisers

The Board of Directors

Lee Johnson
Matthew James Edwards
Joao Carlos Peres Neves
Angeliki M Exakoustidou

Company Secretary

Infrastructure Managers Limited

Registered Office

Cannon Place
78 Cannon Street
London
EC4N 6AF

Bankers

Lloyds Bank plc
St George's House
6-8 Eastcheap
London
EC3M 1LL

Solicitors

Dentons UKMEA LLP
Quartermile One
15 Lauriston Place
Edinburgh
EH3 9EP

Road Management Consolidated PLC

Strategic Report

Year Ended 31 December 2022

The directors present their strategic report for the Company for the year ended 31 December 2022.

Principal Activities

The Company is a special purpose company established to be the financing vehicle for two design, build, finance and operating contracts for sections of the A1 (M) and the A419/A417, which were both entered into with the Secretary of State for Environment, Transport and the Regions on 8 February 1996.

On 28 March 1996, Road Management Consolidated PLC authorised the creation and issue of £165,000k in Guaranteed Secured Bonds (9.18%) due 2002-2021. It also entered into a loan facilities agreement with the European Investment Bank ("EIB") under which the EIB granted it a committed loan facility to a maximum amount of £111,000k and these two lending arrangements constituted the funding for the construction required in respect of the fulfilment of the above mentioned contracts. The loan from EIB was repaid in full in December 2020 and the bonds were settled in full on 10 June 2021, resulting in the final repayment of all senior debt by the Company.

Results and Dividends

The results for the financial year, after taxation, amounted to £nil (2021: profit £2,181k).

The results for the financial year will be transferred to reserves. No dividends have been declared or paid (2021: £nil).

Going concern

The Company has net liabilities of £73k (2021: £79k) and these retained losses arose due to tax charges in a prior period, relating to management charges received from subsidiaries. This sum will be settled in due course as part of a group settlement of intercompany balances at the end of the concession.

With the full repayment of all the Company's senior debt in 2021 the Company is expected to remain dormant in the future, with no trading activities.

Key Performance Indicators

Following the repayment of all senior debt in the prior year, the Company has ceased any activities and as such there to be no other key performance indicators.

Principal risks and Uncertainties

With the repayment of all the Companies senior debt liabilities the Company has fulfilled its initial purpose as described above and is therefore expected to become dormant after the settlement of any inter-group balances. As such the directors do not believe the Company is exposed to any future risks or uncertainties.

Climate Change

The directors recognise that it is important to disclose their view of the impact of climate change on the Company. However, the Company is expected to be remain dormant in the future, with no trading activities.

Road Management Consolidated PLC

Strategic Report *(continued)*

Year Ended 31 December 2022

S172 Statement

The following disclosure describes how the Board has had regard to the matters set out in section 172 (1) (a) to (f) and forms the Directors Statement required under section 414CZA of the Companies Act 2006.

The purpose of the Company is a special purpose company established to be the financing vehicle for the design, build, finance and operation of a contract, which was entered into by its parent company, Road Management Group Limited. With the repayment of all senior debt the Company has fulfilled that purpose and no activity is anticipated for the future, with the completion of its parent's commitments in March 2026.

This report was approved by the board of directors on 27 June 2023 and signed on behalf of the board by:



Joao Carlos Peres Neves
Director

Road Management Consolidated PLC

Directors' Report

Year Ended 31 December 2022

The directors present their report and the unaudited Annual Report and Financial Statements of Road Management Consolidated PLC ("the Company") for the year ended 31 December 2022.

Principal Activities

The Company is a special purpose company established to be the financing vehicle for two design, build, finance and operating contracts for sections of the A1 (M) and the A419/A417, which were both entered into with the Secretary of State for Environment, Transport and the Regions on 8 February 1996. The contracts relating to Road Management Services (Peterborough) Limited and Road Management Services (Gloucester) Limited are both in their operational phase and in year 27 of their terms and both expire in 2026.

Directors

The directors who served the Company during the year and up to the date of this report were as follows:

Lee Johnson	
Matthew James Edwards	
Joao Carlos Peres Neves	(Appointed 20 June 2022)
Angeliki M Exakoustidou	(Appointed 3 February 2023)
Peter John Meffan	(Resigned 22 February 2022)
Nicola Sparrow	(Resigned 22 February 2022)
Clement David Leverd	(Resigned 20 June 2022)
Alexander Victor Thorne	(Resigned 17 January 2023)

Dividends

The directors do not recommend the payment of a dividend.

Qualifying Third Party Indemnity Provisions

During the year, and at the date of this report, the Company has in place qualifying third party indemnity provisions for the benefit of its directors.

Disclosure of Information in the Strategic Report

Please refer to the Strategic report for full details of risks, principals and objectives and performance of the Company.

This report was approved by the board of directors on 27 June 2023 and signed by order of the board by:



Mike Forrest on behalf of Infrastructure Managers Limited
Company Secretary

Road Management Consolidated PLC

Statement of Comprehensive Income

Year Ended 31 December 2022

	Note	2022 £000	2021 £000
Gain on disposal of cash investments	5	—	2,181
Interest receivable and similar income	6	—	354
Interest payable and similar expenses	7	—	(354)
Profit before taxation		—	2,181
Tax on profit from ordinary activities	8	—	—
Profit for the financial year		—	2,181
Fair value gain recycled through comprehensive income upon disposal of investment		—	(2,181)
Total comprehensive income for the year		—	—

All the activities of the Company are from continuing operations.

The notes on pages 8 to 12 form part of these Financial Statements.

Road Management Consolidated PLC

Statement of Financial Position

As at 31 December 2022

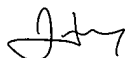
	Note	2022 £000	2021 £000
Current assets			
Cash at bank and in hand		–	6
Creditors: amounts falling due within one year	9	(73)	(79)
Net current liabilities		(73)	(73)
Total assets less current liabilities		(73)	(73)
Capital and reserves			
Called up share capital	10	50	50
Retained earnings	11	(123)	(123)
Total shareholders' deficit		(73)	(73)

For the year ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its Annual Report and Financial Statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the Annual Report and Financial Statements.

The Financial Statements were approved by the board of directors and authorised for issue on 27 June 2023, and are signed on behalf of the board by:



Joao Carlos Peres Neves
Director

Company registration number: 03070488

The notes on pages 8 to 12 form part of these Financial Statements.

Road Management Consolidated PLC

Statement of Changes in Equity

Year Ended 31 December 2022

	Called up share capital £000	Fair value reserve £000	Retained earnings £000	Total £000
At 1 January 2021	50	2,181	(2,304)	(73)
Profit for the financial year			2,181	2,181
Other comprehensive expense for the year:				
Fair value gain on investment	—	(2,181)	—	(2,181)
Total comprehensive income for the year	—	(2,181)	2,181	—
At 31 December 2021	50	—	(123)	(73)
Result for the financial year			—	—
At 31 December 2022	<u>50</u>	<u>—</u>	<u>(123)</u>	<u>(73)</u>

The notes on pages 8 to 12 form part of these Financial Statements.

Road Management Consolidated PLC

Notes to the Annual Report and Financial Statements

Year Ended 31 December 2022

1. General information

Road Management Consolidated PLC ("the Company") is a public company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The Company is a special purpose company established to be the financing vehicle for two design, build, finance and operating contracts for sections of the A1 (M) and the A419/A417, which were both entered into with the Secretary of State for Environment, Transport and the Regions on 8 February 1996. The contracts relating to Road Management Services (Peterborough) Limited and Road Management Services (Gloucester) Limited are both in their operational phase and in year 27 of their terms and both expire in 2026.

The Company's functional and presentation currency is the pound sterling.

2. Statement of compliance

The individual financial statements of Road Management Consolidated PLC have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

3. Accounting policies

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

(b) Going concern

The Company has net liabilities of £73k (2021: £79k) and these retained losses arose due to tax charges in a prior period, relating to management charges received from subsidiaries. This sum will be settled in due course as part of a group settlement of intercompany balances at the end of the concession.

With the full repayment of all the Company's senior debt in 2021 the Company is expected to remain dormant in the future, with no trading activities.

Road Management Consolidated PLC

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 December 2022

3. Accounting policies *(continued)*

(c) Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Road Management Group Limited which can be obtained from Cannon House, 78 Cannon Street, London EC4N 6AF. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the Company.
- (b) The disclosures required by Sections 11 and 12 of FRS 102 (Basic Financial Instruments and Other Financial Instruments Issues respectively).

The Company is wholly owned by Road Management Group Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

(d) Borrowings

Borrowings are recognised at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in the Statement of Comprehensive Income over the life of the borrowings. Borrowings with maturities greater than twelve months after the reporting date are classified as non-current liabilities.

(e) Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(f) Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Road Management Consolidated PLC

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 December 2022

3. Accounting policies *(continued)*

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

All cash balances are unencumbered.

(h) Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Comprehensive Income, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the Statement of Comprehensive Income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. 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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Road Management Consolidated PLC

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 December 2022

4. Particulars of employees and directors

The average number of persons employed by the Company during the financial year amounted to nil (2021: nil). The directors are not employed by the Company and did not receive any remuneration from the Company during the year (2021: £nil).

5. Gain on disposal of cash investments

	2022	2021
	£000	£000
Gain on disposal of cash investments	—	2,181

6. Interest receivable and similar income

	2022	2021
	£000	£000
Interest from Group undertakings	—	354

7. Interest payable and similar expenses

	2022	2021
	£000	£000
Bond loan interest and finance costs	—	347
Other interest payable and similar expenses	—	7
	—	354

8. Tax on profit/(loss) from ordinary activities

Reconciliation of tax income

The tax assessed on the profit for the year is the same as (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£000	£000
Profit before taxation	—	2,181
Profit before taxation by rate of tax	—	414
Effect of revenue exempt from tax	—	(414)
Total tax credit	—	—

9. Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Amounts owed to Group undertakings	73	79

The amounts owed to Group undertakings are non-interest bearing and repayable on demand.

Road Management Consolidated PLC

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 December 2022

10. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£000	No.	£000
Ordinary shares of £1 each	<u>50,002</u>	<u>50</u>	<u>50,002</u>	<u>50</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

11. Reserves

Retained earnings records retained earnings and accumulated losses.

Fair value reserve recorded fair value movements on unrecognised gains in the investment. The investment was disposed of in the prior year, with the fair value reserve recycled through profit and loss accordingly

12. Controlling party

The immediate parent undertaking is Road Management Group Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Road Management Group Limited consolidated financial statements can be obtained from the Company Secretary at Cannon Place, 78 Cannon Street, London, EC4N 6AF.

On 22 February 2022, Kellogg Brown & Root Limited transferred all of its shares held in Road Management Group Limited (being 25%) to Infrastructure Central Limited. As such, the share capital of Road Management Group Limited are now held in the proportions of AM Holdco Limited 41.7% and Infrastructure Central Limited 58.3% (by way of Infrastructure Investments Roads Management Limited, a company wholly owned by Infrastructure Central Limited already owning 33.3% of the Company). Each of these companies are registered in England.

The ultimate parent and controlling party of Infrastructure Central Limited is HICL Infrastructure Plc, a company registered in England and listed on the London Stock Exchange and registered at Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL.