

**ROAD LINK (A69) LIMITED**

**Report and Financial Statements**

**31 March 2012**



**REPORT AND FINANCIAL STATEMENTS 2012**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J K Fowler  
G Geddo  
S A Carr  
E J Boot

**SECRETARY**

C R Franklin

**REGISTERED OFFICE**

Stocksfield Hall  
Stocksfield  
Northumberland  
NE43 7TN

**BANKERS**

Lloyds TSB Bank Plc

**SOLICITORS**

McGrigor Donald

**AUDITOR**

Deloitte LLP  
Cardiff

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840.

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$\frac{1}{50}$  50.  $\frac{1}{51}$  51.  $\frac{1}{52}$  52.  $\frac{1}{53}$  53.  $\frac{1}{54}$  54.  $\frac{1}{55}$  55.  $\frac{1}{56}$  56.  $\frac{1}{57}$  57.  $\frac{1}{58}$  58.  $\frac{1}{59}$  59.  $\frac{1}{60}$  60.  $\frac{1}{61}$  61.  $\frac{1}{62}$  62.  $\frac{1}{63}$  63.  $\frac{1}{64}$  64.  $\frac{1}{65}$  65.  $\frac{1}{66}$  66.  $\frac{1}{67}$  67.  $\frac{1}{68}$  68.  $\frac{1}{69}$  69.  $\frac{1}{70}$  70.  $\frac{1}{71}$  71.  $\frac{1}{72}$  72.  $\frac{1}{73}$  73.  $\frac{1}{74}$  74.  $\frac{1}{75}$  75.  $\frac{1}{76}$  76.  $\frac{1}{77}$  77.  $\frac{1}{78}$  78.  $\frac{1}{79}$  79.  $\frac{1}{80}$  80.  $\frac{1}{81}$  81.  $\frac{1}{82}$  82.  $\frac{1}{83}$  83.  $\frac{1}{84}$  84.  $\frac{1}{85}$  85.  $\frac{1}{86}$  86.  $\frac{1}{87}$  87.  $\frac{1}{88}$  88.  $\frac{1}{89}$  89.  $\frac{1}{90}$  90.  $\frac{1}{91}$  91.  $\frac{1}{92}$  92.  $\frac{1}{93}$  93.  $\frac{1}{94}$  94.  $\frac{1}{95}$  95.  $\frac{1}{96}$  96.  $\frac{1}{97}$  97.  $\frac{1}{98}$  98.  $\frac{1}{99}$  99.  $\frac{1}{100}$  100.  $\frac{1}{101}$  101.  $\frac{1}{102}$  102.  $\frac{1}{103}$  103.  $\frac{1}{104}$  104.  $\frac{1}{105}$  105.  $\frac{1}{106}$  106.  $\frac{1}{107}$  107.  $\frac{1}{108}$  108.  $\frac{1}{109}$  109.  $\frac{1}{110}$  110.  $\frac{1}{111}$  111.  $\frac{1}{112}$  112.  $\frac{1}{113}$  113.  $\frac{1}{114}$  114.  $\frac{1}{115}$  115.  $\frac{1}{116}$  116.  $\frac{1}{117}$  117.  $\frac{1}{118}$  118.  $\frac{1}{119}$  119.  $\frac{1}{120}$  120.  $\frac{1}{121}$  121.  $\frac{1}{122}$  122.  $\frac{1}{123}$  123.  $\frac{1}{124}$  124.  $\frac{1}{125}$  125.  $\frac{1}{126}$  126.  $\frac{1}{127}$  127.  $\frac{1}{128}$  128.  $\frac{1}{129}$  129.  $\frac{1}{130}$  130.  $\frac{1}{131}$  131.  $\frac{1}{132}$  132.  $\frac{1}{133}$  133.  $\frac{1}{134}$  134.  $\frac{1}{135}$  135.  $\frac{1}{136}$  136.  $\frac{1}{137}$  137.  $\frac{1}{138}$  138.  $\frac{1}{139}$  139.  $\frac{1}{140}$  140.  $\frac{1}{141}$  141.  $\frac{1}{142}$  142.  $\frac{1}{143}$  143.  $\frac{1}{144}$  144.  $\frac{1}{145}$  145.  $\frac{1}{146}$  146.  $\frac{1}{147}$  147.  $\frac{1}{148}$  148.  $\frac{1}{149}$  149.  $\frac{1}{150}$  150.  $\frac{1}{151}$  151.  $\frac{1}{152}$  152.  $\frac{1}{153}$  153.  $\frac{1}{154}$  154.  $\frac{1}{155}$  155.  $\frac{1}{156}$  156.  $\frac{1}{157}$  157.  $\frac{1}{158}$  158.  $\frac{1}{159}$  159.  $\frac{1}{160}$  160.  $\frac{1}{161}$  161.  $\frac{1}{162}$  162.  $\frac{1}{163}$  163.  $\frac{1}{164}$  164.  $\frac{1}{165}$  165.  $\frac{1}{166}$  166.  $\frac{1}{167}$  167.  $\frac{1}{168}$  168.  $\frac{1}{169}$  169.  $\frac{1}{170}$  170.  $\frac{1}{171}$  171.  $\frac{1}{172}$  172.  $\frac{1}{173}$  173.  $\frac{1}{174}$  174.  $\frac{1}{175}$  175.  $\frac{1}{176}$  176.  $\frac{1}{177}$  177.  $\frac{1}{178}$  178.  $\frac{1}{179}$  179.  $\frac{1}{180}$  180.  $\frac{1}{181}$  181.  $\frac{1}{182}$  182.  $\frac{1}{183}$  183.  $\frac{1}{184}$  184.  $\frac{1}{185}$  185.  $\frac{1}{186}$  186.  $\frac{1}{187}$  187.  $\frac{1}{188}$  188.  $\frac{1}{189}$  189.  $\frac{1}{190}$  190.  $\frac{1}{191}$  191.  $\frac{1}{192}$  192.  $\frac{1}{193}$  193.  $\frac{1}{194}$  194.  $\frac{1}{195}$  195.  $\frac{1}{196}$  196.  $\frac{1}{197}$  197.  $\frac{1}{198}$  198.  $\frac{1}{199}$  199.  $\frac{1}{200}$  200.  $\frac{1}{201}$  201.  $\frac{1}{202}$  202.  $\frac{1}{203}$  203.  $\frac{1}{204}$  204.  $\frac{1}{205}$  205.  $\frac{1}{206}$  206.  $\frac{1}{207}$  207.  $\frac{1}{208}$  208.  $\frac{1}{209}$  209.  $\frac{1}{210}$  210.  $\frac{1}{211}$  211.  $\frac{1}{212}$  212.  $\frac{1}{213}$  213.  $\frac{1}{214}$  214.  $\frac{1}{215}$  215.  $\frac{1}{216}$  216.  $\frac{1}{217}$  217.  $\frac{1}{218}$  218.  $\frac{1}{219}$  219.  $\frac{1}{220}$  220.  $\frac{1}{221}$  221.  $\frac{1}{222}$  222.  $\frac{1}{223}$  223.  $\frac{1}{224}$  224.  $\frac{1}{225}$  225.  $\frac{1}{226}$  226.  $\frac{1}{227}$  227.  $\frac{1}{228}$  228.  $\frac{1}{229}$  229.  $\frac{1}{230}$  230.  $\frac{1}{231}$  231.  $\frac{1}{232}$  232.  $\frac{1}{233}$  233.  $\frac{1}{234}$  234.  $\frac{1}{235}$  235.  $\frac{1}{236}$  236.  $\frac{1}{237}$  237.  $\frac{1}{238}$  238.  $\frac{1}{239}$  239.  $\frac{1}{240}$  240.

| Condition | Control (%) | MCI (%) | AD (%) |
|-----------|-------------|---------|--------|
| 1         | 95          | 85      | 75     |
| 2         | 90          | 80      | 70     |
| 3         | 85          | 75      | 65     |
| 4         | 85          | 75      | 65     |

Figure 1. The effect of the number of trials on the number of correct responses. The number of correct responses was significantly higher for the 10-trial condition than for the 5-trial condition. Error bars represent the standard error of the mean.

Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains. The *Agrobacterium* strains were grown in the YEA medium for 24 h at 28 °C. The cell concentration of the strains was adjusted to 10<sup>8</sup> cells/ml. The cell suspension was mixed with the plant tissue and incubated for 24 h at 28 °C. The plant tissue was then cultured on the selective medium. The transformation efficiency was determined as the number of transformants per 100 mg of plant tissue. The data are the mean ± SD of three independent experiments.

1. *Journal of the American Medical Association*, 1997; 277: 1033-1038.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The company's principal activity is to maintain the A69 road on behalf of the Secretary of State for Transport and the Highways Agency

The financial year to 31 March 2012 is the 16th year of trading for the company, and the results and the relationships with suppliers/contractors remain good

The prospects for the company are promising with 14 years of the concession remaining

The contract is for a fixed term until 31 March 2026 with turnover being related to traffic flow. The directors do not anticipate any material shortfalls in revenue from traffic

### **RESULTS AND FUTURE PROSPECTS**

The results for the financial year are set out in detail on page 6. The financial position of the company at 31 March 2012 is shown on page 7

Key performance indicators (KPIs) are used to provide a comprehensive analysis of the performance of the company. The KPIs used include revenues, gross profit and operating profit. KPIs are evaluated by comparing the results to management forecasts. For the year ended 31 March 2012, actual results exceeded management's forecasts by approximately £0.2 million for revenue and £0.4 million for operating profit.

The directors are satisfied with the company's performance for the financial year and are confident of continued profitable trading in future years given favourable economic conditions.

### **GOING CONCERN**

The company operates under the terms of a PFI contract, for which both finance and facilities are in place for the term of the contract. The directors believe that the company is well placed to manage its business risks successfully. The directors therefore have concluded that the company has adequate resources to continue in operational existence for the duration of the contract. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### **DIVIDENDS**

The directors paid a final dividend of £1,250,000 (2011 - £1,250,000) in respect of the prior year and interim dividends of £3,250,000 (2011 - £2,250,000) in respect of the current year.

### **FINANCIAL INSTRUMENTS**

The company is affected by interest rate movements, it seeks to hedge against these movements by utilising interest rate swaps. The company does not use derivative financial instruments for speculative purposes. The directors do not consider there to be any other material risks affecting the company.

### **DIRECTORS**

The directors of the company, who served throughout the financial year, are as shown on page 1.

**DIRECTORS' REPORT (continued)**

**AUDITOR**


In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board

  
COMPANY SECRETARY  
CLIVE FRANKLIN

Date 18 SEPTEMBER 2012

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual 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 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 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.

1. The first part of the document is a list of the names of the persons who have been appointed to the various positions of the Board of Directors of the company. The names are listed in alphabetical order, and each name is followed by the position to which he or she has been appointed. The list is as follows:

Mr. J. H. Smith, President  
Mr. W. B. Jones, Vice President  
Mr. C. D. Brown, Secretary  
Mr. E. F. Green, Treasurer  
Mr. G. H. White, Chairman of the Board  
Mr. I. J. Black, Director  
Mr. K. L. Gray, Director  
Mr. M. N. Hall, Director  
Mr. O. P. King, Director  
Mr. Q. R. Lee, Director  
Mr. S. T. Young, Director  
Mr. U. V. Wright, Director  
Mr. X. Y. Scott, Director  
Mr. Z. A. Baker, Director

2. The second part of the document is a list of the names of the persons who have been appointed to the various positions of the Board of Directors of the company. The names are listed in alphabetical order, and each name is followed by the position to which he or she has been appointed. The list is as follows:

Mr. J. H. Smith, President  
Mr. W. B. Jones, Vice President  
Mr. C. D. Brown, Secretary  
Mr. E. F. Green, Treasurer  
Mr. G. H. White, Chairman of the Board  
Mr. I. J. Black, Director  
Mr. K. L. Gray, Director  
Mr. M. N. Hall, Director  
Mr. O. P. King, Director  
Mr. Q. R. Lee, Director  
Mr. S. T. Young, Director  
Mr. U. V. Wright, Director  
Mr. X. Y. Scott, Director  
Mr. Z. A. Baker, Director

3. The third part of the document is a list of the names of the persons who have been appointed to the various positions of the Board of Directors of the company. The names are listed in alphabetical order, and each name is followed by the position to which he or she has been appointed. The list is as follows:

Mr. J. H. Smith, President  
Mr. W. B. Jones, Vice President  
Mr. C. D. Brown, Secretary  
Mr. E. F. Green, Treasurer  
Mr. G. H. White, Chairman of the Board  
Mr. I. J. Black, Director  
Mr. K. L. Gray, Director  
Mr. M. N. Hall, Director  
Mr. O. P. King, Director  
Mr. Q. R. Lee, Director  
Mr. S. T. Young, Director  
Mr. U. V. Wright, Director  
Mr. X. Y. Scott, Director  
Mr. Z. A. Baker, Director



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ROAD LINK (A69) LIMITED**

We have audited the financial statements of Road Link (A69) Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 23. 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).

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 member, 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. 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 March 2012 and of its profit 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.

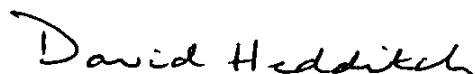
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

### **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.



David Hedditch (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cardiff, United Kingdom

Date 21 September 2012



# ROAD LINK (A69) LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2012

|  | Note | 2012<br>£   | 2011<br>£   |
|--|------|-------------|-------------|
| <b>TURNOVER</b>                                      | 2    | 11,147,077  | 11,088,429  |
| Cost of sales  |      | (3,780,567) | (3,824,004) |
| <b>GROSS PROFIT</b>                                  |      | 7,366,510   | 7,264,425   |
| Administrative expenses                              |      | (461,556)   | (477,122)   |
| <b>OPERATING PROFIT</b>                              | 4    | 6,904,954   | 6,787,303   |
| Interest receivable and similar income               |      | 14,781      | 9,354       |
| Interest payable and similar charges                 | 5    | (345,116)   | (432,268)   |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | 6,574,619   | 6,364,389   |
| Tax on profit on ordinary activities                 | 6    | (1,710,135) | (1,783,532) |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 | 15   | 4,864,484   | 4,580,857   |

All amounts derive from continuing operations

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

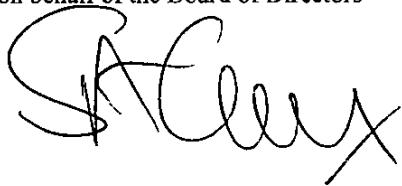
# ROAD LINK (A69) LIMITED

## BALANCE SHEET As at 31 March 2012

|  | Note | 2012<br>£          | 2011<br>£          |
|--|------|--------------------|--------------------|
| <b>FIXED ASSETS</b>  |      |                    |                    |
| Tangible assets  | 8    | <u>7,588,102</u>   | <u>8,649,679</u>   |
| <b>CURRENT ASSETS</b>  |      |                    |                    |
| Debtors  | 9    | <u>1,162,258</u>   | <u>953,545</u>     |
| Cash at bank and in hand                                       |      | <u>2,516,040</u>   | <u>2,649,603</u>   |
|  |      | 3,678,298          | 3,603,148          |
| <b>CREDITORS: amounts falling due within one year</b>          | 10   | <u>(3,068,262)</u> | <u>(3,117,404)</u> |
| <b>NET CURRENT ASSETS</b>                                      |      | <u>610,036</u>     | <u>485,744</u>     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | 8,198,138          | 9,135,423          |
| <b>CREDITORS: amounts falling due after more than one year</b> | 11   | <u>(3,264,581)</u> | <u>(4,499,388)</u> |
| <b>PROVISIONS FOR LIABILITIES</b>                              | 13   | <u>(992,643)</u>   | <u>(1,059,605)</u> |
| <b>NET ASSETS</b>  |      | <u>3,940,914</u>   | <u>3,576,430</u>   |
| <b>CAPITAL AND RESERVES</b>                                    |      |                    |                    |
| Called up share capital  | 14   | 2                  | 2                  |
| Profit and loss account  | 15   | <u>3,940,912</u>   | <u>3,576,428</u>   |
| <b>SHAREHOLDER'S FUNDS</b>                                     | 15   | <u>3,940,914</u>   | <u>3,576,430</u>   |

The financial statements of Road Link (A69) Limited, registered number 3125840, were approved by the Board of Directors and authorised for issue on 12 September 2012

Signed on behalf of the Board of Directors



Director

SIMON ALEXANDER CARR.

# ROAD LINK (A69) LIMITED

## CASH FLOW STATEMENT

Year ended 31 March 2012

|   | Note    | 2012<br>£               | 2011<br>£             |
|---|---------|-------------------------|-----------------------|
| Net cash inflow from operating activities                             | 16      | <u>7,613,274</u>        | <u>7,639,790</u>      |
| Returns on investments and servicing of finance                       |         |                         |                       |
| Interest received   |         | 14,781                  | 9,354                 |
| Interest paid   |         | <u>(345,116)</u>        | <u>(432,268)</u>      |
| Net cash outflow from returns on investments and servicing of finance |         | <u>(330,335)</u>        | <u>(422,914)</u>      |
| UK corporation tax paid   |         | <u>(1,683,532)</u>      | <u>(1,749,230)</u>    |
| Investing activities  |         |                         |                       |
| Payments to acquire tangible fixed assets                             |         | (70,517)                | (163,529)             |
| Proceeds from sale of tangible fixed assets                           |         | <u>83</u>               | <u>-</u>              |
| Net cash outflow from investing activities                            |         | <u>(70,434)</u>         | <u>(163,529)</u>      |
| Equity dividends paid   |         | <u>(4,500,000)</u>      | <u>(3,500,000)</u>    |
| Net cash inflow before financing                                      |         | <u>1,028,973</u>        | <u>1,804,117</u>      |
| Financing   |         |                         |                       |
| Bank loan repaid  | 17      | <u>(1,162,536)</u>      | <u>(1,162,536)</u>    |
| Net cash outflow from financing                                       |         | <u>(1,162,536)</u>      | <u>(1,162,536)</u>    |
| (Decrease)/increase in cash in the year                               | 17 & 18 | <u><u>(133,563)</u></u> | <u><u>641,581</u></u> |

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 March 2012

#### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

##### Accounting convention

The financial statements are prepared under the historical cost convention.

##### Going concern

The company operates under the terms of a PFI contract, for which both finance and facilities are in place for the term of the contract. The directors believe that the company is well placed to manage its business risks successfully. The directors therefore have concluded that the company has adequate resources to continue in operational existence for the duration of the contract. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

##### Tangible fixed assets

Tangible fixed assets are depreciated at cost in equal annual instalments over their estimated useful lives. The rates of depreciation are as follows:

|                     |                                  |                   |
|---------------------|----------------------------------|-------------------|
| Roads               | -                                | 5% per annum      |
| Plant and equipment | - traffic counting equipment     | 10% per annum     |
|                     | - office furniture and equipment | 20% per annum     |
|                     | - computer equipment             | 33 1/3% per annum |

##### Road and structure maintenance work

Maintenance work carried out on the A69 road, by-pass road and structures on the roads is assessed, for each particular case, as to the element of capital and revenue expenditure. Where work of a capital nature is identified, the costs associated with that work are capitalised and written off over the life of the concession. Work of a revenue nature is written off in the year incurred.

##### Taxation

Current tax, including UK corporation tax and foreign 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 balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### Pension costs

The company operates a defined contribution pension scheme. The pension cost charge represents contributions payable in accordance with the rules of the scheme.

# NOTES TO THE FINANCIAL STATEMENTS

## Year ended 31 March 2012

### 1. ACCOUNTING POLICIES (continued)

#### Bank borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

#### Financial instruments

Only interest rate derivative instruments are utilised by the company. The company does not enter into speculative derivative contracts. All such instruments are used for hedging purposes to alter the risk profile of the company in line with the company's risk management policies. The derivative instrument is off balance sheet, and no charges are made to the profit and loss account.

### 2. TURNOVER AND REVENUE RECOGNITION

Turnover represents revenue due from the Highways Agency as calculated by the DBFO (Design, Build, Finance & Operate) contract. The calculation of "shadow tolls" is based on vehicle usage of the A69 in the period of account.

The turnover and pre-tax profit, which arise in the United Kingdom, are attributable to the company's principal activity. Revenue is recognised in relation to the period in which the service is provided.

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

|   | 2012<br>No.    | 2011<br>No.    |
|---|----------------|----------------|
| <b>Average number of persons employed (including directors)</b> |                |                |
| Directors   | 4              | 4              |
| Company secretary   | 1              | 1              |
| Administration  | 8              | 9              |
|   | <u>13</u>      | <u>14</u>      |
|   | <b>£</b>       | <b>£</b>       |
| <b>Staff costs</b>  |                |                |
| Wages and salaries  | 256,845        | 268,203        |
| Social security costs   | 31,650         | 33,979         |
| Other pension costs   | 25,063         | 27,594         |
|   | <u>313,558</u> | <u>329,776</u> |

#### Directors' emoluments

No directors received remuneration from this company during the current or the prior financial year for their services to this company. The directors are remunerated by the parent companies for their services and it is considered that the amount receivable in respect of qualifying services to this company is £nil (2011 - £nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**4 OPERATING PROFIT**

|  | 2012<br>£        | 2011<br>£        |
|--|------------------|------------------|
| <b>Operating profit is stated after charging</b>     |                  |                  |
| Depreciation of tangible fixed assets – owned assets | 1,132,010        | 1,122,506        |
| Operating lease rentals – other                      | 23,387           | 25,336           |
| Auditor's remuneration – audit fees                  | 8,120            | 8,000            |
| – tax compliance fees                                | 7,851            | 6,220            |
|  | <u>1,171,368</u> | <u>1,162,062</u> |

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

|                               | 2012<br>£      | 2011<br>£      |
|-------------------------------|----------------|----------------|
| Bank loan commission and fees | 22,724         | 22,724         |
| Bank loan interest            | 322,362        | 407,542        |
| Other interest                | 30             | 2,002          |
|                               | <u>345,116</u> | <u>432,268</u> |

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

|  | 2012<br>£          | 2011<br>£          |
|--|--------------------|--------------------|
| <b>Current taxation</b>                                |                    |                    |
| United Kingdom corporation tax                         | -                  | -                  |
| Current tax on income for the year at 26% (2011 – 28%) | (1,710,135)        | (1,783,532)        |
| Adjustment in respect of prior years                   | -                  | -                  |
| <b>Total current tax</b>                               | <u>(1,710,135)</u> | <u>(1,783,532)</u> |

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

|   | £                  | £                  |
|---|--------------------|--------------------|
| Profit on ordinary activities before tax                            | 6,574,619          | 6,364,389          |
| Tax on profit on ordinary activities before tax at 26% (2011 – 28%) | (1,709,400)        | (1,782,029)        |
| <b>Factors affecting charge for the year</b>                        |                    |                    |
| Expenses not deductible for tax purposes                            | (663)              | (1,364)            |
| Depreciation in excess of capital allowances                        | (72)               | (139)              |
| Adjustment in respect of prior years                                | -                  | -                  |
| <b>Current tax charge for the year</b>                              | <u>(1,710,135)</u> | <u>(1,783,532)</u> |

The phased reduction in the corporation tax rate to 23% by 2013 is not expected to materially affect the tax charge of the company



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**7. DIVIDENDS**

|   | 2012<br>£        | 2011<br>£        |
|---|------------------|------------------|
| Final paid - £625,000 (2011 - £625,000) per share           | 1,250,000        | 1,250,000        |
| First interim paid - £1,125,000 (2011 - £625,000) per share | 2,250,000        | 1,250,000        |
| Second interim paid - £500,000 (2011 - £500,000) per share  | 1,000,000        | 1,000,000        |
|   | <u>4,500,000</u> | <u>3,500,000</u> |

**8 TANGIBLE FIXED ASSETS**

|                                 | A69<br>Haltwhistle<br>by-pass<br>£ | A69<br>improve-<br>ments<br>£ | Plant and<br>equipment<br>£ | Total<br>£        |
|---------------------------------|------------------------------------|-------------------------------|-----------------------------|-------------------|
| <b>Cost</b>                     |                                    |                               |                             |                   |
| At 1 April 2011                 | 16,983,000                         | 5,315,842                     | 170,417                     | 22,469,259        |
| Additions                       | -                                  | 66,972                        | 3,545                       | 70,517            |
| Disposals                       | -                                  | -                             | (2,958)                     | (2,958)           |
| At 31 March 2012                | <u>16,983,000</u>                  | <u>5,382,814</u>              | <u>171,004</u>              | <u>22,536,818</u> |
| <b>Accumulated depreciation</b> |                                    |                               |                             |                   |
| At 1 April 2011                 | 11,675,812                         | 1,978,152                     | 165,616                     | 13,819,580        |
| Charge for the year             | 849,150                            | 278,536                       | 4,324                       | 1,132,010         |
| Disposals                       | -                                  | -                             | (2,874)                     | (2,874)           |
| At 31 March 2012                | <u>12,524,962</u>                  | <u>2,256,688</u>              | <u>167,066</u>              | <u>14,948,716</u> |
| <b>Net book value</b>           |                                    |                               |                             |                   |
| At 31 March 2012                | <u>4,458,038</u>                   | <u>3,126,126</u>              | <u>3,938</u>                | <u>7,588,102</u>  |
| At 31 March 2011                | <u>5,307,188</u>                   | <u>3,337,690</u>              | <u>4,801</u>                | <u>8,649,679</u>  |

**9. DEBTORS**

|               | 2012<br>£        | 2011<br>£      |
|---------------|------------------|----------------|
| Trade debtors | 902,313          | 901,331        |
| Prepayments   | 259,945          | 52,214         |
|               | <u>1,162,258</u> | <u>953,545</u> |

# ROAD LINK (A69) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2012

### 10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

|  | 2012<br>£        | 2011<br>£        |
|--|------------------|------------------|
| Bank loan  | 1,162,536        | 1,162,536        |
| Trade creditors  | 185,997          | 190,248          |
| Amounts owed to related parties (see note 21)          | 4,248            | 1,831            |
| Corporation tax  | 910,135          | 883,532          |
| Other creditors including taxation and social security | 416,430          | 417,617          |
| Accruals and deferred income                           | 388,916          | 461,640          |
|  | <u>3,068,262</u> | <u>3,117,404</u> |

### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                 | 2012<br>£        | 2011<br>£        |
|-----------------|------------------|------------------|
| Bank loan       | 2,325,072        | 3,487,608        |
| Deferred income | 939,509          | 1,011,780        |
|                 | <u>3,264,581</u> | <u>4,499,388</u> |

### 12. BORROWINGS

|   | 2012<br>£        | 2011<br>£        |
|---|------------------|------------------|
| <b>Analysis of bank loan repayments</b> |                  |                  |
| Within one year                         | 1,162,536        | 1,162,536        |
| Between one and two years               | 1,162,536        | 1,162,536        |
| Between two and five years              | 1,162,536        | 2,325,072        |
|   | <u>3,487,608</u> | <u>4,650,144</u> |

The bank loan is secured by a specific equitable charge over the Haltwhistle by-pass and fixed and floating charges over the remaining assets of the company. Interest is charged at LIBOR plus 0.8% plus 0.004% costs.

The loan is repayable in six-monthly instalments which commenced in the year ended 31 March 1999 and is repayable by 31 March 2015.

### 13. PROVISIONS FOR LIABILITIES

|                                    | 2012<br>£      | 2011<br>£        |
|------------------------------------|----------------|------------------|
| <b>Life cycle provision</b>        |                |                  |
| At 1 April                         | 1,059,605      | 1,128,818        |
| Charged to profit and loss account | 562,571        | 644,031          |
| Utilised                           | (629,533)      | (713,244)        |
| At 31 March                        | <u>992,643</u> | <u>1,059,605</u> |

The company is committed, under the terms and conditions of the DBFO contract, to carry out repair and maintenance work to roads and structures in order to maintain the standard of the roads during the contract term and to leave them with a ten-year life at the end of the contract period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**14. CALLED UP SHARE CAPITAL**

|  | 2012<br>£ | 2011<br>£ |
|--|-----------|-----------|
| Called up, allotted and fully paid<br>2 ordinary shares of £1 each | 2         | 2         |

**15. STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS**

|                               | Share<br>capital<br>£ | Profit and<br>loss<br>account<br>£ | 2012<br>£   | 2011<br>£   |
|-------------------------------|-----------------------|------------------------------------|-------------|-------------|
| At 1 April                    | 2                     | 3,576,428                          | 3,576,430   | 2,495,573   |
| Profit for the financial year | -                     | 4,864,484                          | 4,864,484   | 4,580,857   |
| Dividends                     | -                     | (4,500,000)                        | (4,500,000) | (3,500,000) |
| At 31 March                   | 2                     | 3,940,912                          | 3,940,914   | 3,576,430   |

**16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

|   | 2012<br>£ | 2011<br>£ |
|---|-----------|-----------|
| Operating profit                          | 6,904,954 | 6,787,303 |
| Depreciation                              | 1,132,010 | 1,122,506 |
| (Increase)/decrease in debtors            | (208,713) | 225,881   |
| Decrease in creditors                     | (148,015) | (426,686) |
| Decrease in provisions                    | (66,962)  | (69,214)  |
| Net cash inflow from operating activities | 7,613,274 | 7,639,790 |

**17. ANALYSIS OF NET DEBT**

|                          | At<br>1 April<br>2011<br>£ | Cash flow<br>£ | Non-cash<br>movements<br>£ | At<br>31 March<br>2012<br>£ |
|--------------------------|----------------------------|----------------|----------------------------|-----------------------------|
| Cash at bank and in hand | 2,649,603                  | (133,563)      | -                          | 2,516,040                   |
|                          | 2,649,603                  | (133,563)      | -                          | 2,516,040                   |
| Debt due within one year | (1,162,536)                | 1,162,536      | (1,162,536)                | (1,162,536)                 |
| Debt due after one year  | (3,487,608)                | -              | 1,162,536                  | (2,325,072)                 |
|                          | (2,000,541)                | 1,028,973      | -                          | (971,568)                   |

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

|  | 2012<br>£   | 2011<br>£   |
|--|-------------|-------------|
| (Decrease)/increase in cash in the year      | (133,563)   | 641,581     |
| Cash outflow from decrease in debt financing | 1,162,536   | 1,162,536   |
| Movement in net debt in the year             | 1,028,973   | 1,804,117   |
| Net debt brought forward                     | (2,000,541) | (3,804,658) |
| Net debt carried forward                     | (971,568)   | (2,000,541) |

**19. OPERATING LEASE COMMITMENTS**

At 31 March, the company had annual commitments under non-cancellable operating leases as follows

|                            | Land and buildings<br>2012<br>£ | 2011<br>£ |
|----------------------------|---------------------------------|-----------|
| <b>Leases which expire</b> |                                 |           |
| Between two and five years | 22,000                          | 22,000    |

**20. DERIVATIVE FINANCIAL INSTRUMENTS**

The company has one interest rate swap contract which expires on 31 March 2015, the fair value of the interest rate swap at 31 March 2012 was a liability of £320,544 (2011 – liability of £444,489). The fair value of the interest rate swap contract has been determined by reference to prices available from the market on which the instrument involved is traded.

At the balance sheet date, the total notional amount of the outstanding interest rate swap contract is £3,487,608 (2011 – £4,650,144).

These amounts are based on market values of equivalent instruments at the balance sheet date.

**21. RELATED PARTY TRANSACTIONS**

During the year, the company has been re-charged costs (excluding VAT) incurred by the following companies (these companies are either shareholders of the parent company or companies controlled by the shareholders)

|                                 | Costs<br>£ | Balance<br>owed at<br>31 March<br>2012<br>£ | Costs<br>£ | Balance<br>owed at<br>31 March<br>2011<br>£ |
|---------------------------------|------------|---|------------|---|
| Henry Boot Construction Limited | 1,957      | -   | 2,977      | 1,080                                       |
| Henry Boot PLC                  | 36,750     | 4,248                                       | 22,537     | 751   |
|                                 | 38,707     | 4,248                                       | 25,514     | 1,831                                       |

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2012**

**22. PARENT UNDERTAKINGS AND CONTROLLING PARTY**

The company's immediate parent undertaking is Road Link (A69) Holdings Limited, a company incorporated in England and Wales. Copies of its financial statements may be obtained from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

The ultimate parent undertaking of Road Link (A69) Holdings Limited is Henry Boot PLC, the financial statements of which are publicly available. Henry Boot PLC is incorporated in England and Wales and owns 61% of the issued share capital of Road Link (A69) Holdings Limited. This is the smallest and largest group in which the results of the company are included.

The directors are of the opinion that there is no ultimate controlling party.

**23. POST BALANCE SHEET EVENT**

Subsequent to the year-end, the directors have proposed and paid a dividend of £1,750,000.