

**Road Management Services (Finance)
Public Limited Company**
**Interim Management Report and Unaudited Interim
Financial Statements**
**As required under the Disclosure and Transparency
Regulations Section 4.2**

Six month period ending 30 June 2022
Registered number: 04608449



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Company information

Directors

N Rae
D North
R Little
M Edwards

Secretary

Infrastructure Managers Limited

Registered office

Cannon Place
78 Cannon Street
London
EC4N 6AF

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants & statutory auditor
Level 4
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Interim Management Report for the 6 month period ended 30 June 2022

Principal activities and review of business

Road Management Services (Finance) Public Limited Company is a special purpose company established to be the financing vehicle for the Design, Build, Finance and Operate contract which was entered into with the Secretary of State for Environment, Transport and the Regions on 13 February 2003 by its parent company Road Management Services (Darrington) Limited.

On 26 February 2004, Road Management Services (Finance) Public Limited Company authorised the creation and issue of £113,240,000 in aggregate principal amount of 2.8332 per cent Secured Guaranteed Sterling Index Linked Bonds due 2035. It also entered into a loan agreement with the European Investment Bank under which it was granted a loan of £105,000,000 at 2.3774 per cent Index Linked. The bonds and bank loan have the benefit of an unconditional and irrecoverable financial guarantee as to all payments of interest and principal issued by the monoline insurer AMBAC. All funds were on loaned to Road Management Services (Darrington) Limited.

On 31 March 2005, the Road Management Services (Darrington) Limited cancelled variation bonds with a nominal value of £1,500,000 against a corresponding portion of on-loan from the Company, reducing the nominal value of the bond from £113,240,000 to £111,740,000.

Principal risks and uncertainties

The company has taken on the activity, as detailed above, and is risk averse in its trading relationships with its funders as determined by the terms of their detailed contracts.

The directors have considered the current performance and the future financial impact to the parent and the Company of this pandemic, taking into account the sources of income and expenditure and it is the directors' view that although the likely full impact is unknown, and at this stage it is not possible to quantify, it is not expected to materially impact on the operations or financial position of the parent or Company.

Key Performance Indicators ('KPIs')

The key performance indicators are loan covenant ratios, all of which have been satisfactorily met in the period.

Dividends

The directors do not recommend the payment of a dividend (2021: £nil).

Financial reporting, risk and internal controls

Road Management Services (Finance) Public Limited Company is part of a group headed by Road Management Services (Darrington) Holdings Limited. As the company's bond and loan have been on-loaned to its immediate parent undertaking, Road Management Services (Darrington) Limited, that company's performance is relevant to the financial management of Road Management Services (Finance) Public Limited Company. The Group has outsourced the financial and operational reporting functions to Infrastructure Managers Limited, while authorities remain vested in the Group's board members. Infrastructure Managers Limited report regularly to the Group's board members, providing quarterly reports which specifically summarise and address the operational, financial, and contractual risks that the Group is exposed to, and are pertinent to the industry in which it operates. Infrastructure Managers Limited also provides monthly management accounts with explanations of variances from annual budgets and forecasts, which are in turn compared to the Financial Model, which represents the long-term business plan of the Group and outlines its ability to comply with its debt obligations and covenants. Material deviations from the business plan are investigated and reported on. This process ensures that the Group's operations remain robust and viable throughout the life of the contract.

Interim Management Report for the 6 month period ended 30 June 2022 (continued)

Directors

The directors who held office during the period were as follows:

N Rae

PJ Meffan (resigned 13 April 2022)

R Little

M Edwards


N Sparrow (resigned 13 April 2022)

D North (appointed 13 April 2022)

Policy on payment of creditors

It is the Company's policy to comply with the payment terms agreed with suppliers. Where payment terms are not negotiated the Company endeavours to adhere with suppliers' standard terms.

By order of the board


Neil rae (Aug 22, 2022 16:44 GMT+1)

Director


Date: Aug 22, 2022

Responsibility Statement of Directors in respect of the Interim Management Report

We confirm that to the best of our knowledge:

- The Condensed Unaudited Interim Financial Statements included in this Interim Financial Report have been prepared in accordance with UK Generally Accepted Accounting Practice, including Financial Reporting Standard 104: Interim Financial Reporting, and give a true and fair view of the assets, liabilities, financial position and profit of the Company.
- Appropriate disclosure under DTR 4.2.7R of the Disclosure and Transparency Rules has been made in the Interim Management Report as to any significant events that have occurred during the first six months of the financial year that have had a material impact on the Condensed Unaudited Interim Financial Statements.
- Appropriate disclosure under DTR 4.2.7R of the Disclosure and Transparency Rules has been made in the Interim Management Report as to a description of the principal risks and uncertainties for the remaining six months of the financial year.

On behalf of the Board of Directors


Neil rae (Aug 22, 2022 16:44 GMT+1)

Director

Date: **Aug 22, 2022**

The Directors are responsible for preparing the Interim Management Report and the Condensed Unaudited Interim Financial Statements in accordance with the applicable Disclosure and Transparency Rules of the United Kingdom Financial Services Authority in relation to an Issuer of Debt Securities which are listed on the London Stock Exchange.

The individual financial statements of Road Management Services (Finance) 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. The financial information contained in the Condensed Unaudited Interim Financial Statements is pro-forma and does not constitute full statutory accounts within the meaning of section 435 of the Companies Act 2006. The information has been extracted from the records of the Company for the six month periods ended 30 June 2022 and 30 June 2021 and for the year ended 31 December 2021. The information has been prepared using the accounting policies and basis of preparation set out in Note 3 to the Annual Report and Accounts 2021.

Condensed unaudited interim profit and loss account
for the period ended 30 June 2022

	<i>Note</i>	6 month period ended 30 June 2022 £'000	6 month period ended 30 June 2021 £'000
Interest receivable and similar income	3	10,180	4,545
Interest payable and similar charges	4	(10,180)	(4,545)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	-
Taxation on profit on ordinary activities		-	-
		<hr/>	<hr/>
Profit for the financial period		-	-
		<hr/>	<hr/>

There were no other recognised gains and losses for the period other than the profit stated above. There is no difference between the historical cost profit and the profit stated above. All of the results relate to continuing activities.

The notes on pages 8 to 11 form part of these Condensed Unaudited Financial Statements.

Condensed unaudited interim Balance sheet at 30 June 2022

	<i>Note</i>	30 June 2022 £'000	31 December 2021 £'000
Current assets			
Debtors (£169,602,000 (December 2021: £171,032,000) due after more than one year)	5/6	185,592	186,207
Cash at bank and in hand		1	1
		<hr/> 185,593	<hr/> 186,208
Creditors: amounts falling due within one year	7	(15,941)	(15,126)
		<hr/> 169,652	<hr/> 171,082
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	7	(169,602)	(171,032)
		<hr/> 50	<hr/> 50
Net assets		<hr/> 50	<hr/> 50
Capital and reserves			
Called up share capital	9	50	50
		<hr/> 50	<hr/> 50
Equity shareholders' funds		<hr/> 50	<hr/> 50

These Condensed Unaudited Interim Financial Statements were approved by the board of directors on Aug 22, 2022 and were signed on its behalf by:


Neil rae (Aug 22, 2022 16:44 GMT+1)

Director

Company registration number: 04608449

The notes on pages 8 to 11 form part of these Condensed Unaudited Interim Financial Statements.

Condensed Statement of Changes in Equity *for the period ended 30 June 2022*

	Share capital £'000	Total £'000
At 1 January 2022	50	50
Profit and total comprehensive income for the period	-	-
At 30 June 2022	50	50

	Share capital £'000	Total £'000
At 1 January 2021	50	50
Profit and total comprehensive income for the period	-	-
At 31 December 2021	50	50

The notes on pages 8 to 11 form part of these Condensed Unaudited Interim Financial Statements.

Notes to the condensed unaudited interim financial statements for the 6 month period ended 30 June 2022

1 Accounting policies

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. The following accounting policies have been applied consistently in dealing with items considered material in relation to the Company's Condensed Unaudited Interim Financial Statements.

(i) Basis of preparation of the accounts

The Condensed Unaudited Interim Financial Statements have been prepared in accordance with applicable accounting standards, including Financial Reporting Standard 104- 'Interim Financial Reporting', and with the Companies Act 2006. The Condensed Unaudited Interim Financial Statements have been prepared on the historical costs basis.

(ii) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

All index-linked bonds and loans are recognised initially at an amount equal to the principal payable on maturity. After initial recognition, periodic re-estimation of cash flows to reflect movements of interest rates are applied using an effective interest rate.

The Bond and EIB loan principal and interest payments are escalated by RPI, which constitutes an embedded derivative. These are the only such items held by the company and are closely related to the host contract. This close relationship means that there is no separate recognition of these items.

2 Profit on ordinary activities before taxation

Auditors' remuneration of the Company is borne by the parent company, Road Management Services (Darrington) Limited.

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).

3 Interest receivable and similar income

	6 month period ended 30 June 2022 £'000	6 month period ended 30 June 2021 £'000
Interest and related charges receivable from group undertakings	9,884	4,240
Other interest receivable	296	305
	<hr/>	<hr/>
	10,180	4,545
	<hr/>	<hr/>

Notes to the condensed unaudited interim financial statements for the 6 month period ended 30 June 2022 (continued)

4 Interest payable and similar charges

	6 month period ended 30 June 2022 £'000	6 month period ended 30 June 2021 £'000
Interest payable on senior debt	9,884	4,240
Other bank charges and similar fees	296	305
	<u>10,180</u>	<u>4,545</u>

5 Debtors: amounts falling due within one year

	30 June 2022 £'000	31 December 2021 £'000
Amounts owed by group undertakings	15,990	15,175
	<u>15,990</u>	<u>15,175</u>

6 Debtors: amounts falling due after more than one year

	30 June 2022 £'000	31 December 2021 £'000
Loans to group undertakings	169,602	171,032
	<u>169,602</u>	<u>171,032</u>

Notes to the condensed unaudited interim financial statements for the 6 month period ended 30 June 2022 (continued)

7 Creditors

	30 June 2022 £'000	31 December 2021 £'000
Due within one year		
Bank loans and overdrafts	14,527	13,708
Accruals and deferred income	1,414	1,418
	<u>15,941</u>	<u>15,126</u>
Due after one year		
Senior debt	<u>169,602</u>	<u>171,032</u>

8 Loans and borrowings

	30 June 2022 £'000	31 December 2021 £'000
Senior debt and bond debt		
Within a year	14,527	13,708
1-5 years	55,270	49,898
Over 5 years	114,332	121,134
	<u>184,129</u>	<u>184,740</u>

At the end of the period a Secured Guaranteed Sterling Index Linked Bond due 2035, listed on the London Stock Exchange, with a coupon rate of 2.8332% per annum index linked, repayable in six monthly instalments commencing 31 March 2007, held a liability of £104,872,000 (31 December 2021: £104,629,000).

At the end of the period the European Investment Bank Loan at an interest rate of 2.3774% per annum index linked, repayable in six monthly instalments commencing 31 March 2007, held a liability of £79,908,000 (31 December 2021: £80,811,000).

The bond and EIB loan are secured by charges and assignments in favour of the company and over all the assets of Road Management Services (Darrington) Limited.

The company's bond and bank loan have the benefit of an unconditional and irrecoverable financial guarantee, by the monoline insurer AMBAC, as to all payments of interest and principal issued.

The bond and loan are shown net of unamortised loan issue expenses of £651,000 (31 December 2021: £700,000).

Notes to the condensed unaudited interim financial statements for the 6 month period ended 30 June 2022 (continued)

9 Called up share capital

	30 June 2022 £'000	31 December 2021 £'000
<i>Allotted and fully paid</i>		
Ordinary shares of £1 each	50	50

10 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Road Management Services (Darrington) Limited, registered in England and Wales.

The ultimate parent undertaking and controlling party is Road Management Services (Darrington) Holdings Limited which is registered in England and Wales. The smallest group and largest group in which the results of the Company are consolidated is that headed by Road Management Services (Darrington) Holdings Limited.

On 13 April 2022 25% of the shares of Road Management Services (Darrington) Holdings Limited previously held by Kellogg Brown & Root Limited were sold to Semperian PPP Investment Partners No 2 Limited. This resulted in Semperian PPP Investment Partners Holdings Limited becoming the ultimate parent and controlling party, owning 75% of the shares in Road Management Services (Darrington) Holdings Limited. The remaining 25% of the shares in Road Management Services (Darrington) Holdings Limited are owned by AM Holdco Limited, a company registered in England & Wales. Semperian PPP Investment Partners Holdings Limited is a company registered in Jersey and is owned by a number of investors with no one investor having individual control.