

ENSIGN HIGHWAYS HOLDINGS LIMITED

ANNUAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2018**

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Company Number: 05148685

ENSIGN HIGHWAYS HOLDINGS LIMITED
Annual report for the year ended 31 December 2018

COMPANY INFORMATION

Directors	L. Le Bouc'h R. Llobregat C. J. Fergusson M. Overton
Secretary	G. Stanton
Company Number	05148685
Registered Office	Wallage Lane Rowfant Crawley West Sussex RH10 4NF
Independent Auditor	Mazars LLP Tower Bridge House St. Katharine's Way London E1W 1DD

ENSIGN HIGHWAYS HOLDINGS LIMITED

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ENSIGN HIGHWAYS HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the audited financial statements for Ensign Highways Holdings Limited (the "Company") for the year ended 31 December 2018.

Strategic report

The Company qualifies under Companies Act 2006 and is exempt from the requirement to prepare a Strategic Report.

Principal activities and review of the business

The principal activity of the Company is that of a non-trading holding company.

Results and dividends

The Company did not trade in the current year, however it did receive a final dividend for the year ended 31 December 2017 of £800,000 (2017: £700,000) from its subsidiary, Ensign Highways Limited.

The Company paid an interim dividend of £800,000 during the year (2017: £700,000).

The directors do not recommend the payment of a final dividend (2017 : Nil).

Future developments

The directors do not expect any change in the Company's principal activities in the foreseeable future.

The Company has undertaken analysis of potential impact of Brexit and as a result has established an action plan to address the risks arising from Brexit. The action plan is subject to ongoing review by the Company's Risk Management Committee.

The Company's action plan has considered in particular the risk of no deal Brexit, although the present political uncertainty makes it impossible for a definitive view to be taken as to what form Brexit may take. Accordingly, the Company has taken steps to seek to ensure that it is as well prepared as it can be irrespective of the eventual form that Brexit may take.

The Board's current view overall is that the Company is not excessively or significantly exposed to direct financial impact of Brexit, although the indirect consequences of Brexit impact through the wider economy remain extremely difficult to assess and quantify.

Directors

The directors who held office during the year and up to the date of signing these financial statements were:

L. Le Boulc'h

R. Llobregat (appointed 5.3.2019)

C. J. Fergusson (appointed 5.3.2019)

M. Overton

L. Rushbrooke (resigned 5.3.2019)

F. Gardes (resigned 5.3.2019)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; 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.

Indemnification of directors

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) are in force for directors who held office during the year.


Disclosure of information to auditor

Each director has taken all the necessary steps they ought to have taken in order to make themselves aware of any information relevant to the audit, establish that the auditor is aware of that information and that there is no information relevant to the audit of which the Company's auditor is unaware.

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

G. Stanton
Secretary

Date:


20th June 2019

Opinion

We have audited the financial statements of Ensign Highways Holdings Limited (the 'Company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statement including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to United Kingdom exiting the European Union on our audit

The directors' view on the impact of Brexit is disclosed on page 1.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy. We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

ENSIGN HIGHWAYS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENSIGN HIGHWAYS HOLDINGS LIMITED

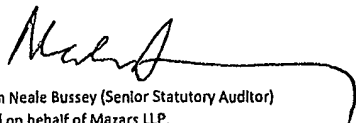
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.



William Neale Bussey (Senior Statutory Auditor)
for and on behalf of Mazars LLP,

Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD

Date: 5 JULY 2019

ENSIGN HIGHWAYS HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

<i>Continuing operations</i>	Notes	2018	2017
		£	£
Investment income		800,000	700,000
Operating profit		800,000	700,000
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		800,000	700,000
Tax on profit on ordinary activities	4	-	-
Profit for the financial year attributable to owners of the Company		800,000	700,000
Other comprehensive income		-	-
Total comprehensive income attributable to owners of the Company		800,000	700,000

The notes on pages 7 to 8 form part of these financial statements.

ENSIGN HIGHWAYS HOLDINGS LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2018

		2018	2017
		£	£
	Notes		
Fixed assets			
Investment in group undertaking	6	100	100
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	7	<u>100</u>	<u>100</u>
Total shareholders' funds		<u>100</u>	<u>100</u>

These financial statements were approved and authorised for issue by the Directors and were signed on their behalf by :



M Overton
Director

Date : 20th June 2019

The notes on pages 7 to 8 form part of these financial statements.

ENSIGN HIGHWAYS HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2018	100	-	100
Comprehensive income for the year			
Profit for the financial year	-	800,000	800,000
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the year	-	800,000	800,000
Contribution by and distribution to owners			
Dividends (Note 5)	-	(800,000)	(800,000)
Total contribution by and distributions to owners	-	(800,000)	(800,000)
At 31 December 2018	100	-	100

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2017	100	-	100
Comprehensive income for the year			
Profit for the financial year	-	700,000	700,000
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the year	-	700,000	700,000
Contribution by and distribution to owners			
Dividends (Note 5)	-	(700,000)	(700,000)
Total contribution by and distributions to owners	-	(700,000)	(700,000)
At 31 December 2017	100	-	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Company information

Ensign Highways Holdings Limited (the "Company") is a company limited by shares, incorporated in England and Wales. Its registered office and principal place of business is Wallage Lane, Rowfant, Crawley, West Sussex, RH10 4NF. These financial statements have been presented in Pounds Sterling (£) as this is the currency of the primary economic environment in which the Company operates.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards, including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102"). These financial statements have been prepared under the historical cost convention.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions including notification of and no objection to, the use of exemptions by the Company's shareholders.

In preparing these financial statements, the Company has taken advantage of the following disclosure exemptions :

- the requirement of Section 4 Statement of Financial Position paragraph 4.12 (a)(iv).
- the requirement of Section 7 Statement of Cash Flows and section 3 Financial Statement Presentation paragraph 3.17 (d).
- the requirement of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29 providing the equivalent disclosures required by the FRS 102 are included in the consolidated financial statements of the group in which the entity is consolidated.
- the requirement of Section 33 Related Party Disclosures paragraph 33.7

2.2 Basis of consolidation

Ensign Highways Holdings Limited, as a wholly owned subsidiary of Colas SA and the ultimate parent undertaking and controlling party being Bouygues SA, is exempt by virtue of s400 of the Companies Act 2006 from preparing consolidated financial statements. Consequently, these financial statements only present information about the Company.

2.3 Going concern

After reviewing the Company forecasts and projections, the directors' have a reasonable expectation that the Company has adequate resource to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Revenue recognition

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

2.5 Investments

Investments held as fixed assets are recognised at cost less provision for impairment.

2.6 Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

2.7 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

2.8 Taxation

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

A net deferred tax asset is recognised if it can be regarded as more likely than not that there will be suitable tax profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates that are expected to be effective when the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

ENSIGN HIGHWAYS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

3 Directors and employees

The only employees of the Company during the financial year were the directors who did not receive any remuneration in respect of their services to the Company (2017 : nil).

4 Taxation

	2018 £	2017 £
(a) Current tax		
UK Corporation tax based on the result for the year at 19.00% (2017 : 19.25%)	-	-
(b) Factors affecting current tax charge		
Profit on ordinary activities before tax	800,000	700,000
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2017 : 19.25%)	152,000	134,750
Effect of tax-exempt income	(152,000)	(134,750)
Total tax on profit on ordinary activities	-	-

5 Dividend on equity shares

	2018 £	2017 £
Amounts recognised as distributions to equity holders in the year:		
Interim dividend paid for the year ended 31 December 2018 of £8,000 per share and £7,000 per share for year ended 31 December 2017	800,000	700,000

6 Investment in subsidiary undertaking

			2018	2017
			£	£
Cost				
At 31 December			100	100
Company	Country of registration	Class of shares held	Principal activity	
Ensign Highways Limited	England & Wales	Ordinary - 100%	Highway maintenance contractors, specifically to operate a Private Finance Initiative contract with Portsmouth City Council	

7 Share capital

	2018 £	2017 £
Allotted, called up and fully paid:		
Equity Shares		
100 Ordinary shares of £1 each	100	100

The ordinary shares of the Company carry no right of fixed income and one voting right per share.

8 Ultimate parent undertaking and ultimate controlling party

The Company is a 50% joint venture between Colas SA and Colas Limited. The financial statements of the Company are incorporated in the financial statements which form part of the annual report of the Colas SA group of companies. Colas SA is the parent company of the smallest group of which this Company is a member and for which group accounts are prepared. Colas SA is incorporated and operating in France and is listed on the Paris stock exchange.

Colas SA's ultimate parent undertaking and controlling party is Bouygues SA, which is incorporated in France. Bouygues SA is the parent company of the largest group of which this Company is a member and for which group accounts are prepared. Copies of Bouygues SA consolidated accounts are publicly available and may be obtained from the company at Challenger, 1 Avenue Eugene Freyssinet, 78061 Saint-Quentin-en-Yvelines, Cedex - France.