

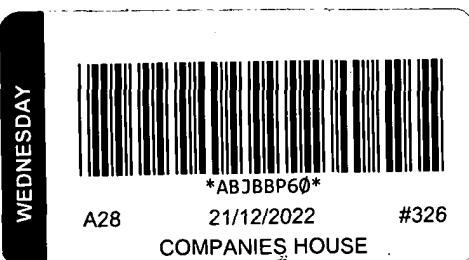
TPI (Holdings) Limited

Company number: 05607625

Annual Report and Financial Statements

For the year ended

31 December 2021



TPI (Holdings) Limited

Annual Report and Financial Statements for the year ended 31 December 2021

Contents

Page:

1 to 2	Strategic Report
3	Report of the Directors
4	Statement of Directors' Responsibilities
5	Balance Sheet
6	Statement of changes in equity
7 to 13	Notes forming part of the financial statements

Company number

05607625

Directors

P Birch
A L Nelson

Company Secretary and Registered Office

Sherard Secretariat Services Limited
Chancery Exchange
10 Furnival Street
London, EC4A 1AB
United Kingdom

TPI (Holdings) Limited

Strategic Report for the year ended 31 December 2021

The Directors present their Strategic Report for the year ended 31 December 2021.

Principal activities

TPI (Holdings) Limited (the Company) was principally engaged as a holding company. The Company has not traded and no change to this position is anticipated for 2022.

Review of business and future developments

The Company has not traded during the current or preceding financial year and accordingly no income statement has been presented. No change to the dormant status of the Company is expected for the foreseeable future.

Post balance sheet events

Change in ultimate parent undertaking

The Company is a subsidiary of Amey UK Limited (the Group, formerly Amey UK plc). On 11 October 2022, the Group's ultimate parent undertaking, Ferrovial, S.A., announced that it had reached agreement to sell the whole of the share capital of Amey UK Limited (formerly Amey plc) and the other equity instruments held by Ferrovial as issued by Amey UK Limited and its subsidiary undertaking, Amey Limited to a company controlled by One Equity Partners and Buckthorn Partners. The sale of the Group is conditional on the completion of the transfer of the Waste Treatment CGU to Ferrovial, as this CGU does not form part of the Group's ongoing business that One Equity Partners and Buckthorn Partners have agreed to purchase and the approval by the Secretary of State for BEIS, as the transaction is subject to the National Security and Investment Act 2021. It is expected that the sale will be completed prior to 31 December 2022. Any change of ownership has no impact on the financial statements of the Group for the year ended 31 December 2021 and is also not expected to have any impact on the Group's operations and activities following completion of the sale.

The transaction represents an enterprise value of £400 million and an estimated equity value of approximately £245 million. The final consideration to be paid upon completion of the transaction will be adjusted by reference to the net debt and working capital figures resulting from a balance sheet prepared as of that date. The net consideration will be in the form of cash of £109 million and a vendor loan note of £136 million repayable over the next 5 years with an interest of 6% per annum, increasing to 8% after the third year. As part of the transaction, the Group consulted with the pension scheme trustees concerning the sale, who, upon advice, were content to execute a letter of agreement recording that the trustees do not consider the transaction (including the terms of the vendor loan note subordinated in favour of the pension schemes) will be materially detrimental to the ongoing employer covenant or the likelihood of accrued scheme benefits being received by members.

There have been no other events since the balance sheet date which materially affect the position of the Company.

Principal risks and uncertainties

The Company's risks and other key performance indicators are only reported and managed on a Divisional basis. To gain a further understanding of this business, details of the principal risks and uncertainties and other key performance indicators are contained in the Annual Report and Financial Statements of the intermediate parent undertaking, Amey UK Limited ('the Group'), for the year ended 31 December 2021.

Financial risk management

A discussion of the objectives and policies employed in managing risk and the Company's use of financial instruments can be found in the Amey UK Limited Annual Report and Financial Statements for the year ended 31 December 2021 as the Company is subject to the application of Group-wide policies and practices when assessing financial risk.

The Company does not hold any derivative financial instruments. There is no material financial risk arising on the assets and liabilities held by the Company.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

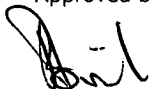
The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021 (see also the Corporate Governance statement and a detailed s172(1) statement on the Amey Group's website: www.amey.co.uk and the Amey UK Limited 2021 group financial statements for more information).

In discharging their duties in relation to s172(1) of the Companies Act 2006, the Directors have paid regard to the following matters:

- (a) the likely consequences of any decision in the long-term, such as strategic planning, Brexit impact and business development opportunities;
- (b) interests of the Group's employees including health and safety, employee involvement and initiatives, diversity, inclusion and gender pay gap issues;
- (c) the need to foster relationships with suppliers, customers and others including supplier evaluation, social values and payment practices;
- (d) to act fairly between members of the Company
- (e) impact of operations on community and the environment, including carbon management, climate crisis initiatives; and
- (f) reputation for high standards of business conduct including adoption of corporate governance standards, training of Directors and whistleblowing reporting.

As the Company is a wholly owned subsidiary of the Amey group of companies, and ultimately the Ferrovial group of companies, the Company's Directors discharge their duties within policies, procedures and authorisation limits set out on a group-wide basis. Further information on how officers within the Amey Group of companies discharge their duties is included in the Amey UK Limited 2021 group financial statements. The Directors of this Company also achieve this through attendance at relevant executive meetings, involvement in executive briefings and training, and through having responsibility for implementation of group-wide initiatives to promote best practice.

Approved by the Board on 20 December 2022 and signed on its behalf by:



P Birch
Director
20 December 2022

TPI (Holdings) Limited

Report of the Directors for the year ended 31 December 2021

The Directors present their Report together with the unaudited financial statements of the Company for the year ended 31 December 2021.

Strategic Report

Details of future developments, post balance sheet events (if any) and financial risk management can be found in the Strategic Report on pages 1 to 2 and form part of this report by cross reference.

Dividends

No dividends were paid by the Company during the year (2020 – £nil). In view of the deficit on retained earnings, the Directors are unable to recommend the payment of any dividend.

Energy and Carbon Performance

The Company has taken exemption from reporting on Energy and Carbon Performance as this information is included in the consolidated group financial statements of Amey UK Limited, of which this Company is a member. Full disclosure can be found in the Amey UK Limited Annual Report and Financial Statements for 2021.

Business Relationships

The Directors have had regard to the need to foster the company's business relationships with stakeholders. This is explained further within the S172(1) statement part (c) in the strategic report on page 2.

Directors

The Directors of the Company during the year, and up to the date of this report, were:

P Birch
A L Nelson

Directors' indemnity

Directors and Officers of the Company benefit from directors' and officers' liability insurance cover provided by the Amey Group in respect of legal actions brought against them for any of the directorships held within the Amey Group. In addition, Directors are indemnified under the Company's articles of association to the extent permitted by law, such indemnities being qualified third party indemnities.

Going concern

After making enquiries and based on the assumptions outlined in note 2 to the financial statements, the Directors have concluded that the Company has adequate resources to continue in existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Policy on slavery and human trafficking

In accordance with the Modern Slavery Act 2015, the Amey Group of which this Company is a member, is committed to ensuring that there is no modern slavery or human trafficking in our supply chains, or in any part of our business, with a zero tolerance for non-compliance. A full statement reflecting that commitment can be found on the Amey website www.amey.co.uk and an abridged statement is included in the financial statements of the Company's intermediate parent company, Amey UK Limited.

Approved by the Board on 20 December 2022 and signed on its behalf by:



P Birch
Director
20 December 2022

TPI (Holdings) Limited

Statement of Directors' Responsibilities

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), including FRS 101 'Reduced Disclosure Framework'.

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position 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.

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Balance Sheet at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Investment in subsidiary undertakings	6	-	-
Total fixed assets		-	-
Creditors: amounts falling due within one year	7	(180)	(180)
Net current liabilities		(180)	(180)
Total assets less current liabilities		(180)	(180)
Net liabilities		(180)	(180)
Equity			
Share capital	8	5	5
Retained deficit		(185)	(185)
Total shareholders' deficit		(185)	(185)

The notes on pages 7 to 13 form part of these financial statements.

The Company did not trade during the current or preceding period and accordingly no income statement has been presented. The Company made neither a profit or loss nor had any other recognised gain or loss.

The Company is exempt from the requirements relating to preparing audited financial statements in accordance with section 480 of the Companies Act 2006.

The members have not required the Company to obtain an audit of the financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 5 to 13 were authorised for issue by the Board of Directors on 20 December 2022 and were signed on its behalf by:



P Birch
Director
20 December 2022

TPI (Holdings) Limited

Statement of Changes in Equity for the year ended 31 December 2021

	Share capital £'000	Retained deficit £'000	Total £'000
Balance at 1 January 2020, at 31 December 2020 and at 31 December 2021	<u>5</u>	<u>(185)</u>	<u>(180)</u>

The notes on pages 7 to 13 form part of these financial statements.

TPI (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 December 2021

1 General information

The principal activity of TPI (Holdings) Limited (the Company) is as a holding company and the Company is a dormant company. The Company is a private company and is incorporated and domiciled in the UK. The address of the registered office is Chancery Exchange, 10 Funnival Street, London, EC4A 1AB, United Kingdom.

2 Basis of consolidation, preparation and going concern

Basis of consolidation

The Company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006 on the grounds that it is itself a wholly owned subsidiary undertaking of a company registered in England and Wales. These financial statements, therefore, present information about the individual undertaking and not about its group. These financial statements are separate financial statements.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

During the year ended 31 December 2021, the following additional standards which might have had an impact on the financial statements came into force in the United Kingdom:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform
Amendment to IFRS 16	Covid related rent concessions
Amendments to IFRS 4	Applying IFRS 9 with IFRS 4

No significant impact on the Company's financial statements has been identified because of these additional standards and amendments.

New standards or interpretations applicable to the Company for accounting periods commencing on or after 1 January 2022 are not expected to have a material impact on the Company.

2 Basis of consolidation, preparation and going concern (continued)

Basis of preparation (continued)

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 'Reduced Disclosure Framework':

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- IFRS 2, 'Share based payments';
- IAS 36, 'Impairment of assets' paragraphs 134 and 135;
- IFRS 15, 'Revenue from contracts with customers': second sentence of paragraph 110, and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129; and
- IFRS 16, 'Leases': paragraph 52, the second sentence of paragraph 89 and paragraphs 90, 91 and 93. Paragraph 58, provided that the disclosure of details of indebtedness required by paragraph 61(c) of Schedule 1 of the Regulations is presented separately for lease liabilities and other liabilities in total.

2 Basis of consolidation, preparation and going concern (continued)

Going concern

The Company is a subsidiary of Amey UK Limited (the Group) and its financial resources are managed on a group basis. The Company is accordingly a cross-guarantor to certain liabilities of the Group as described in note 10. The Company has also received written confirmation from the intermediate parent undertaking, Amey UK Limited, that it will continue to provide financial support to the Company for the period of at least twelve months from the date of signing these financial statements in order to fund day-to-day operations and to meet liabilities to the extent that the Company is unable to do so. The ultimate parent of the Group is Ferrovial, S.A.

The Group is financed through a mixture of shareholder equity, other equity instruments issued to Ferrovial companies, intercompany debt from Ferrovial companies, leases, non-recourse project-related bank term loans, other bank loans and overdrafts. Details of all bank loans and their maturity are set out in the Amey UK Limited financial statements as are details of finance risks.

The Directors have also considered the implications of the recently announced sale of the Group to One Equity Partners and Buckthorn Partners. This decision does not impact the Group's day-to-day operations and given that the Group does not rely on Ferrovial contractual guarantees there are no implications to the ongoing trading operations of the Group after completion of any sale. The impact on our financing arising from a change of control is considered below.

The Group's key external banking facilities are bilateral facility agreements of £38 million with each of HSBC and Santander and £44 million with Royal Bank of Canada. These agreements total £120 million and mature on the earlier of July 2023 or on the date of completion of the proposed sale of the Group. At 31 December 2021, all of the facilities in place at that time were undrawn and the Group also held £46.9 million of unrestricted cash on the Group balance sheet.

In October 2022, the Group received commitments from three lenders, HSBC, Natwest Group and ABN Amro, to enter into a four-year syndicated revolving credit facility. The facility is sized at £125 million and will be used to support the Group's future bonding and working capital requirements once the sale of the Group has been completed.

Notwithstanding this continuity of financing, the Directors of the Group have reviewed several factors including:

- the future business plans of the Group (including the current year results up to the date of these accounts, the current forecast for 2022 and the strategic plan for 2023 to 2026);
- the obligation, on completion of the sale of the Group, to pay in full to Birmingham Highways Limited the outstanding £35 million liability;
- servicing additional debt post-completion of the sale of the Group;
- the availability of core and ancillary financing facilities;
- the compliance with the post completion related net debt/EBITDA banking covenant which must remain under 1.5x;
- the projected drawn positions and headroom available on the core committed financing facilities; and
- the projected future cash flows of the Group comprising:
 - a Base Case forecast built up from the budget for 2022; and
 - a Reasonable Worst Case ('RWC') forecast which applies sensitivities against the Base Case

The RWC forecast looks at the following key sensitivities:

- £14 million net cash outflows due to unwind of working capital on contracts ending and other agreements in 2022 and 2023;
- the liquidity impact of lower-than-expected future revenue growth in each business stream through a lower bid win ratio; and
- consideration of a slowing down of working capital flows, in particular a market-wide increase in days sales outstanding.

2 Basis of preparation and going concern (continued)

Going concern (continued)

The Group's cash flow forecasts show that there is sufficient liquidity to enable it to continue trading should all the above sensitivities materialise. In addition to the above sensitivities, management has also considered actions that can be taken to mitigate any significant additional reductions in headroom due to unforeseen events which would include actions such as delaying management fees and payments to suppliers. The increased liquidity of these actions give comfort to the Directors that it would have enough headroom to manage such unforeseen impacts.

The Directors have considered the pension risks and sensitivities in the Amey UK Limited financial statements and reviewed Value-at-Risk analysis. The Directors consider the exposure to be adequately mitigated by strong governance, de-risked scheme assets, various contingent assets and committed payments for the benefit of the schemes.

The Directors have also considered the impact on the Group's ability to continue as a going concern in the event of delayed completion of the sale to One Equity Partners and Buckthorn Partners. The Directors are comfortable that although commencement of the new syndicated revolving credit facility would be delayed, the existing facilities would remain in place until July 2023. The Group would seek to extend those facilities for a further period, but the Directors consider that even if an extension of those facilities were not granted, the Group has sufficient cash resources to enable it to continue operating in a normal manner.

In summary, since the Group's last set of financial statements for the year ended 2020 signed in May 2021, the Group's liquidity has strengthened and its external financing requirement reduced substantially. Accordingly, the Directors have adopted the going concern principle in preparing these financial statements.

3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Investment in subsidiary undertakings

Investments by the Company in the shares of subsidiary undertakings are stated at cost less accumulated impairment losses.

Financial liabilities

The Company classifies its financial liabilities as other financial liabilities measured at amortised cost using the Effective Interest Rate (EIR) method.

4 Employee costs

The Company had no direct employees in either 2021 or 2020.

5 Directors

No Directors were remunerated through the Company in either 2021 or 2020.

Details of the remuneration of the Director, whose services are of a non-executive nature and who is also director of the Company's immediate parent undertaking, Amey UK Limited, are disclosed in that company's financial statements. The remuneration of the other Director is borne by fellow group undertakings. Their remuneration is deemed to be wholly attributable to their services to the Group as a whole.

6 Investment in subsidiary undertakings

	Cost of shares £'000	Provision £'000	Carrying amount £'000
At 31 December 2021 and at 31 December 2020	5	(5)	-

At 31 December 2021, the Company directly held the share capital of the following subsidiary undertaking, which is registered in England and Wales and which is publicly traded.

Undertaking	Class of share capital held	Proportion held	Nature of business
Transportation Planning (International) Limited	Ordinary shares	100%	Dormant

The registered office of the subsidiary undertaking is Chancery Exchange, 10 Funnival Street, London, EC4A 1AB, United Kingdom.

7 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to group undertakings	180	180
Total creditors: amounts falling due within one year	180	180

Amounts due to fellow group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

TPI (Holdings) Limited**Notes forming part of the financial statements for the year ended 31 December 2021 (continued)****8 Share capital**

	Number	£'000
'A' Ordinary shares of £1 each		
Issued at 31 December 2021 and at 31 December 2020	5,000	5

9 Financial and capital commitments

The Company had no financial or capital commitments at 31 December 2021 or at 31 December 2020.

10 Contingent liabilities

As a member of the Amey UK Limited Group of Companies, the Company is a participator in the Group VAT registration and HMRC UK Corporation Tax Group Payment arrangement and is jointly and severally liable with other group companies for the total Group balances outstanding. At 31 December 2021, the only net liability arising across the Amey Group was £52,955,000 (2020 - £56,824,000) in respect of VAT.

There were no other contingent liabilities at 31 December 2021 or at 31 December 2020.

11 Post balance sheet events*Change in ultimate parent undertaking*

The Company is a subsidiary of Amey UK Limited (the Group). On 11 October 2022, the Group's ultimate parent undertaking, Ferrovial, S.A., announced that it had reached agreement to sell the whole of the share capital of Amey UK Limited and the other equity instruments held by Ferrovial as issued by Amey UK Limited and its subsidiary undertaking, Amey Limited to a company controlled by One Equity Partners and Buckthorn Partners. The sale of the Group is conditional on the completion of the transfer of the Waste Treatment CGU to Ferrovial, as this CGU does not form part of the Group's ongoing business that One Equity Partners and Buckthorn Partners have agreed to purchase and the approval by the Secretary of State for BEIS, as the transaction is subject to the National Security and Investment Act 2021. It is expected that the sale will be completed prior to 31 December 2022. Any change of ownership has no impact on the financial statements of the Group for the year ended 31 December 2021 and is also not expected to have any impact on the Group's operations and activities following completion of the sale.

The transaction represents an enterprise value of £400 million and an estimated equity value of approximately £245 million. The final consideration to be paid upon completion of the transaction will be adjusted by reference to the net debt and working capital figures resulting from a balance sheet prepared as of that date. The net consideration will be in the form of cash of £109 million and a vendor loan note of £136 million repayable over the next 5 years with an interest of 6% per annum, increasing to 8% after the third year. As part of the transaction, the Group consulted with the pension scheme trustees concerning the sale, who, upon advice, were content to execute a letter of agreement recording that the trustees do not consider the transaction (including the terms of the vendor loan note subordinated in favour of the pension schemes) will be materially detrimental to the ongoing employer covenant or the likelihood of accrued scheme benefits being received by members.

12 Controlling parties

The immediate parent undertaking is Amey OW Limited.

The ultimate parent undertaking, the ultimate controlling party and the largest group to consolidate these financial statements is Ferrovial, S.A., a company incorporated in Spain.

The Company is wholly owned by both the immediate and ultimate parent undertaking.

Copies of the Ferrovial, S.A. consolidated financial statements can be obtained from the Ferrovial, S.A. registered office address as follows:

Ferrovial, S.A.
Principe de Vergara, 135
28002 Madrid
Spain

or from the Ferrovial, S.A. website: www.ferrovial.com

The parent of the smallest group in which these financial statements are consolidated is Amey UK Limited (formerly Amey UK plc), incorporated in England and Wales.

Copies of those consolidated financial statements can be obtained from the registered office of Amey UK Limited:

The Company Secretary
Amey UK Limited
Chancery Exchange
10 Fumival Street
London, EC4A 1AB
United Kingdom