

**TPI (Holdings) Limited**

Company number: 05607625

Annual Report and Financial Statements

For the year ended

31 December 2020



## **TPI (Holdings) Limited**

### **Annual Report and Financial Statements for the year ended 31 December 2020**

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#### **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 2020**

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The Directors present their Strategic Report for the year ended 31 December 2020.

#### **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 2021.

#### **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.

#### **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 plc ('the Group'), for the year ended 31 December 2020.

#### **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 plc Annual Report and Financial Statements for the year ended 31 December 2020 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 2020 (see also the Corporate Governance statement and a detailed s172(1) statement on the Amey Group's website: [www.amey.co.uk](http://www.amey.co.uk) and the Amey UK plc 2020 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 plc 2020 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 22nd September 2021 and signed on its behalf by:



P Birch  
Director  
22nd September 2021

## **TPI (Holdings) Limited**

### **Report of the Directors for the year ended 31 December 2020**

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The Directors present their Report together with the unaudited financial statements of the Company for the year ended 31 December 2020.

#### **Strategic Report**

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

#### **Dividends**

No dividends were paid by the Company during the year (2019 – £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 plc, of which this Company is a member. Full disclosure can be found in the Amey UK plc Annual Report and Financial Statements for 2020.

#### **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 1.

#### **Directors**

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

P Birch (appointed 15 January 2020)  
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.

#### **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](http://www.amey.co.uk) and an abridged statement is included in the financial statements of the Company's intermediate parent company, Amey UK plc.

Approved by the Board on 22nd September 2021 and signed on its behalf by:



P Birch  
Director  
22nd September 2021

## **TPI (Holdings) Limited**

### **Statement of Directors' Responsibilities**

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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 2020

	Note	2020 £'000	2019 £'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 6 to 12 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 4 to 12 were authorised for issue by the Board of Directors on 22nd September 2021 and were signed on its behalf by:



P Birch  
Director  
22nd September 2021

**TPI (Holdings) Limited****Statement of Changes in Equity for the year ended 31 December 2020**

	Share capital £'000	Retained deficit £'000	Total £'000
Balance at 1 January 2019, at 31 December 2019 and at 31 December 2020	<u>5</u>	<u>(185)</u>	<u>(180)</u>

The notes on pages 6 to 12 form part of these financial statements.

**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.

On 1 January 2020, the following additional standards which might have had an impact on the financial statements came into force in the United Kingdom:

Conceptual framework	Amendments to references to the conceptual framework in IFRS standards
Amendments to IFRS 3	Definition of business
Amendments to IAS 1 and IAS 8	Definition of material
Amendments to IFRS 4	Extension of temporary exemption in applying IFRS 9

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 2021 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 plc (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 plc, 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, finance 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 plc financial statements as are details of finance risks.

The Directors have considered the implications behind the Ferrovial, S.A. Group's strategic decision to divest the Amey UK plc Group. This decision does not impact the Company's day to day operations. Ferrovial has confirmed to Amey that, if it is unable to find a buyer that can demonstrate that it has plans to ensure that the Company will continue to be able to meet its liabilities as they fall due during the period of 12 months from the date of approval of these financial statements, Ferrovial will maintain its shareholding in the Company for that period.

The Group's key external banking facilities are five bilateral facility agreements of £32 million with each of HSBC Bank plc, Lloyds Bank plc, Royal Bank of Canada, The Royal Bank of Scotland plc and Santander. These agreements total £160 million with £32 million maturing in July 2021 and £128 million maturing in July 2022. A subsidiary company of the Group also has an additional facility of £12 million with The Royal Bank of Scotland plc which matures in December 2021. Additionally, with effect on 31 December 2020, shareholder loans of £85 million were extinguished as part of a further recapitalisation of the Group for additional total equity of £112 million.

At 31 December 2020, all £160 million of the bilateral facilities were undrawn and the Group also held £71 million of unrestricted cash on the Group balance sheet with £22 million of other bank loans drawn down. In February 2021, the Group concluded its discussion with its lenders to replace the £32 million loan expiring in July 2021 with new loans totalling £40 million expiring in July 2022. The latest Group cash flow forecasts show that the Group does not require the expiring facilities to be renewed in July 2022 as the Group will have sufficient cash resources from then onwards to support its ongoing working capital requirements. Nevertheless, early indications are that lenders would be willing to extend.

Notwithstanding this improved financial strength, the Directors of the Group have reviewed a number of factors including:

- the future business plans of the Group (comprising the results for 2020 and to June 2021, the latest forecast to December 2021 and the draft strategic plan for 2022 to 2025);
- the availability of core and ancillary financing facilities including those provided by Ferrovial;
- the compliance with the related net debt/EBITDA banking covenant which must remain under 3.00x;
- 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 2021; and
  - a Reasonable Worst Case ('RWC') forecast which applies sensitivities against the Base Case.

## **2 Basis of preparation and going concern (continued)**

### **Going concern (continued)**

The RWC forecast looks at the following key sensitivities:

- a reduction to the Group's EBITDA of £15.5 million in 2021 and £38.7 million in 2022 to reflect the ongoing volatility in the UK trading performance and sector dynamics;
- *additional sensitivity around the timing of receipts;*
- assumption allowing for a further reduction in the number of days outstanding of trade payables;
- a significant delay in the dates budgeted for the sale of the non-core businesses; and
- full repayment of the Group's banking facilities in 2021 (£11m) and 2022 (£180m).

The Directors note that the COVID-19 pandemic has had a material impact on the Group's earnings during the year ended 31 December 2020 however the impact was primarily in the 2nd and 3rd quarters of that year. As the Group gained more clarity over the key worker status and new working practices the impact on day to day operations reduced significantly during the last quarter and as, evidenced by minimal effect of the second national lockdown, the Group does not anticipate any further impacts even if further lockdowns are required. As a consequence, the RWC does not consider any impact specifically due to subsequent COVID-19 waves, although the business case sensitivities analysed allow for a worsening trading environment.

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 in order to mitigate any significant additional reductions in headroom due to unforeseen events which would include actions such as delaying Ferrovial management fees and interest and payments to suppliers. The increased liquidity of these actions give comfort to managements that it would have enough headroom to manage such unforeseen impacts.

The Board has also considered the implications behind the ongoing strategic decision of Ferrovial to divest its Services portfolio, reconfirmed in February 2021. This decision does not impact Amey's day-to-day operations and, in any event, as the Group does not rely on Ferrovial contractual guarantees there are no implications to the ongoing trading operations of the Group after a sale. The impact on our financing arising from a change of control would be as follows:

- Our external facilities totalling £168 million may become due for repayment subject to the change of control requirements which require the buyer to be of equivalent credit rating to our ultimate parent company; and
- The £45 million consideration still outstanding to Amey Birmingham Highways Limited would be immediately payable under the terms of the settlement agreement with them.

**2 Basis of preparation and going concern (continued)**

**Going concern (continued)**

Notwithstanding the above, the Board of Amey consider that the Group remains a going concern status in the event of a sale. In making this decision the Board has assessed the following points:

- Ferrovia's chief executive has stated and reconfirmed in February 2021 that Ferrovia will only sell Amey for full value. The implication of this is that the successful buyer would stand to lose its full investment if it had not arranged for suitable refinancing, waivers or alternative plans for the business to enable it to continue trading. The Board believes, based on evidence gained during the sale process in 2019, that a sale to a buyer that could not demonstrate its capability to ensure Amey remains appropriately funded to be highly improbable and the Board therefore expects Amey to be a going concern, with suitable financing after such sale;
- Since the previous set of financial statements there has been ongoing dialogue between the board members of Amey and board members and senior executives of Ferrovia. These conversations give the Board comfort that Ferrovia is committed to an orderly sale process to a reputable buyer with appropriate financial standing. Ferrovia's actions, such as the recent conversion of additional debt to equity have been evidence of Ferrovia's support to Amey and consistent with these verbal assurances. Given the 20-year association between Ferrovia and Amey, the £160 million of additional funding in the last three years, the existing investments that Ferrovia has in the UK outside of Amey and Ferrovia's strong social and business values, the Board consider it to be highly improbable that Ferrovia would jeopardise its reputation by undertaking a fire-sale at undervalue; and
- Ferrovia is fully aware of the powers of the trustees under the governing documents of the defined benefit pension schemes and of the regulatory regime operated by the Pension Regulator and would have regard, as appropriate, to factors relating to the defined benefit pension schemes on any sale.

In summary, since Amey's last set of financial statements for the year ended 2019 signed in June 2020, Ferrovia has extinguished substantial loans to the Group and provided additional equity. The Group has also settled all the sums due in 2019 and 2020 in respect of the Birmingham contract. The Directors believe that Amey is in a stable operating environment with clear evidence that Ferrovia continues to be a supportive shareholder who will ensure that Amey continues to operate successfully for the foreseeable future.

## TPI (Holdings) Limited

### Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

#### 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 2020 or 2019.

#### 5 Directors

No Directors were remunerated through the Company in either 2020 or 2019.

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 plc, 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 2020 and at 31 December 2019	5	(5)	-

At 31 December 2020, 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 Furnival Street, London, EC4A 1AB, United Kingdom.

#### 7 Creditors: amounts falling due within one year

	2020 £'000	2019 £'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 2020 (continued)**

#### **8 Share capital**

'A' Ordinary shares of £1 each	Number	£'000
Issued at 31 December 2020 and at 31 December 2019	5,000	5

#### **9 Financial and capital commitments**

The Company had no financial or capital commitments at 31 December 2020 or at 31 December 2019.

#### **10 Contingent liabilities**

As a member of the Amey UK plc 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 2020, the only net liability arising across the Amey Group was £56,824,000 (2019 - £31,332,000) in respect of VAT.

There were no other contingent liabilities at 31 December 2020 or at 31 December 2019.

#### **11 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](http://www.ferrovial.com)

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

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

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