

COMPANY REGISTRATION NUMBER: 08703645

Emovis Operations Leeds Ltd

**Annual Report and
Financial Statements**

For the year ended

31 December 2020



Emovis Operations Leeds Ltd

Financial Statements

Year ended 31 December 2020

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Emovis Operations Leeds Ltd

Officers and Professional Advisers

The board of directors

P Ódena Romeo

Company secretary

Thrings Company Secretarial Limited

Registered office

St John's Offices
Albion Street
Leeds
England
LS2 8LQ

Auditor

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF
United Kingdom

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors

DWF LLP
2 Hardman Street
Manchester
M3 3AA

Emovis Operations Leeds Ltd

Strategic Report

Year ended 31 December 2020

Business Review

The principal activity of the company is the operation of free flow road tolling in the United Kingdom. The company is the principal contractor in the delivery of the Dart Charge Service to Highways England and the users of the A282 Dartford-Thurrock Crossing under a long term contract until the end of 2022, where the company provides Detection, Charging and Enforcement Management Services. Following the reporting period end date, Emovis Operations Leeds Ltd were awarded a contract from Highways England to manage the Free Flow Enforcement scheme at the Dartford Crossing; the seven year deal includes the opportunity to extend for a further two years and is due to commence in November 2022. This contract award represents the largest enforcement services management contract in the UK.

The year ended 31 December 2020 represents the sixth full financial year of operation following 'go live' of free-flow tolling on 29 November 2014. During the year, turnover decreased 10% to £24.0m (2019: £26.7m) and operating profit decreased 8% to £1.3m to (2019: £1.4m).

In the first quarter of the year the business traded in line with budget, but the remainder of the year was adversely impacted by Covid-19. As an essential service the business remained open and continued to operate from its call centre in Leeds City Centre throughout the year.

The company benefits from fixed monthly revenues amounting to just under £5m per annum (18-20% of total annual revenues), with the remainder variable and dependent on activity levels largely driven by the volumes of: (1) Registered Accounts managed by the service; (2) payments for crossings and Penalty Charge Notices ("PCN") and (3) PCN's issued and 'downstream' enforcement activities. Almost immediately after the first national lockdown was announced, weekly traffic volumes using the Dartford Crossing reduced to 28% of their prior year levels, gradually recovering thereafter back to a peak of 96% of their prior year equivalent in the latter part of the year. This reduced traffic led to a material reduction in the variable revenues (by 12% for the year) as there were less billable activities within the variable category.

In tandem with the reduction in variable revenues, lower crossing volumes resulted in a 19% reduction in direct costs (cost of sales) from £7.2m to £5.9m, due to lower volumes of payments, documents printed & posted and downstream activities in the enforcement process.

The company accessed the Job Retention Scheme underwritten by the UK Government and recognised £0.5m as Government Grants within Other Operating Income during the year.

Administrative expenses reduced 4% in the year to £17.3m (2019: £18m), following management initiatives to reduce cost or deliver efficiency gains in response to the downturn in revenues. Within this, staff costs reduced 1% to £6.6m (2019: £6.7m) and other overheads reduced 5% to £10.8m (2019: £11.3m). Again, Covid-19 had an impact here as there was no seasonal peak in traffic volumes over the summer which in a normal year necessitates the recruitment of additional staff, resulting in a reduction in the average headcount during the year and hence in staffing and recruitment costs. Mobility restrictions within the business led to a reduction in staff costs associated with travelling and accommodation as the business moved to a largely online means of communication, and a number of training courses were deferred or converted to more cost-effective online provision. Lower activity levels also enabled the business to reduce the contact centre opening hours without adversely affecting quality of service, whilst also ensuring that staff were no longer required to travel outside of 'normal' commuting time when there were limited public transport options available to them.

Taking all these movements into account, Profit Before Taxation for the year decreased to

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£1.3m (2019: £1.5m). The directors consider this a very creditable performance in light of the considerable challenges faced during the year.

Not only has the company remained profitable but continues to maintain a healthy cash balance in excess of £5m at the year end.

Key Performance Indicators

There are financial and non-financial key performance indicators in the business. The principal financial indicators are turnover, which is a measure of chargeable outputs in the business, and operating profit, which is the indicator of overall profitability of the business and determinant of distributable profits. The non-financial key performance indicators combine measures of KPI achievement in the contract with Highways England; customer complaints and customer satisfaction as key measures of the quality of service delivered to road users of the Dart Charge Service; and staff absence and attrition as key measures of employee management, and the ability to hire and retain staff.

		2020	2019
Financial			
Turnover		£ 24.0m	£ 26.7m
Operating profit		£ 1.3m	£ 1.4m
Non Financial			
Customer	KPI's - % meeting customer expectations	94%	97%
Road User	Complaints – per 10,000 crossing	2.9	2.5
	Satisfaction – Net Promoter Score	56.6	49.9
Staff	Absence – Average days lost/month	193	119
	Attrition - % Leavers during the year	27%	75%
	Engagement & Satisfaction	78%	69%

The directors are satisfied with the overall KPI trends across both financial and non-financial measures, in what has proved to be a tough trading environment with the backdrop of a national pandemic. Customer KPI's were impacted in early summer by service issues which have since been resolved. The volume of complaints has continued to fall but has increased as a proportion of crossings. Improvements have subsequently been made to a dormant account closure process which was implemented during the year, which led to a high number of complaints, and therefore the directors are confident this KPI will improve during the coming year. Staff KPI's have been affected with staff absence increasing due to employee self-isolation necessitated to maintain Covid-19 wellbeing and safety measures for staff, whilst the lack of seasonal demand which would ordinarily increase headcount and external job market factors have reduced the number of leavers during the year. Perhaps the most satisfying outcome has been the annual staff engagement survey which produced the best results on record indicating that the management team's efforts to support and engage staff during the last year have been to good effect.

The directors are pleased to be able to report that following the successes of previous years, the business once again received industry awards during the year:

- UK National Contact Centre Awards – Finalist in six and winners in four categories: Best Diversity & Inclusion Programme (Gold), Best Team Manager (Gold), Best Quality Manager (Silver), Best Employee Engagement (Bronze); and

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- European Contact Centre & Customer Awards – Finalist in five categories and winner in two categories; Best Contact Centre Support Team (Gold), Best Employer – Great Place to Work (Silver).

This reflects the hard work, dedication and quality of service provided by our colleagues and the breadth of our employee programmes.

Finally, during 2020 the company achieved ISO27001:2013 accreditation for Information Security Management Systems. This is a significant milestone and endorses the strong platform and culture embedded within the company in this important subject.

Covid-19

As at 31 December 2019 China had alerted the World Health Organisation (WHO) of several cases of an unusual form of pneumonia in Wuhan. However, substantive information about what has now been identified as coronavirus (or COVID-19) only came to light in early 2020. Cases of Covid-19 emerged in the UK from the end of January 2020 and their subsequent spread led the UK Government to announce a national lockdown with effect from 26 March 2020 which came to an end during the summer months. Subsequently, the UK Government adopted a regional tiered approach and a second national lockdown during November and December 2020. Following this, a third national lockdown was introduced January 2021 and has continued throughout the year, with restrictions easing throughout April and May and further plans for easing during Summer 2021.

As an essential business the company has continued to trade throughout the pandemic. However, the national lockdowns resulted in a material reduction in traffic using the Dartford Crossing, which is the sole long-term contract serviced by the company. As mentioned earlier, in the Business Review, this has impacted activity levels and whilst a significant proportion of company revenues are either fixed or sustainable, revenues declined as a result of reduced traffic. Costs associated with variable revenues have also reduced as a consequence of the reduced traffic volumes. Management have taken further steps to mitigate the impact of lower revenues through strict cost control, reducing contact centre operating hours and accessing the UK Government's Job Retention Scheme (see note 6). At the same time the company has enhanced its supply chain support by increasing the frequency of paying suppliers. This has enabled the business to remain profitable and maintain liquidity throughout the year.

At a practical level the management team implemented a strategy to:

- invest in technology to enable as many employees as possible to work from home and facilitate internal and external meetings;
- safeguard employees who continued to work in office premises by implementing strict health and safety measures including the provision of PPE, hand sanitisers, temperature checks, socially distanced workstations and wearing face masks when moving around the office; and
- maintain welfare checks for colleagues who were shielding or otherwise not in the workplace and may have felt vulnerable or isolated.

The board would like to take the opportunity to thank all employees for their co-operation, understanding and continued commitment to the business during what has been, and continues to be, an unprecedented set of circumstances.

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Year ended 31 December 2020

It is impossible to set out with any degree of accuracy the revenue loss due to Covid-19. However, the company's results for the year and financial position at the balance sheet date include the following items and amounts which have all arisen as a direct consequence of the pandemic:

Profit and Loss account

Operating profit is stated after crediting/(charging) the following amounts as a direct consequence of Covid-19:

Government Grants (included in Other Operating Income)	£507,443	Note 6
Holiday Pay (included in Staff Costs within Administrative Expenses)	£(87,574)	Note 9
Restructuring Costs (included within Administrative Expenses)	£(26,794)	Note 9
Additional health & safety costs including PPE materials and cleaning	£(20,055)	n/a
Depreciation charge on IT equipment acquired	£(5,375)	Note 14

Balance Sheet

The balance sheet includes the following assets/(liabilities) at the balance sheet date specifically arising as a consequence of Covid-19

IT Equipment (included within Fixed Asset additions, net of depreciation)	£13,975	Note 14
Furlough claim monies (included in Accrued income)	£48,600	Note 15
Holiday Pay (included in Accruals)	£(87,574)	Note 16

In addition, during the year the company accessed the VAT deferral scheme in relation to a sum totalling £1,067,805 which otherwise would have been payable during the period 20th March 2020 to 30th June 2020. Under the terms of the scheme this sum was due to be repaid by 31 March 2021. However, in view of the company's actual and forecast liquidity and continued profitability the sum was repaid before the year end and therefore no liability existed at the balance sheet date.

The directors wish to set on record their gratitude to HM Government for the support packages which have been and, in the case of the Coronavirus Job Retention Scheme, continue to be provided to the company. In the case of the furlough grant monies these have been paid entirely to the staff in support of their wages.

The directors have considered the potential need for asset impairments as a consequence of Covid-19 but do not believe this to be necessary as the company continues its operations and all assets are considered to be fully recoverable or continue to be in use without any diminution in value.

Principal Risks and Uncertainties

The management of the business and the execution of the strategy are subject to key business risks and uncertainties as follows:

Revenue - The company is reliant on the Dart Charge Free Flow project as its sole source of revenue. This is a long-term contract ending in 2022 and is subject to regular measurement and review of performance measures to ensure operational performance to the contract is monitored. The company is incentivised to provide high levels of customer and road-user service. In addition, a number of revenue streams are subject to annual price reductions,

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incentivising the company to achieve efficiencies to maintain profitability. Following the reporting period end date, Emovis were awarded the Free Flow Enforcement scheme contract by Highways England which runs to at least November 2029.

Costs - risks are mitigated through the pro-active management of our key sub-contractors together with effective management of company staff levels and related costs.

Streamlined Energy and Carbon Reporting (SECR)

	Year Ended 31 December 2020
UK Greenhouse gas emissions and energy usage	
Energy consumption used to calculate emissions (kWh)	178,281
Scope 1 - emissions in metric tonnes CO₂e	
Purchased electricity	41.56
Total gross emissions in metric tonnes CO₂e	41.56
Intensity ratio - Tonnes CO₂e per sq/m of building space	0.03

The Company has followed the 2019 HM Government Environmental Reporting Guidelines. The Company has also used the GHG Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per square metre of building space.

Emovis were awarded ISO:14001 certification on 10 December 2019; as part of this, the Company must ensure ongoing adherence in line with the standard in order to maintain certification. Annual training is provided to all members of staff to ensure they have knowledge of the standard and are aware of their individual responsibilities.

Future developments

There are no plans to establish new revenue streams. From an operating perspective, the company will continue to drive the adoption of lower cost payment channels and methods, which may result in a reduction in annual turnover, but with profitability maintained.

As mentioned above, contract award notices for the future generation Dart Charge Scheme have been issued and Emovis were awarded the Free Flow Enforcement scheme contract to run to at least November 2029. Following receipt of this notice the company have engaged with mobilising a significant implementation plan over the 18 months leading up to the end of 2022 when the new service is due to be launched. The company has a resource plan in place to draw on existing company and group resources as well as establishing a Programme Management Office with largely contract resource to ensure there is no disruption to service delivery in the current contract and scheme.

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The company constantly strives to improve the service it provides to Highways England and importantly to road users of the Dartford Crossing. The close working relationship that has developed between Emovis Operations and Highways England Dart Charge team will ensure that high levels of service are maintained and further improved over time.

Section 172 Companies Act Statement

Under section 172 of the Companies Act 2006, company directors have a duty to promote the success of the company for the benefit of its members as a whole and in doing so have regard to:

- (a) the likely consequences of any decision in the long term
- (b) the interests of the company's employees
- (c) the need to foster the company's business relationships with suppliers, customers and others
- (d) the impact of the company's operations on the community and the environment
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company

The board of directors regularly consider matters relating to trading, contractual performance, operational dashboards (including non-financial KPI's) and HR matters including staffing. In this way the directors are assured that decisions are made on an informed basis.

As part of an international organisation, the company operates under a number of group policies including, but not limited to, mission and values statement, an internal code of conduct, and social and corporate responsibility. Further details can be found at the group website abertis.com/en/the-group

The issues, factors and stakeholder groups the directors have considered relevant in complying with their S172 duty, along with the performance measures and means of engagement with each, are set out in the table below:

Stakeholder Group	Issues & Factors	Performance Measure	Engagement means
Customers	Highways England and the Dart Charge contract accounts for 99% of company revenues. Hence the company is wholly reliant on the delivery of the Dart Charge service for its future success, and the directors have regard to this in their decision making.	KPI's/PI's – contract performance is measured monthly through a suite of 17 Key Performance Indicators and 15 Performance Indicators. These contain Target and Threshold levels of performance – failure to meet KPI Target levels of performance results in financial penalties and persistent failures could lead to additional contractual sanctions.	Monthly Service Review meetings with Highways England where KPI/PI performance in the previous month is discussed with particular focus on any service related issues. Monthly Change Advisory Group with Highways England where service improvement and system development progress is discussed and managed. Monthly Focus Working Groups (eg Operations, Finance, Change) attended by emovis and Highways England.

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			<p>Dedicated Contract Performance Management team measures contractual performance and undertakes regular Quality Assurance assessments using a Quality Management System based on ISO9001:2015.</p> <p>KPI Performance is reviewed by the directors in board meetings.</p>
Road Users using the Dart Charge service	<p>Service delivery to road users and their feedback is highly important as a measure of how well we are doing our job.</p> <p>Protecting customer data</p>	<p>Complaints per 10,000 crossings.</p> <p>Net Promoter Score</p> <p>Mystery Shopping</p>	<p>Further information on complaints and NPS is provided earlier in the strategic report.</p> <p>Mystery shopping is undertaken monthly by a 3rd party company.</p> <p>Customer satisfaction is reviewed by the directors at board meetings</p> <p>The directors identified the importance of protecting customer data through implementation of the General Data Protection regulations in 2018 and has received regular updates on the status of the GDPR project implementation</p>
Employees	<p>Our employees are critical in delivering the service to the public, and therefore their training, motivation, wellbeing, productivity and feedback are important</p>	<p>All new Customer Service Representatives are inducted into our training academy and are required to 'graduate' prior to dealing with live enquiries from the public.</p> <p>Annual Staff Engagement survey, "The Voice", with follow up by way of agreed action plans at company and team level to address areas of concern or where it is considered that improvement is required</p> <p>Staff turnover and absence are monitored monthly</p>	<p>Subsequent support is provided by Team Managers through regular feedback and monthly 1:1's</p> <p>Monthly manager meetings</p> <p>Monthly 'birthday' round table for employees with CEO, where feedback is minuted and action plans developed and tracked</p> <p>Employee of the Month</p> <p>Bi-annual Manager Conferences</p> <p>Use of the Apprenticeship Levy to provide business relevant training opportunities to staff</p> <p>Staffing matters are reviewed by the directors at Board meetings</p> <p>During the Covid-19 Pandemic the Senior Leadership team convened every two days to receive</p>

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			up to date information on the pandemic, to react and to plan ahead. Communications to all staff followed shortly after to keep the workforce fully informed of what was happening and what was expected of them.
Suppliers	Sub-contractors are used to help us deliver the service to the public – their service delivery to expected performance standards is important	Contractual Service Levels Payment within terms	Monthly/quarterly service review meetings by Supply Chain Management Team Supplier payments made several times per month
Members	We are a wholly owned subsidiary and part of a large international group. Expectations are set at group level with regard to certain policies eg code of conduct and internal controls. In addition, the group has an internal transfer pricing policy which governs the means by which our parent company charges for services.	Compliance with group policies is subject to review by way of triennial group internal audit visits. Our UK based compliance team undertakes a programme of internal audit reviews by rotation.	Provision of and compliance with group policies with regard to eg standards of ethical behaviour; internal governance; and transfer pricing Representatives of the shareholder are non-executive directors of the company Combined membership of internal group committees
Community & the Environment	Emovis recognises the importance of the community and environment in which it operates.	ISO27001: 2013 Information Security Management Standard obtained April 2020.	Membership of Leeds BID (Business Improvement District) to transform Leeds city centre into a cleaner, safer and more welcoming place. Local sponsorship of amateur sports clubs Our HR department ensures company support of national and local initiatives eg Mental Health Awareness week

Brexit Impact Assessment

Following the decision in the 2016 Referendum to leave the European Union and the subsequent departure of the UK with effect from 31st January 2020, there has been no noticeable impact on the business as a direct consequence. The company benefits from having a significant majority of its trade with UK based customers and suppliers. Whilst EU nationals currently working for the company are likely to have their employment unaffected by Brexit, there could be a tightening of labour markets in due course. The company believes it offers market leading pay and benefits packages to enable it to attract suitable candidates for employment and therefore does not expect the impact, should it materialise, to be material.

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Year ended 31 December 2020

Going concern

The Directors consider that the Company has adequate resources to continue as a going concern for at least 12 months from the date of signing these financial statements. This consideration is made after having reviewed assumptions and considering key risks about future performance, liquidity requirements and organisational sustainability.

The Company made key actions during the year to ensure it remains a going concern, namely materially reducing its cost base to operate more efficiently and utilisation of the Furlough Scheme to mitigate the reduction in revenue from lockdown.

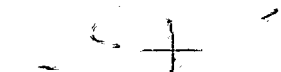
In addition to the backdrop of continued profitability, cash generation, bank balances and recovery of traffic volumes, the directors have considered the current and expected contract performance and continuation of contracted revenue streams until 2029 (following award of Free Flow Enforcement scheme contract, see Business Review). The cash in bank position has remained at level from the start of the pandemic with the Company having £11.2m of currently available cash.

The Company has 60 % of its forecast revenue secured through contracts secured for up to 12 months from the date of signing, further supporting its going concern position. Weekly traffic volumes using the Dartford Crossing remained at 96% in the latter part of the year and currently is at 98 %. In the eventuality of a material decrease in variable revenues due to traffic volumes, margin is expected to be protected due to an associated decrease in variable costs as more fully explained under the Business review section of the Strategic Report.

Further details of key business risks and any mitigating factors being monitored by the Board are detailed in the Principal Risks and Uncertainty section of the Strategic Report. Further details of the financial risks are included in the relevant sections below.

Based on the above, and with the Directors' knowledge and experience of the sector together with the lock down restrictions being uplifted from July 19 2021, the Directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements for the year ended 31 December 2020.

This report was approved and authorised for issue by the board of directors on 23rd July 2021 and signed on behalf of the board by:



P Ódena Romeo
Director

Registered office:
St John's Offices
Albion Street
Leeds
England
LS2 8LQ

Emovis Operations Leeds Ltd

Directors' Report

Year ended 31 December 2020

The directors present their annual report and the audited Financial Statements of the company for the year ended 31 December 2020.

Directors

The directors who served the company during the year and thereafter were as follows:

A Alicastro	(Resigned 31 March 2020)
N Conway	(Resigned 1 April 2020)
B Gorée	(Resigned 1 April 2020)
J Storey	(Resigned 1 April 2020)
P Ódena Romeo	(Appointed 1 April 2020)

Future developments

Details of future developments can be found in the Strategic Report on page 6 and form part of this report by cross-reference.

Directors' indemnities

Directors' and officers' liability insurance providing qualifying third-party indemnity arrangements has been maintained throughout the year and is arranged by the parent company for the benefit of the company, its directors and officers, as well as their subsidiaries and their directors and officers.

Dividends

A dividend of £2m was declared on 23rd November 2020 and was paid during the year (2019: £3m).

Employment of disabled persons

The company continues to contribute to the local community by employing disabled persons although the number of disabled persons is not monitored as staff are not obliged to disclose any disabilities. Each employee case is handled confidentially by an Occupational Health Advisor who advises on extra support to be provided by the company, as required. The company is a signatory to the DWP "Two Tick" programme and holds the Disability Confident badge and has continued its work to support disability throughout the year through training, job carving and work trials among other initiatives.

Employee involvement

The company recognises the importance of employee development and communication. There is a dedicated training team who oversee an online management system to which every employee has access. The company has continued an apprenticeship scheme for current employees, and in addition the company has a leadership programme for current managers, and assessment days for future managers. Every employee has an annual appraisal and a personal development plan. There is frequent communication with employees via the Emovis Hub which is available online, together with staff engagement surveys and an opportunity to have a round table discussion in small groups annually with the CEO.

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Directors' Report (continued)

Year ended 31 December 2020

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, liquidity risk and cash flow risk.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The company's credit risk is primarily attributable to the recoverability of its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company has a significant concentration of credit exposure as it has a single customer, but the directors consider this very low risk as the customer is owned and controlled by HM Government.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company has access to group loans when necessary.

Cash flow risk

The company cashflows comprise receipts from its customer, and payments to suppliers, employees, and HM Revenues & Customs in respect of taxation, as well as utilisation of government support schemes. Each month, the company prepares daily cashflow forecasts extending to the short-medium term. Customer and supplier invoicing is undertaken on a monthly basis. Company policy is to pay suppliers their agreed invoices within 30 days. There is a risk that customer invoices might not be agreed and paid before suppliers are due to be paid, presenting cashflow risk. This risk is managed by ensuring billable amounts are agreed at or shortly after the monthly customer service review meeting, by retaining cash balances and maintaining prudent cashflow forecasts.

Events after the Balance sheet date

Following the reporting period end date, Emovis Operations Leeds Ltd were awarded a contract from Highways England to manage the Free Flow Enforcement scheme at the Dartford Crossing; the seven year deal includes the opportunity to extend for a further two years and is due to commence in November 2022. This contract award represents the largest enforcement services management contract in the UK.. Information relating to Covid-19 and Brexit is included in the Strategic Report, and no events have occurred after the balance sheet date which requires disclosure or adjustment.

Disclosure of information in the strategic report

The company has in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Emovis Operations Leeds Ltd

Directors' Report *(continued)*

Year ended 31 December 2020

Information supplied to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

Auditor

Deloitte LLP have indicated their willingness to be reappointed auditor of the company.

This report was approved by the board of directors on 23rd July 2021 and signed on behalf of the board by:



P Ódena Romeo
Director

Registered office:
St John's Offices
Albion Street
Leeds
England
LS2 8LQ

Emovis Operations Leeds Ltd

Directors' Responsibilities Statement

Year ended 31 December 2020

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 102 "The Financial Reporting Standard applicable in the UK 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Emovis Operations Leeds Ltd

Independent Auditor's Report to the Members of Emovis Operations Leeds Ltd

Year ended 31 December 2020

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Emovis Operations Leeds Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emovis Operations Leeds Ltd

Independent Auditor's Report to the Members of Emovis Operations Leeds Ltd (continued)

Year ended 31 December 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

Emovis Operations Leeds Ltd

Independent Auditor's Report to the Members of Emovis Operations Leeds Ltd (continued)

Year ended 31 December 2020

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for in the following areas, and our specific procedures performed to address it are described below:

We presume a risk of material misstatement due to fraud in revenue recognition which is related to the possible recognition of income in the incorrect accounting period. To address this risk, we reviewed all bank receipts in the period, and up to one months post yearend to test whether income had been appropriately included in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Emovis Operations Leeds Ltd

Independent Auditor's Report to the Members of Emovis Operations Leeds Ltd (continued)

Year ended 31 December 2020

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our 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.

Carl Acton

Carl Acton BA BFP FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
29 July 2021

Emovis Operations Leeds Ltd

Profit and Loss Account

For the Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	5	23,973,914	26,673,317
Cost of sales		(5,874,709)	(7,221,689)
Gross profit		18,099,205	19,451,628
Administrative expenses		(17,277,439)	(18,006,041)
Other operating income	6	507,443	—
Operating profit	7	1,329,209	1,445,587
Interest receivable and similar income	11	12,850	33,159
Profit before taxation		1,342,059	1,478,746
Tax on profit	12	(282,125)	(294,103)
Profit for the financial year and total comprehensive income		1,059,934	1,184,643

All the activities of the company are from continuing operations. There is no other comprehensive income for the current and preceding financial year other than that shown above. Accordingly, no separate statement of other comprehensive income has been presented.

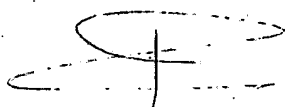
Emovis Operations Leeds Ltd

Balance Sheet

As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	446,330	220,541
Current assets			
Debtors	15	9,230,629	7,132,584
Cash at bank and in hand		5,632,680	11,543,003
		<u>14,863,309</u>	<u>18,675,587</u>
Creditors: amounts falling due within one year	16	<u>(6,060,738)</u>	<u>(9,000,218)</u>
Net current assets		<u>8,802,571</u>	<u>9,675,369</u>
Total assets less current liabilities		<u>9,248,901</u>	<u>9,895,910</u>
Creditors: amounts falling due after more than one year	17	<u>(252,596)</u>	–
Provisions for liabilities			
Deferred taxation	18	<u>(62,125)</u>	<u>(21,664)</u>
Net assets		<u><u>8,934,180</u></u>	<u><u>9,874,246</u></u>
Capital and reserves			
Called up share capital	22	10	10
Profit and loss account	23	8,934,170	9,874,236
Shareholders funds		<u><u>8,934,180</u></u>	<u><u>9,874,246</u></u>

These Financial statements were approved by the board of directors and authorised for issue on 23rd July 2021 and are signed on behalf of the board by:



P Ódena Romeo
Director

Company registration number: 08703645

Emovis Operations Leeds Ltd

Balance Sheet

As at 31 December 2020

Emovis Operations Leeds Ltd

Statement of Changes in Equity

Year ended 31 December 2020

	Note	Called up share capital £	Profit and loss account £	Total £
At 1 January 2019		10	11,689,594	11,689,604
Profit for the year		—	1,184,642	1,184,642
Total comprehensive income for the year		—	1,184,642	1,184,642
Dividends paid and payable	13	—	(3,000,000)	(3,000,000)
Total investments by and distributions to owners		—	(3,000,000)	(3,000,000)
At 31 December 2019		10	9,874,236	9,874,246
Profit for the year		—	1,059,934	1,059,934
Total comprehensive income for the year		—	1,059,934	1,059,934
Dividends paid & payable	13	—	(2,000,000)	(2,000,000)
Total investments by and distributions to owners		—	(2,000,000)	(2,000,000)
At 31 December 2020		10	8,934,170	8,934,180

Emovis Operations Leeds Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, incorporated in the United Kingdom on 24 September 2013 under the Companies Act 2006 and is registered in England and Wales. The registered office is St John's Offices, Albion Street, Leeds, LS2 8LQ, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are also presented in pounds sterling.

The principal accounting policies are summarised below and have been consistently applied throughout the financial year ended 31 December 2020 and the preceding year.

(b) Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Directors' Report further describes the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk, liquidity risk and cash flow risk.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate with its current working capital. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the current economic uncertainty.

In addition to the backdrop of continued profitability, cash generation, bank balances and availability of group funding since the year end, in arriving at this expectation the directors have considered the current and expected contract performance and continuation of contracted revenue streams until 2029 (following award of Free Flow Enforcement scheme contract, see Business Review) the experience to date of the effect of Covid-19 and the likely impact of Brexit on the business

Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Disclosure exemptions

The company is a qualifying member of a group whose parent, Abertis Infraestructuras SA, prepares publicly available consolidated financial statements. The consolidated financial statements are available from Abertis Infraestructuras SA, Paseo de la Catellana 39, 28046

Emovis Operations Leeds Ltd**Notes to the Financial Statements (continued)****Year ended 31 December 2020**

Madrid, Spain. The disclosure exemptions adopted are: the requirement to prepare Statement of Cash Flows; the requirement to disclose remuneration of key management personnel and financial instruments.

(d) Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable in respect of services rendered, stated net of discounts, service credits, amounts set aside to ensure delivery of Value for Money to customers, and value added tax.

Revenue is recognised by reference to the stage of completion based on services performed to date. The assessment of the stage of completion is dependent on the contractual nature of the revenue, the time period over which the related service is delivered and the achievement of contractual milestones, where applicable, or services rendered each month.

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis in respect of group loans, and is recognised on a cash basis for interest earned on bank balances.

(e) Current & deferred tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

(f) Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Profit and Loss account.

Emovis Operations Leeds Ltd**Notes to the Financial Statements (continued)****Year ended 31 December 2020****(g) Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to the expense over the lease term, on a straight-line basis.

(h) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

(i) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, on a straight line basis over the useful economic life of that asset as follows:

Plant and machinery	- over 3 to 5 years
Fixtures and fittings	- over 5 years
Dilapidations	- over term of lease

(j) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

(k) Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Emovis Operations Leeds Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

(l) Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) 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.

(m) Defined contribution plans

Contributions to defined contribution pension plans are recognised as an expense in the period in which the related service is provided.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Particular attention is drawn to the Revenue recognition policy where service credits and any revenue surplus sharing arrangements at the year end are subject to the accuracy of the directors' estimates and subject to client agreement. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if

Emovis Operations Leeds Ltd

Notes to the Financial Statements (continued)

Year ended 31 December 2020

- 4. Critical accounting judgements and key sources of estimation uncertainty (continued)**
the revision affects both current and future periods.

The directors do not deem there to be any key sources of estimation uncertainty or critical accounting judgements that have a potential risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year.

5. Turnover

Turnover arises from:

	2020 £	2019 £
Rendering of services	<u>23,973,914</u>	<u>26,673,317</u>

Turnover has been generated by the operation and maintenance of electronic road toll systems. All turnover is generated in the United Kingdom.

6. Other operating income

	2020 £	2019 £
Government grant income	<u>507,443</u>	<u>-</u>

Government grant income comprises amounts receivable under the Coronavirus Job Retention Schemes ("JRS") operated by HMRC, comprising the JRS1 scheme which closed on 30 June 2020, followed by JRS2 scheme under which flexi-furlough was introduced until 31 October and ending with the extension of JRS through the final two months of the year. Claims were submitted and paid monthly, with a balance of £48,600 included as accrued income at the year end relating to the final month's claim, received after the year end.

7. Operating profit

Operating profit or loss is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible assets	385,584	180,670
Foreign exchange (gain)/loss	(8,774)	17,532
Operating lease rentals - land and buildings	358,476	373,021
Operating lease rentals - other	<u>493</u>	<u>3,790</u>

8. Auditor's remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>13,000</u>	<u>13,000</u>

No fees were paid to the Company's Auditor for non-audit services (2019: £Nil).

Emovis Operations Leeds Ltd

Notes to the Financial Statements (continued)

Year ended 31 December 2020

9. Staff costs

The monthly average number of persons employed by the company during the year, including the directors, amounted to:

	2020 No.	2019 No.
Operations	198	240
Administration	49	48
	<u>247</u>	<u>288</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020 £	2019 £
Wages and salaries	5,871,558	6,030,688
Social security costs	510,341	479,440
Defined contribution pensions	172,342	141,255
	<u>6,554,241</u>	<u>6,651,383</u>

Staff costs include two items specifically related to Covid-19: (1) £87,574 in respect of accrued holiday earned but not taken at the year end and carried over to 2021 in line with Government guidance; and (2) £26,794 in relation to costs incurred as a result of decisions made and implemented to reorganise back office departments and reduce headcount in response to the challenging circumstances faced by the company.

10. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020 £	2019 £
Remuneration	215,115	198,511
Company contributions to defined contribution pension plans	15,965	15,500
	<u>231,080</u>	<u>214,011</u>

The remuneration of the remaining directors is paid by other group companies and not recharged.

The number of directors who accrued benefits under company pension plans was as follows:

	2020 No.	2019 No.
Defined contribution plans	<u>1</u>	<u>1</u>

Remuneration of the highest paid director in respect of qualifying services:

	2020 £	2019 £
Aggregate remuneration	215,115	198,511
Company contributions to defined contribution pension plans	15,965	15,500
	<u>231,080</u>	<u>214,011</u>

Emovis Operations Leeds Ltd

Notes to the Financial Statements (continued)

Year ended 31 December 2020

11. Interest receivable and similar income

	2020 £	2019 £
Interest on cash and cash equivalents	12,850	41,881
Interest (to)/from group	-	(8,722)
	<u>12,850</u>	<u>33,159</u>

12. Tax on profit

Major components of tax expense

	2020 £	2019 £
Current tax on profit:		
UK current tax expense	241,664	286,912
Deferred tax:		
Origination and reversal of timing differences	40,461	7,191
Total tax on profit	<u>282,125</u>	<u>294,103</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit before taxation	<u>1,342,059</u>	<u>1,478,746</u>
Profit by rate of tax	254,991	280,962
Effect of expenses not deductible for tax purposes	(13,327)	(7,309)
Origination and reversal of timing differences	40,461	20,450
Total charge for year	<u>282,125</u>	<u>294,103</u>

The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%; this 19% rate was confirmed in March 2021's Budget, and is expected to stay at 19% until April 2023. Deferred taxation is measured at tax rates that are expected to apply in the periods in which temporary timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Emovis Operations Leeds Ltd

Notes to the Financial Statements (continued)

Year ended 31 December 2020

13. Dividends

	2020 £	2019 £
Dividends paid during the year: £200,000 per share	<u>2,000,000</u>	<u>3,000,000</u>

14. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 January 2020	789,261	377,108	1,166,369
Additions	359,047	252,596	611,643
At 31 December 2020	<u>1,148,308</u>	<u>629,704</u>	<u>1,778,012</u>
Depreciation			
At 1 January 2020	569,151	376,677	945,828
Charge for the year	160,646	225,208	385,854
At 31 December 2020	<u>729,797</u>	<u>601,885</u>	<u>1,331,682</u>
Carrying amount			
At 31 December 2020	<u>418,511</u>	<u>27,819</u>	<u>446,330</u>
At 31 December 2019	<u>220,110</u>	<u>431</u>	<u>220,541</u>

Fixed asset additions includes an amount of £19,350 in respect of IT equipment purchased as a direct consequence of Covid-19 to facilitate homeworking for a number of employees. This sum and the annual depreciation charge of £5,375 thereon, is included under the heading of plant and machinery.

15. Debtors

	2020 £	2019 £
Trade debtors	66,161	10,231
Amounts owed by group undertakings	1,817,393	969,454
Amounts owed by parent company	97,731	836,206
VAT repayable	286,577	–
Accrued Income	6,120,865	4,581,996
Prepayments	841,902	734,697
	<u>9,230,629</u>	<u>7,132,584</u>

Amounts owed by group undertakings and parent company are unsecured, interest free and repayable on demand.

Accrued income includes an amount of £48,600 in respect of Government grants receivable at year end in relation to the Coronavirus Job Retention Scheme.

Emovis Operations Leeds Ltd

Notes to the Financial Statements (continued)

Year ended 31 December 2020

16. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	175,818	657,410
Amounts owed to group undertakings	302,075	40,710
Amounts owed to parent company	2,102,280	4,531,144
Corporation tax	18,840	142,176
Social security and other taxes	115,546	423,508
Accruals and deferred income	3,346,179	3,205,269
	<u>6,060,738</u>	<u>9,000,218</u>

Amounts owed to group undertakings and parent company are unsecured and repayable on demand.

Accruals includes an amount of £87,574 in respect of employee annual holiday entitlement not taken as holiday during the year. The Government introduced guidelines permitting holiday accrued which could not be taken due to Covid-19 to be carried forward two years to 2022. The accrual represents the cost of carried over holiday at usual rates of pay including employer national insurance contributions.

17. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Accruals	<u>252,596</u>	<u>-</u>

18. Provisions for liabilities

	Deferred tax (note 19) £
At 1 January 2020	21,664
Additions	40,461
At 31 December 2020	<u>62,125</u>

19. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2020	2019
	£	£
Included in provisions for liabilities (note 18)	<u>62,125</u>	<u>21,664</u>

Emovis Operations Leeds Ltd

Notes to the Financial Statements (continued)

Year ended 31 December 2020

19. Deferred tax (continued)

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Accelerated capital allowances	66,762	26,330
Pension plan obligations	(4,637)	(4,666)
	<u>62,125</u>	<u>21,664</u>

The reversal of the deferred tax liabilities expected to occur during the year commencing 1 January 2021 is not expected to be material.

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £188,307 (2019: £156,755).

Accruals at 31 December 2020 include pension contributions unpaid of £24,403 (2019 - £24,557).

21. Government grants

The amounts recognised in the Financial statements for government grants are as follows:

	2020	2019
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>507,443</u>	<u>-</u>

22. Called up share capital

Authorised, Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

23. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

Emovis Operations Leeds Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	264,330	342,976
Due 1 – 2 years	–	275,006
	<u>264,330</u>	<u>617,982</u>

25. Related party transactions

As a subsidiary of Abertis Infraestructuras SA the company has taken advantage of the exemption in FRS102 section 33 not to disclose transactions with other wholly owned group undertakings.

26. Controlling party

Abertis Infraestructuras SA is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2020 and is the ultimate controlling party. Abertis Infraestructuras SA is incorporated in Spain and is a private company limited by shares. The consolidated financial statements of Abertis Infraestructuras SA are available from the registered office, Paseo de la Castellana 39, 28046 Madrid, Spain.

The immediate parent undertaking and controlling party at 31 December 2020 was Emovis SAS. Emovis SAS is incorporated in France. Emovis SAS was the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of Emovis SAS are available from the registered office, 86 rue Henry Farmna, 92130, Issy Les Moulineaux, France.