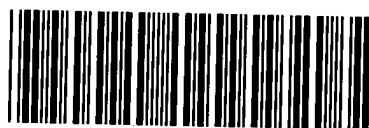


BYZAK LIMITED

Report and Financial Statements

Year ended 31 December 2014

TUESDAY



L46QIHAW

LD4

05/05/2015

#60

COMPANIES HOUSE

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2014

CONTENTS	Page
Strategic report	1
Report of the Directors	2
Statement of Directors' responsibilities	3
Report of the independent auditor	4
Profit and loss account	5
Balance sheet	6
Notes forming part of the financial statements	7 - 14

DIRECTORS

M Ewell
D Holland
A Nelson
R Ward

COMPANY SECRETARY

Sherard Secretariat Services Limited

REGISTERED OFFICE

The Sherard Building
Edmund Halley Road
Oxford
OX4 4DQ

COMPANY NUMBER

04187040

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

STRATEGIC REPORT
For the year ended 31 December 2014

The Directors present their Strategic report for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year remained primarily within the UK water industry for works utilising our civil, electrical and mechanical expertise. There have been no changes in the Company's activities in the year under review.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The profit and loss account for the year is set out on page 5 and shows turnover of £39,438,000 (2013 - £36,108,000) and a profit after tax of £236,000 (2013 - £5,625,000 loss).

Revenue in the year increased by 9% as the Company secured additional work.

The profitability in the year continues to be impacted by the completion of the legacy schemes resulting in a drop in margin. The majority of the low margin legacy schemes have now completed and the Company has been successful in renewing certain contracts at improved rates during the year which should result in improved profitability in the coming years. Administration costs have been significantly reduced.

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

KEY PERFORMANCE INDICATORS

The Company's principal key performance indicators are turnover and profit before tax which are shown in the profit and loss account for the year set out on page 5.

PRINCIPAL RISKS & UNCERTAINTIES

The Company's risks and other key performance indicators are reported and managed on a Divisional basis. To gain a further understanding of this business, details of the Divisional reviews are contained in the Report and Financial Statements of the intermediate parent undertaking, Amey UK plc ("the Group"), for the year ended 31 December 2014. The Company is a member of the Utilities and Defence Division of the Group.

On behalf of the Board



Mel Ewell
Director

29 April 2015

REPORT OF THE DIRECTORS
For the year ended 31 December 2014

The Directors present their report with the audited financial statements for the year ended 31 December 2014.

DIRECTORS

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

M Ewell
D Holland
A Nelson
R Ward

GOING CONCERN

After making enquiries, and based on the assumptions outlined in note 1 to the financial statements, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIVIDENDS

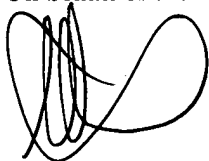
No dividends were paid by the Company during the year (2013 – £nil). The Directors do not recommend the payment of a final dividend.

AUDITOR

Deloitte LLP has been appointed as Auditor and has expressed their willingness to continue in office as auditor. In accordance with s487 of the Companies Act 2006, Deloitte LLP will be re-appointed as Auditor to the Company for the year to 31 December 2015.

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of the audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Mel Ewell', written over a horizontal line.

Mel Ewell,
Director

29 April 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Report of the Directors 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). 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BYZAK LIMITED

We have audited the financial statements of Byzak Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Emma Cox BA ACA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

30 April 2015

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
TURNOVER	2	39,438	36,108
Cost of sales		(38,332)	(31,816)
GROSS PROFIT		1,106	4,292
Administrative expenses		(2,317)	(9,994)
OPERATING LOSS	5	(1,211)	(5,702)
Interest payable and similar charges	6	-	(1)
Interest receivable and similar income	7	31	78
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,180)	(5,625)
Tax on loss on ordinary activities	8	1,416	-
PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	16	236	(5,625)

All transactions relate to continuing operations.

There were no recognised gains and losses other than the result for the current and preceding financial year. Accordingly, a statement of total recognised gains and losses has not been presented.

The notes of pages 7 to 14 form part of these financial statements.

BALANCE SHEET
At 31 December 2014

	Note	£'000	2014 £'000	2013 £'000
FIXED ASSETS				
Tangible fixed assets	9		204	372
Investment in subsidiary undertakings	10		10	10
Total fixed assets			214	382
CURRENT ASSETS				
Stock	11	295		614
Debtors	12	12,121		7,420
Cash at bank and in hand		5,490		842
Total current assets		17,906		8,876
CREDITORS: amounts falling due within one year	14	(16,569)		(7,943)
NET CURRENT ASSETS			1,337	933
NET ASSETS			1,551	1,315
CAPITAL AND RESERVES				
Called up share capital	15		50	50
Profit and loss account	16		1,501	1,265
EQUITY SHAREHOLDERS' FUNDS	17		1,551	1,315

The financial statements on pages 5 to 14 were approved and authorised for issue by the Board of Directors on 29 April 2015 and signed on its behalf by:



Mel Ewell

Director

The notes of pages 7 to 14 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable United Kingdom Accounting Standards.

The following principal accounting policies have been applied consistently in the current and prior year:

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 undertakings and not about its group.

Going concern

The Company is a subsidiary of Amey UK plc and its financial resources are managed on a Group basis. In 2014, the Group generated strong cash flows and maintained a high degree of liquidity. Group cash balances at 31 December 2014 were £203.1 million and, in addition, the Group held £100 million of undrawn bank loan facilities at that date, which expire in July 2019.

The Directors have prepared forecasts for the purpose of their going concern review which show that the Amey Group of companies operates comfortably within its available cash balances and credit facilities. The Directors have also considered reasonably possible sensitivities in the forecasts which principally reflect the impact of continued economic uncertainty and unforeseen adverse working capital movements. The Directors have also considered various mitigating actions available to the Group including reducing discretionary spend and further active management of working capital.

In drawing their conclusions on going concern, the Directors have reviewed the forecasts, sensitivities and mitigating actions noted above. They have considered the impact of being part of the wider Ferrovial Group. As a result of their considerations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being 12 months from the date of signing these financial statements. The Directors therefore continue to adopt the going concern basis in preparing these financial statements.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Tangible fixed assets are stated at historical cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Finance costs are not capitalised.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery and office equipment	10-33% per annum
Motor vehicles	25% per annum

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the length of the lease.

Post retirement benefits

The Company operates a money purchase scheme for certain of its Directors and senior employees. The assets of the scheme are held separately from those of the Company in independently administered funds. The unpaid contributions outstanding at the period end are included in "accruals and deferred income".

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

1. ACCOUNTING POLICIES (continued)

Stock

Stock consists of consumables and is valued at the lower of cost and net realisable value. Cost represents the cost of material purchased. There is no material difference between the balance sheet value of stocks and their replacement cost.

Contracts

The activities of the Company are largely undertaken through long-term framework contracts under which profit is recognised in line with each separate supply. Where losses are foreseeable in respect of future supplies committed under those framework contracts, provision is made. In addition, a provision is maintained for future remedial works that may be required in respect of supplies already made.

For contracts which are not framework contracts, and where the outcome of the contract can be estimated reliably, revenue and cost are recognised by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion of total costs at the balance sheet date to the estimated total cost of the contract. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the Company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities have not been discounted.

Deferred taxation was previously provided using the liability method on all timing differences only to the extent that they were expected to reverse in the future without being replaced.

2. TURNOVER

The turnover and loss on ordinary activities before tax are attributable to the Company's principal activity and arise in the United Kingdom.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

3. EMPLOYEES (INCLUDING DIRECTORS)

	2014	2013
	£'000	£'000
Staff costs consist of:		
Wages and salaries	-	8,084
Social security costs	-	766
Pension costs	-	243
	<hr/>	<hr/>
Total staff costs	-	9,093
	<hr/>	<hr/>

	2014	2013
	Number	Number
The average number of employees during the year was as follows:		
Operatives	-	245
Management and administration	-	41
	<hr/>	<hr/>
Total average number of employees	-	286
	<hr/>	<hr/>

In 2014, the costs of employees of Amey Services Limited are recharged to this Company in direct support of its trade. The Company no longer has direct employees. Employee information is disclosed in Amey Services Limited and relates to all of the companies in the Amey Group where Amey Services Limited is the employing company.

In 2013, the Company had direct employees, the costs of which are disclosed in the table above.

4. DIRECTORS

Details of the remuneration of the Directors, whose services are of a non-executive nature and who are also directors of the Company's intermediate parent undertaking, Amey UK plc, or of its fellow group undertaking, Enterprise Managed Services Limited, are disclosed in those companies' financial statements. Their remuneration is deemed to be wholly attributable to their services to those companies.

No Directors were remunerated through the Company in 2014 or 2013.

5. OPERATING LOSS

	2014	2013
	£'000	£'000
Operating loss is stated after charging:		
Lease rentals – land and buildings	323	81
Lease rentals – plant and machinery	1,509	-
Depreciation – owned tangible fixed assets	195	108
	<hr/>	<hr/>

The auditor's remuneration is borne by Amey Group Services Limited, a fellow subsidiary undertaking of the Company, and is not recharged.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Bank interest payable	-	1

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £'000	2013 £'000
Bank interest receivable	31	78

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
United Kingdom corporation tax - current year	(235)	-
- prior period	(1,159)	-
Total current tax credit for the year	(1,394)	-
Deferred tax - transferred to deferred tax asset (note 13)	(22)	-
Total tax credit for the year	(1,416)	-

The tax assessed for the year is different from that resulting from the standard rate of corporation tax in the UK at 21.5% (2013 - 23.25%).

	2014 £'000	2013 £'000
The differences are explained below:		
Loss on ordinary activities before tax	(1,180)	(5,625)
Tax at 21.5% (2013 - 23.25%) thereon	(254)	(1,308)
Effects of:		
Group relief	-	1,344
Prior period adjustment	(1,159)	-
Expenses not deductible for tax purposes	2	(36)
Depreciation less than capital allowances	(2)	-
Other timing differences	19	-
Total current tax credit for the year	(1,394)	-

The UK Finance Act 2013, enacted on 17 July 2013, included provision for the main rate of corporation tax to reduce from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. This will reduce the Company's future tax charge accordingly.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

9. TANGIBLE FIXED ASSETS

	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost				
At 1 January 2014	6,514	288	587	7,389
Additions	-	-	27	27
At 31 December 2014	6,514	288	614	7,416
Depreciation				
At 1 January 2014	6,514	220	283	7,017
Provided in year	-	68	127	195
At 31 December 2014	6,514	288	410	7,212
Net book value				
At 31 December 2014	-	-	204	204
At 31 December 2013	-	68	304	372

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	£'000
Cost	
At 1 January 2014 and 31 December 2014	10
Net book value	
At 1 January 2014 and 31 December 2014	10

The Company owns 100% of the issued share capital of Byzak Contractors (Scotland) Limited, which is registered in Scotland. The Company is dormant. On 16 July 2014, Byzak Contractors (Scotland) Limited passed a resolution to wind up the affairs of the company prior to liquidation.

11. STOCKS

	2014 £'000	2013 £'000
Raw materials and consumable stores	295	614

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

12. DEBTORS

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Trade debtors	251	-
Amounts owed by group undertakings	4,125	1,621
Amounts owed by joint ventures	934	-
Amounts recoverable on contracts	5,192	5,390
Other debtors	150	409
Deferred tax asset (note 13)	22	-
Prepayments and accrued income	1,447	-
	<hr/>	<hr/>
Total debtors	12,121	7,420
	<hr/>	<hr/>

13. DEFERRED TAX ASSET

	£'000
At 1 January 2014	-
Credit to the profit and loss account	22
	<hr/>
At 31 December 2014	22
	<hr/>

A deferred tax asset of £22,000 (2013 – £nil) has been recognised in respect of capital allowances of £110,000 (2013 – £nil) which are expected to reverse in the foreseeable future.

The estimated value of the potential deferred tax asset not recognised of £444,000 (2013 – £388,000) was in respect of deferred capital allowances of £820,000 (2013 – £540,000) and other timing differences of £1,400,000 (2013 – £1,400,000) measured at an expected standard tax rate of 20% (2013 – 20%).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade creditors	3,092	796
Amounts owed to group undertakings	4,192	-
Other taxes and social security	925	1,244
Other creditors	264	-
Accruals and deferred income	8,096	5,903
	<hr/>	<hr/>
Total creditors due within one year	16,569	7,943
	<hr/>	<hr/>

Amounts due to fellow group undertakings are unsecured and are repayable on demand.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

15. SHARE CAPITAL

Issued, called up and fully paid

	2014		2013	
	No.	£'000	No.	£'000
385,000 Ordinary A shares of £0.10 each	385,000	38.50	385,000	38.50
111,500 Ordinary B Shares of £0.10 each	115,000	11.50	115,000	11.50
	<u>500,000</u>	<u>50.00</u>	<u>500,000</u>	<u>50.00</u>

The ordinary B shares carry no voting rights and no rights to dividends.

16. PROFIT AND LOSS ACCOUNT

	£'000
At 1 January 2014	1,265
Profit for the financial year	<u>236</u>
At 31 December 2014	<u>1,501</u>

17. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit (loss) for the financial year	<u>236</u>	<u>(5,625)</u>
Net movement in equity shareholders' funds	236	(5,625)
Equity shareholders' funds at 1 January	<u>1,315</u>	<u>6,940</u>
Equity shareholders' funds at 31 December	<u>1,551</u>	<u>1,315</u>

18. FINANCIAL AND CAPITAL COMMITMENTS

At 31 December 2014, the Company had annual amounts payable for non-cancellable operating lease commitments that expire:

	Land and buildings 2014 £'000	Land and buildings 2013 £'000
Within one year	13	4
In second to fifth years	21	77
After five years	<u>76</u>	<u>-</u>
Total lease commitments	<u>110</u>	<u>81</u>

The Company had no capital commitments at 31 December 2014 or at 31 December 2013.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2014

19. CONTINGENT LIABILITIES

The Company has guaranteed certain performance bonds and borrowings of certain group undertakings.

Losses, for which no provision has been made in these financial statements, which might arise from litigation in the normal course of business are not expected to be material in the context of these financial statements.

There were no other contingent liabilities as at 31 December 2014 or at 31 December 2013.

20. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary undertaking of the group headed by Ferrovial, S.A. and has taken advantage of the exemption conferred by FRS 8 (Related Party Disclosures) not to disclose transactions with Ferrovial, S.A. or other wholly owned subsidiary undertakings within the Ferrovial, S.A. group.

21. CASH FLOW STATEMENT

The Company has taken advantage of the exemption conferred by FRS 1 (Cash Flow Statements) not to prepare a cash flow statement on the basis that the Company's results are included in the consolidated financial statements of Ferrovial, S.A., the Company's ultimate parent undertaking, whose financial statements are publicly available.

22. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling party is Ferrovial, S.A., a company incorporated in Spain.

Copies of the group financial statements of Ferrovial, S.A., which is the parent of the largest group of which the Company is a member, can be obtained from:

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

Copies of the group financial statements of Amey UK plc, the ultimate holding company in the UK and the parent of the smallest group for which group financial statements are prepared and of which the Company is a member, can be obtained from:

Head Office
The Sherard Building
Edmund Halley Road
Oxford
OX4 4DQ