

Companies House Copy

Amey Construction Limited

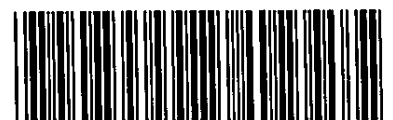
Report and Financial Statements

Year ended

31 December 2009

Company no 02379472

TUESDAY



LP1XCJPS

LD3

04/05/2010

226

COMPANIES HOUSE

Amey Construction Limited

Annual report and financial statements for the year ended 31 December 2009

Contents

Page:

1	Report of the Directors
4	Report of the independent auditors
6	Profit and loss account
7	Balance sheet
8 - 14	Notes forming part of the financial statements

Directors

M Ewell
A L Nelson

Secretary and registered office

Sherard Secretariat Services Limited, The Sherard Building, Edmund Halley Road, Oxford,
OX4 4DQ

Company number

02379472

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Amey Construction Limited

Report of the Directors for the year ended 31 December 2009

The Directors present their report together with the audited financial statements for the year ended 31 December 2009

Principal activities

The Company is principally engaged in the activity of civil engineering and building works and highways maintenance. There have been no changes in the Company's activities in the year under review.

Business review and future developments

The profit and loss account for the year is set out on page 6 and shows turnover of £1,196,000 (2008 – £1,240,000) and profit after tax of £339,000 (2008 – £2,572,000).

Turnover reduced in 2009 following the conclusion of the A19 contract in 2008. The M6 Routine, Operation and Maintenance contract continues and has contributed lower gross profits during 2009. In addition, in 2008, there was a provision release of £2,000,000 following settlement of an old construction contract claim by the Company.

No dividend was paid during the year (2008 – £nil). The Directors do not recommend the payment of a final dividend.

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

Principal risks and uncertainties

The Company's risks and 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, for the year ended 31 December 2009.

Directors

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

M Ewell
A L Nelson
R G Bradbury (resigned 31 January 2010)

Employment policy

Diversity

Our aim is to ensure that no job applicant, employee or former employee receives less favourable treatment on the grounds of colour, race, nationality, ethnic or national origin, religious belief, sex, sexual orientation, marital status, age or as a consequence of unlawful discrimination relating to disability.

Amey Construction Limited

Report of the Directors for the year ended 31 December 2009 (*continued*)

Employment policy (*continued*)

Disabled employees

The Group gives consideration to applications for employment from disabled persons where the disabled person may adequately cover the requirements of the job

Disabled persons are employed under the normal contract terms and conditions. Career development and promotion is provided wherever appropriate.

Employee Engagement

It is Amey Group ("Group") policy to communicate with and involve all employees, subject to commercial and practical limitations, in matters affecting their interests at work and to inform them of the performance of their Group. Employees are provided with information about the Group, which is supplemented by frequent emails from the Chief Executive when there is urgent and important news to be communicated. 'The Hub', the Group's newsletter, is sent in hard copy and by email and provides useful business updates across the Group. The Group makes full use of its intranet, AmeyWorld, to provide current information to its employees. Members of the Group's pension schemes also receive regular reports on matters relating to their pensions.

Payment policy and practice

The Company recognises the importance of good relationships with its suppliers and subcontractors. Although the Company does not follow a particular code or standard on payment practice, its payment policy is to

- Agree payment terms in advance of any commitment being entered into
- Ensure suppliers are made aware of these terms by inclusion of the terms of payment on the order or contract
- Make payments in accordance with the terms, wherever possible, providing that the documentation presented is complete and accurate

Trade creditors of the Company at the year end amounted to 2 days (2008 – none) of average supplies for the financial year.

Auditors

The Company has filed an elective resolution not to hold an annual general meeting and has therefore dispensed with the requirement to reappoint auditors annually.

Amey Construction Limited

Report of the Directors for the year ended 31 December 2009 (*continued*)

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

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 auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the Board



Mel Ewell
Director

28 April 2010

Amey Construction Limited

Report of the independent auditors

Independent auditor's report to the members of Amey Construction Limited

We have audited the financial statements of Amey Construction Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. 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 sections 495 and 496 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 auditors

As explained more fully in the statement of Directors' responsibilities, 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 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 (APB'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.

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 2009 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.

Amey Construction Limited

Report of the independent auditors (*continued*)

Independent auditor's report to the members of Amey Construction Limited (*continued*)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' 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

BDO LLP

*Douglas Lowson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

28 APR 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Amey Construction Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	2	1,196	1,240
Cost of sales		<u>(862)</u>	<u>(428)</u>
Gross profit		334	812
Exceptional income	5	<u>-</u>	<u>2,000</u>
Operating profit	5	334	2,812
Net interest receivable	6	<u>5</u>	<u>208</u>
Profit on ordinary activities before tax		339	3,020
Tax on profit on ordinary activities	7	<u>-</u>	<u>(448)</u>
Profit after tax and retained for the financial year	11	<u>339</u>	<u>2,572</u>

All transactions related to continuing operations

There were no recognised gains or losses other than the profit for the financial years

The notes on pages 8 to 14 form part of these financial statements

Balance sheet at 31 December 2009

	Note	2009 £'000	2008 £'000
Current assets			
Debtors	8	21,870	4,730
Cash at bank and in hand		-	5,191
		21,870	9,921
Creditors: amounts falling due within one year	9	(12,918)	(1,308)
Net current assets		8,952	8,613
Capital and reserves			
Called up share capital	10	60,452	60,452
Profit and loss account	11	(51,500)	(51,839)
Equity shareholders' funds	12	8,952	8,613

The financial statements on pages 6 to 14 were approved and authorised for issue by the Board of Directors on 28 April 2010 and signed on its behalf by



Mel Ewell
Director

The notes on pages 8 to 14 form part of these financial statements

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 or prior year

Going concern

The Company is a subsidiary of Amey UK plc and its financial resources are managed on a Group basis. Amey UK plc renewed its banking facilities in April 2009 and has a revolving committed syndicated credit facility of £92 million maturing in April 2012 and other committed credit facilities of £46 million maturing between October 2010 and April 2011.

The current arrangements are forecast to be sufficient to finance the Amey UK plc Group's operations for a period of at least twelve months from the date of approval of these financial statements. The Group has no reason to believe that amounts remaining to be drawn down under the bank loan facilities will not be forthcoming. The Directors believe that the Group is well placed to manage its business risks successfully despite the current macro-economic market conditions.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents the value of work done during the year calculated by reference to the value of contracts closed and the movement in work in progress during the year, excluding VAT.

Amounts recoverable on contracts

Amounts recoverable on contracts represent the excess of work done including attributable profit over cumulative payments on account received. Payments on account in excess of work done are included within creditors.

Deferred tax

Deferred tax is recognised on all timing differences where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are not discounted.

Amey Construction Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (continued)

1 Accounting policies (continued)

Pension costs - defined benefit scheme

The Company participates in a defined benefit scheme but is unable to identify its share of the underlying assets and liabilities. It has therefore taken advantage of the provision in FRS 17 (Retirement Benefits), which allows the Company to account for it as a defined contribution scheme. As a result the pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period. Any deficits or surpluses in the schemes in which the Company participates, are disclosed in note 13 to the financial statements. The Company may be required to make contributions to, or receive the benefit of, any deficits or surpluses that may arise in these schemes over time.

Pension costs - defined contribution scheme

The pension costs charged against profit represent the amount of the contributions payable to the scheme in respect of the accounting period.

2 Turnover

The turnover and profit on ordinary activities before tax are attributable to the continuing operations and principal activity of civil engineering and surfacing. All turnover arises solely in the UK.

3 Employees (including Directors)

	2009 £'000	2008 £'000
Staff costs consist of		
Wages and salaries	421	258
Social security costs	48	24
Other pension costs	11	5
	<u>480</u>	<u>287</u>

The Company had no direct employees in either of the above years. The above represents employees of Amey Services Limited, whose costs were recharged to the Company in direct support of its trade.

	2009 Number	2008 Number
The average number of employees during the year was as follows		
Contract based employees	<u>12</u>	<u>6</u>

Amey Construction Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (*continued*)

4 Directors

	2009 £'000	2008 £'000
Remuneration in respect of Directors, and of the highest paid Director, was as follows		

Emoluments	246	275
Accrued pension entitlement at 31 December	<u>24</u>	<u>20</u>

In addition to the emoluments for 2009 disclosed above, compensation for loss of office totalling £263,609 was paid after the year end

In respect of the Directors included above, one Director (2008 – one) participated in defined benefit pension schemes and no Director (2008 – none) participated in money purchase pension schemes during the year

Details of the remuneration of the other Directors, who are also directors of the Company's intermediate parent undertaking, Amey UK plc, are disclosed in that company's financial statements

5 Operating profit

	2009 £'000	2008 £'000
The operating profit is stated after charging (crediting)		
Hire of plant and machinery on operating leases	222	-
<i>Exceptional items</i>		
- contract claim settlement	<u>-</u>	<u>(2,000)</u>

The auditors' remuneration is borne by Amey Group Services Limited, a fellow subsidiary undertaking of the Company

6 Net interest receivable

	2009 £'000	2008 £'000
Other interest receivable and similar income	<u>5</u>	<u>208</u>

Amey Construction Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (continued)

7 Tax on profit from ordinary activities

	2009 £'000	2008 £'000
<i>Current tax</i>		
UK corporation tax at 28% (2008 – 28.5%)	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Transfer from deferred tax asset	-	(448)
Tax charge on profit on ordinary activities	-	(448)

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below.

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	339	3,020
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 – 28.5%)	95	861
<i>Effects of</i>		
Movement in other timing differences	-	(661)
Group relief received	(2)	(59)
Brought forward losses utilised	(93)	(141)
Current tax charge for year	-	-

The estimated value of the potential deferred tax asset not recognised of £1,757,000 (2008 – £1,851,000) was in respect of unutilised tax losses of £5,736,000 (2008 – £5,851,000) and other timing differences of £540,000 (2008 – £758,000), measured at the standard tax rate of 28% (2008 – 28.5%)

A deferred tax asset has not been recognised as the Company does not anticipate paying tax in the foreseeable future

8 Debtors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	21,870	4,730

Amey Construction Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (*continued*)

9 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Bank overdraft	2,834	-
Trade creditors	2	-
Amounts due to fellow group undertakings	9,267	-
Other creditors	-	541
Other taxes and Social Security	-	9
Accruals and deferred income	815	758
	<u>12,918</u>	<u>1,308</u>

10 Share capital

	2009 £'000	2008 £'000
<i>Authorised</i>		
60,452,100 Ordinary shares of £1 each	<u>60,452</u>	<u>60,452</u>
<i>Allotted, called up and fully paid</i>		
60,452,002 Ordinary shares of £1 each	<u>60,452</u>	<u>60,452</u>

11 Profit and loss account

	2009 £'000	2008 £'000
At 1 January	(51,839)	(54,411)
Profit retained for the financial year	<u>339</u>	<u>2,572</u>
At 31 December	<u>(51,500)</u>	<u>(51,839)</u>

12 Reconciliation of movements in equity shareholders' funds

	2009 £'000	2008 £'000
Profit retained for the financial year	339	2,572
Equity shareholders' funds at 1 January	<u>8,613</u>	<u>6,041</u>
Equity shareholders' funds at 31 December	<u>8,952</u>	<u>8,613</u>

13 Pensions

Defined Benefit Scheme

The Company operates defined benefit pension schemes for the benefit of the employees. The assets of these schemes are administered by trustees in funds independent from the assets of the Company. The Company also provides post-retirement benefits other than pensions to the employees.

The Company pays contributions to defined benefit pension schemes where more than one employer participates and is therefore unable to identify its share of the underlying assets and liabilities of those schemes. Taking advantage of the provision in FRS 17 (Retirement Benefits), which allows the Company to account for it as a defined contribution scheme, the pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period.

The net deficit in the schemes in which the Amey Group participates amounted to £143,550,000 at the balance sheet date (2008 – £96,558,000). The Company may be required to make proportionate contributions to, or receive the proportionate benefit of, any deficits or surpluses that may arise in these schemes over time. Full details of Amey Group pension schemes are disclosed in the financial statements of Amey UK plc.

14 Financial and capital commitments

The Company had no financial or capital commitments at 31 December 2009 or at 31 December 2008.

15 Contingent liabilities

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

A claim has been made against a construction joint venture of which Amey Construction Limited is a member. This claim is being defended vigorously. It is not possible to estimate the financial effect of the claim due to the inherent litigation uncertainties of this case.

Except as detailed above, 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 2009 or at 31 December 2008.

16 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.

17 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

18 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