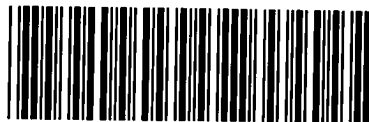


REGISTERED NUMBER: 02379472 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2016
for
Amey Construction Limited**

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Amey Construction Limited

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for the Year Ended 31 December 2016**

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Amey Construction Limited

**Company Information
for the Year Ended 31 December 2016**

Directors:

K Holder
G P Steffenini

Secretary:

Sherard Secretariat Services Limited

Registered office:

The Sherard Building
Edmund Halley Road
Oxford
Oxfordshire
OX4 4DQ

Registered number:

02379472 (England and Wales)

Auditor:

Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD

Amey Construction Limited

Strategic Report for the Year Ended 31 December 2016

The Directors present their strategic report for the year ended 31 December 2016.

Principal activities

The Company's principal activity is civil engineering, building works and highways maintenance. Whilst there have been no changes to the Company's principal activity, it has not traded during the year.

Review of business and future developments

The income statement for the year is set out on page 6 and shows a profit after tax amounting to £955,000 (2015 - £10,000 loss), all of which arose from the release of surplus accruals for costs charged in prior periods on discontinued activities.

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 indicator is profit before tax which is shown in the income statement for the year set out on page 6.

Principal risks and uncertainties

The Company's risks and other key performance indicators are only reported and managed on a Divisional basis. To gain a further understanding of this business, details of the principal risks and uncertainties and other key performance indicators are contained in the Annual Report and Financial Statements of the intermediate parent undertaking, Amey UK plc ('the Group'), for the year ended 31 December 2016. The Company is a member of the Central Services division of the Group.

On behalf of the board:


.....
P Steffenini - Director

Date: 21st September 2017

Amey Construction Limited

Report of the Directors for the Year Ended 31 December 2016

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2016.

Dividends

No dividends were paid by the Company during the year (2015 - £nil).

Directors

The Directors shown below have held office during the whole of the year from 1 January 2016 to the date of this report.

K Holder

Other changes in Directors holding office are as follows:

W A Robertson - resigned 28 April 2017
G P Steffenini - appointed 28 April 2017

Going concern

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

Statement as to disclosure of information to auditor

So far as the Directors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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.

On behalf of the board:


.....
P Steffenini - Director

Date: 21st September 2017

Amey Construction Limited

Statement of Directors' Responsibilities for the Year Ended 31 December 2016

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, 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.

Report of the Independent Auditor to the Members of Amey Construction Limited

We have audited the financial statements of Amey Construction Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 a Report of the Auditor 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 Statement of Directors' Responsibilities set out on page four, 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 Strategic Report and the Report of the Directors 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 2016 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 based on the work undertaken in the course of the audit:

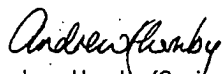
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 and the Directors' Report.

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.



Andrew Hornby (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom

Date: 21/09/17.....

Amey Construction Limited

**Income Statement
for the Year Ended 31 December 2016**

	Notes	2016 £'000	2015 £'000
Revenue		-	-
Cost of sales		<u>955</u>	(12)
Operating profit/(loss) and profit/(loss) before taxation	4	955	(12)
Tax on profit/(loss)	5	<u>-</u>	<u>2</u>
Profit/(loss) for the financial year		<u>955</u>	<u>(10)</u>

The notes on pages 10 to 16 form part of these financial statements.

Amey Construction Limited

**Other Comprehensive Income
for the Year Ended 31 December 2016**

	2016 £'000	2015 £'000
Profit/(loss) for the year	<u>955</u>	<u>(10)</u>
Total comprehensive income/(expense) for the year	<u><u> </u></u>	<u><u>(10)</u></u>

The notes on pages 10 to 16 form part of these financial statements.

Amey Construction Limited (Registered number: 02379472)

**Balance Sheet
As at 31 December 2016**

	Notes	2016 £'000	2015 £'000
Current assets			
Trade and other receivables	6	15,689	14,974
Cash in hand		-	715
		<u>15,689</u>	<u>15,689</u>
Creditors			
Amounts falling due within one year	7	(8,878)	(9,833)
Net current assets		<u>6,811</u>	<u>5,856</u>
Total assets less current liabilities		<u>6,811</u>	<u>5,856</u>
Net assets		<u>6,811</u>	<u>5,856</u>
Capital and reserves			
Share capital	8	60,452	60,452
Retained earnings		(53,641)	(54,596)
Shareholders' funds		<u>6,811</u>	<u>5,856</u>

The financial statements were approved by the Board of Directors on 21st September 2017 and were signed on its behalf by:


.....
P Steffenini, Director

The notes on pages 10 to 16 form part of these financial statements.

Amey Construction Limited**Statement of Changes in Equity
for the Year Ended 31 December 2016**

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	60,452	(54,586)	5,866
Changes in equity			
Total comprehensive expense	-	(10)	(10)
Balance at 31 December 2015	60,452	(54,596)	5,856
Changes in equity			
Total comprehensive income	-	955	955
Balance at 31 December 2016	<u>60,452</u>	<u>(53,641)</u>	<u>6,811</u>

The notes on pages 10 to 16 form part of these financial statements.

Amey Construction Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1. General information

The principal activity of Amey Construction Limited (the Company) is civil engineering, building works and highways maintenance; however the Company has not traded during the year. The Company is a private company and is incorporated and domiciled in the United Kingdom. The address of the registered office is The Sherard Building, Edmund Halley Road, Oxford, OX4 4DQ, United Kingdom.

2. Accounting policies

Basis of preparation

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

The new or revised standards or interpretations that are effective for accounting periods commencing on or after 1 January 2016 and that are applicable to the Company were as follows. The adoption of these standards did not lead to any changes in the Company's accounting policies and has had no material impact on the financial statements.

IFRS 10, IFRS 12 and IAS 28 (amendments): Investment entities: applying the consolidation exemption
IFRS 11 (amendment): Accounting for acquisitions of interests in joint operations
IAS 1 (amendment): Disclosure initiative
IAS 16 and IAS 38 (amendments): Clarification of acceptable methods of depreciation and amortisation
IAS 27 (amendment): Equity method in separate financial statements
Annual improvements 2010 - 2012
Annual improvements 2012 - 2014

New standards applicable to the Company which have a significant impact and which will be adopted early in the accounting period commencing on 1 January 2017:

IFRS 9 - Financial Instruments: IFRS 9 may have a material impact on accounting for impairment of financial assets and also classification and measurement of financial assets. It is not practicable to provide a reasonable estimate of the effect of these standards since this impact will depend on both the financial instruments held by the Company and the economic conditions prevailing at the date of adoption.

New standards applicable to the Company which are expected to have a significant impact and which will be adopted in the accounting period commencing on 1 January 2019:

IFRS 16 - Leases: IFRS 16 may have a material impact on accounting for operating leases. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review is undertaken.

There are no other new standards or interpretations that would be expected to have a material impact on the Company.

Amey Construction Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

2. Accounting policies - continued

Basis of preparation - continued

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

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Going concern

The Company is a subsidiary of Amey UK plc (the Group) and its financial resources are managed on a group basis. In 2016, the Group maintained a high degree of liquidity. Available Group cash balances at 31 December 2016 were £123 million and, in addition, the Group held £160 million of undrawn bank loan facilities at that date, which expire in July 2021. The Group also has two additional credit facilities of £80 million and £70 million from Landmille Limited (a subsidiary of Ferrovial S.A., the ultimate parent company), both of which renew automatically each year until September 2019 and February 2021 respectively.

The Directors have prepared forecasts for the purpose of their going concern review which show that the Group 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 of which the Group is a member. 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.

2. Accounting policies - continued

Other principal accounting policies

Financial assets - classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss (held for trading), and loans and receivables. The classification depends on the purpose for which the financial assets were acquired and is determined at point of initial recognition.

Derivatives are categorised as held for trading unless they are designated as hedges. Where held as hedges, the change in fair value is reflected through other comprehensive income and not through profit and loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where the maturity is greater than twelve months when they are included in non-current assets, and comprise receivables and cash.

Financial assets - recognition and measurement

Financial assets held at fair value through profit and loss are initially recognised at fair value. Subsequent changes in fair value are presented in the income statement within interest income or expense in the period in which they arise, unless designated as part of a hedge. Loans and receivables are carried at amortised cost. Financial assets are de-recognised when the rights to receive cash flows have expired.

Financial liabilities

The Company classifies its financial liabilities as other financial liabilities measured at amortised cost using the Effective Interest Rate (EIR) method. Bank borrowings are recognised at the amount advanced net of any directly attributable transaction costs. Finance costs calculated in accordance with this policy are recognised in finance costs in the income statement.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, unless it relates to items recognised in other comprehensive income (where it is then accordingly recognised).

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax balances are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. It is measured using tax rates that have been enacted or substantively enacted at the time when the temporary difference reverses. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Cash in hand

Cash in hand includes cash and deposits with banks. Bank overdrafts are shown within borrowings in current liabilities.

Amey Construction Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

2. Accounting policies - continued

Creditors

Obligations to pay for goods and services are recognised initially at fair value and subsequently measured at amortised cost.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's existing accounting policies. In preparing the financial statements for the financial year, the Directors have considered these requirements, and concluded that no such estimates or judgements have been necessary.

3. Employees and Directors

The Company had no direct employees in either 2016 or 2015. No costs of employees of Amey Services Limited were recharged to this Company in 2016 or 2015.

No Directors were remunerated through the Company in either 2016 or 2015.

The emoluments of the Directors are paid by the parent group. Their services to this Company are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to the parent group.

4. Operating profit

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

Amey Construction Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

5. Taxation

Analysis of tax income

	2016 £'000	2015 £'000
Current tax:		
Tax - current year	-	(2)
Total tax income in income statement	-	(2)

Factors affecting the tax expense

The tax assessed for the year is lower (2015 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £'000	2015 £'000
Profit/(loss) before income tax	955	(12)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	191	(2)
Effects of:		
Utilisation of unrecognised brought forward tax losses	(191)	-
Tax income	-	(2)

The estimated value of the potential deferred tax asset of £294,000 (2015 - £691,000) was in respect of losses of £294,000 (2015 - £537,000) and other timing differences of £nil (2015 - £154,000).

Finance Act 2016, substantively enacted on 6 September 2016, included provision for the main rate of corporation tax to reduce to 19% from 1 April 2017 and to 17% from 1 April 2020. This will reduce the Company's future tax charge and deferred tax balances have been restated accordingly.

6. Debtors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed by group undertakings	15,689	14,974

Amounts owed by group undertakings are unsecured and are repayable on demand. There is no difference between the book value and fair value of amounts owed by group undertakings.

Amey Construction Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

7. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	8,878	8,878
Other creditors	-	106
Accruals and deferred income	-	849
	<u>8,878</u>	<u>9,833</u>

Amounts due to fellow group undertakings are unsecured and are repayable on demand. There is no difference between the book value and fair value of amounts owed to group undertakings.

8. Share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £'000	2015 £'000
60,452,002	Ordinary Shares	£1	<u>60,452</u>	<u>60,452</u>

9. 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 at 31 December 2016 or at 31 December 2015.

10. Capital commitments

The Company had no capital commitments at 31 December 2016 or at 31 December 2015.

11. Other financial commitments

At 31 December 2016, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016 £'000	2015 £'000
Not later than one year	-	38
Later than one year and not later than five years	-	153
Later than five years	-	268
Total lease commitments	<u>-</u>	<u>459</u>

Amey Construction Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2016

12. Controlling parties

The immediate parent undertaking is Amey plc.

The ultimate parent undertaking and the largest group to consolidate these financial statements is Ferrovial, S.A., a company incorporated in Spain. Copies of the Ferrovial, S.A. consolidated financial statements can be obtained from:

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

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

Amey UK plc is the ultimate holding company in the UK and the parent of the smallest group to consolidate these financial statements. Copies of the Amey UK plc consolidated financial statements can be obtained from:

The Company Secretary
Amey UK plc
The Sherard Building
Edmund Halley Road
Oxford, OX4 4DQ
United Kingdom