

Amey Construction Limited

Report and Financial Statements

Year ended

31 December 2014

THURSDAY



A4G5IWBU

A25

17/09/2015

#94

COMPANIES HOUSE

Company no. 02379472

Amey Construction Limited

Annual report and financial statements for the year ended 31 December 2014

Contents

Page:

1	Strategic report
2	Report of the Directors
3	Statement of Directors' responsibilities
4	Report of the independent auditor
6	Profit and loss account
7	Balance sheet
8 - 13	Notes forming part of the financial statements

Directors

K Holder
W A Robertson

Company Secretary and registered office

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

Company number

02379472

Auditor

Deloitte LLP, Chartered Accountants and Statutory Auditor, Abbots House, Abbey Street, Reading, Berkshire, United Kingdom, RG1 3BD

Amey Construction Limited

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 was principally engaged in the activity of civil engineering, building works and highways maintenance. The Company has not traded during the year and no change to this position is anticipated for 2015.

Review of business and future developments

The profit and loss account for the year is set out on page 6 and shows turnover of £nil (2013 – £1,106,000) and a profit after tax of £64,000 (2013 – £896,000).

No turnover was recorded for 2014 due to the expiry of the Company's M6 Routine, Operation and Maintenance contract in 2013. The Company is not expected to trade for the foreseeable future.

The Company also made an exceptional gain of £389,000 in 2013 following the forgiveness of intercompany debt by former fellow subsidiary undertakings.

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

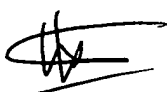
Key performance indicators

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 6.

Principal risks and 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 Central Services Division of the Group.

On behalf of the Board



W A Robertson
Director

1 September 2015

Amey Construction Limited

Report of the Directors for the year ended 31 December 2014

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

Directors

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

K Holder	
W A Robertson	(appointed 11 February 2015)
M Ewell	(resigned 11 February 2015)
A L Nelson	(resigned 11 February 2015)

Going Concern

As a consequence of the Company's only contract coming to an end in 2013, the financial statements are prepared on a basis other than going concern. This has no impact on the value of the assets or liabilities on the balance sheet at 31 December 2014.

Dividends

No dividends were paid by the Company during the year (2013 – £nil).

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



W A Robertson
Director

1 September 2015

Statement of Directors' responsibilities

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

Amey Construction Limited

Report of the independent auditor

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 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Amey Construction Limited

Report of the independent auditor (*continued*)

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

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.



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

/ September 2015

Amey Construction Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	2	-	1,106
Cost of sales		-	(602)
Gross profit		-	504
Administrative income		65	-
Exceptional income		-	389
Operating profit	5	65	893
Net interest receivable	6	-	3
Profit on ordinary activities before tax		65	896
Tax on profit on ordinary activities	7	(1)	-
Profit after tax and retained for the financial year	11	64	896

All transactions relate to discontinued operations.

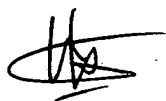
There were no recognised gains or losses other than the profit for the current and preceding financial year. Accordingly, a statement of total recognised gains and losses has not been presented.

The notes on pages 8 to 13 form part of these financial statements.

Balance sheet at 31 December 2014

	Note	2014 £'000	2013 £'000
Current assets			
Debtors	8	15,000	14,985
Cash at bank and in hand		699	649
Total current assets		15,699	15,634
Creditors: amounts falling due within one year	9	(9,833)	(9,832)
Net current assets		5,866	5,802
Net assets		5,866	5,802
Capital and reserves			
Called up share capital	10	60,452	60,452
Profit and loss account (deficit)	11	(54,586)	(54,650)
Equity shareholders' funds	12	5,866	5,802

The financial statements on pages 6 to 13 were approved and authorised for issue by the Board of Directors on 23 July 2015 and signed on its behalf by:



W A Robertson
Director
 1 September 2015

The notes on pages 8 to 13 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 and prior year:

Basis of preparation – other than that of going concern

As a consequence of the Company's only contract coming to an end in 2013, the financial statements are prepared on a basis other than going concern. This has no impact on the value of the assets or liabilities on the balance sheet at 31 December 2014.

Turnover

Turnover represents the value of work done during the year calculated by reference to the total sales value and the stage of completion of these contracts including 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.

Loss making contracts

In the event that a contract is expected to be loss making, the Company recognises a provision for the estimated future losses in full and utilises the provision as losses arise.

Pension costs - defined benefit schemes

The Company participates in defined benefit schemes 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 them as defined contribution schemes. As a result the pension costs charged against operating profit are the contributions payable to the schemes 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 schemes

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

2 Turnover

Turnover and profit on ordinary activities before tax are attributable to the principal activity of civil engineering, building works and highways maintenance. All turnover arises solely within the UK.

3 Employees (including Directors)

The Company had no direct employees in either 2014 or 2013.

In previous years, the Company has included information, on a voluntary disclosure basis, of the employees of Amey Services Limited, whose costs were recharged to the Company in direct support of its trade. This information is now disclosed in Amey Services Limited and relates to all of the companies in the Amey Group where Amey Services Limited is the employing company.

4 Directors

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

The emoluments of the Directors are paid by the parent company. 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 company.

Details of the remuneration of the Directors, who were also directors of the Company's intermediate parent undertaking, Amey UK plc, are disclosed in that company's financial statements. Their remuneration is deemed to be wholly attributable to their services to the Group as a whole.

5 Operating profit

	2014	2013
	£'000	£'000
The operating profit is stated after charging:		
Hire of plant and machinery	<u>-</u>	<u>137</u>

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

6 Net interest receivable

	2014 £'000	2013 £'000
Other interest receivable and similar income	<u>-</u>	<u>3</u>

7 Tax on profit on ordinary activities

	2014 £'000	2013 £'000
<i>Current tax</i>		
UK corporation tax at 21.5% (2013 – 23.25%)		
- adjustment in respect of prior years	<u>1</u>	<u>-</u>
Total current tax charge for the year	<u>1</u>	<u>-</u>

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

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	<u>65</u>	<u>896</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	14	208
<i>Effects of:</i>		
Utilisation of previously unrecognised assets	(14)	(117)
Non-taxable income	-	(91)
Adjustment in respect of prior periods	<u>1</u>	<u>-</u>
Total current tax charge for the year	<u>1</u>	<u>-</u>

The estimated value of the potential deferred tax asset not recognised of £708,000 (2013 – £703,000) was in respect of deferred capital allowances of £5,000 (2013 – £nil), unutilised tax losses of £2,685,000 (2013 – £2,665,000) and other timing differences of £850,000 (2013 – £851,000), measured at an expected standard tax rate of 20% (2013 – 20%). A deferred tax asset has not been recognised as the Company does not anticipate paying tax in the foreseeable future.

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.

Amey Construction Limited

Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

8 Debtors

	2014 £'000	2013 £'000
<i>Amounts falling due within one year:</i>		
Amounts owed by group undertakings	<u>15,000</u>	<u>14,985</u>
Total debtors	<u>15,000</u>	<u>14,985</u>

9 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	106	106
Amounts due to fellow group undertakings	8,878	8,878
Accruals and deferred income	<u>849</u>	<u>848</u>
Total creditors	<u>9,833</u>	<u>9,832</u>

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

10 Share capital

	2014 £'000	2013 £'000
<i>Issued, called up and fully paid</i>		
60,452,002 (2013 – 60,452,002) Ordinary shares of £1 each	<u>60,452</u>	<u>60,452</u>

11 Profit and loss account (deficit)

	£'000
Deficit at 1 January 2014	(54,650)
Profit retained for the financial year	<u>64</u>
Deficit at 31 December 2014	<u>(54,586)</u>

12 Reconciliation of movements in equity shareholders' funds

	2014 £'000	2013 £'000
Profit retained for the financial year	64	896
Net movement in equity shareholders' funds	64	896
Equity shareholders' funds at 1 January	5,802	4,906
Equity shareholders' funds at 31 December	5,866	5,802

13 Pensions*Defined Benefit Schemes*

The Company participates in defined benefit pension schemes for the benefit of the employees of the Amey Group. The assets of these schemes are administered by trustees in funds independent from the assets of the Company. The Amey Group 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 them as defined contribution schemes, the pension costs charged against operating profit are the contributions payable to the schemes in respect of the accounting period.

The net deficit in the schemes in which the Amey Group participates amounted to £77,204,000 at the balance sheet date (2013 – £87,793,000). 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 2014 or at 31 December 2013.

15 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.

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