

**REGISTERED NUMBER: 02379472 (England and Wales)**

**Annual Report and  
Financial Statements for the Year Ended 31 December 2017  
for  
Amey Construction Limited**



**Amey Construction Limited**

**Contents of the Financial Statements  
for the Year Ended 31 December 2017**

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**Amey Construction Limited**

**Company Information  
for the Year Ended 31 December 2017**

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**Directors** K Holder  
G P Steffenini

**Company Secretary** Sherard Secretariat Services Limited

**Registered Office** The Sherard Building  
Edmund Halley Road  
Oxford  
Oxfordshire  
OX4 4DQ

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

## **Amey Construction Limited**

### **Strategic Report for the Year Ended 31 December 2017**

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The Directors present their strategic report for the year ended 31 December 2017.

#### **Principal activity**

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 8 and shows revenue of £nil (2016 - £nil) and a loss after tax amounting to £7,000 (2016 - profit of £955,000), all of which arose from continuing 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 8.

#### **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 2017. The Company is a member of the Central Services division of the Group.

Approved by the Board on 23 September 2018 and signed on its behalf by:

  
.....  
G.P. Steffenini  
Director

## **Amey Construction Limited**

### **Report of the Directors for the Year Ended 31 December 2017**

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The Directors present their annual report with the audited financial statements of the Company for the year ended 31 December 2017.

#### **Dividends**

No dividends were paid by the Company during the year (2016 - £nil).

#### **Directors of the Company**

The Directors, who held office during the year and up to the date of this Report were as follows:

K Holder

G P Steffenini (appointed 28 April 2017)

W A Robertson (resigned 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.

#### **Policy on slavery and human trafficking**

In accordance with the Modern Slavery Act 2015, the Group is committed to ensuring that there is no modern slavery or human trafficking in our supply chains, or in any part of our business, with a zero tolerance for non-compliance. A full statement reflecting that commitment can be found on the Amey website and an abridged statement is included in the financial statements of the Company's intermediate parent company, Amey UK plc.

#### **Statement as to disclosure of information to the auditor**

So far as the Directors are aware, there is no relevant audit 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.

#### **Reappointment of 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.

Approved by the Board on ~~28 September 2018~~ and signed on its behalf by:

  
G.P. Steffenini  
Director

## **Amey Construction Limited**

### **Statement of Directors' Responsibilities**

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The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework'.

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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**

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

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Amey Construction Limited (the 'Company') which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **Amey Construction Limited**

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

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#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Amey Construction Limited**

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

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**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

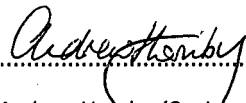
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

  
.....  
Andrew Hornby (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Reading  
United Kingdom

28/09/2018

**Amey Construction Limited**

**Income Statement for the Year Ended 31 December 2017**

	Notes	2017 £'000	2016 £'000
Revenue		-	-
Cost of sales		(146)	955
Operating (loss)/profit	5	(146)	955
(Loss)/profit before taxation		(146)	955
Tax on (loss) profit	6	139	-
(Loss)/profit for the year		(7)	955

The notes on pages 12 to 19 form part of these financial statements.

**Amey Construction Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>(Loss)/profit for the year</b>	<u>(7)</u>	<u>955</u>
<b>Total comprehensive (expense)/income for the year</b>	<u>(7)</u>	<u>955</u>

The notes on pages 12 to 19 form part of these financial statements.

*[Handwritten signature]*

**Amey Construction Limited (Registered number: 02379472)**

**Balance Sheet as at 31 December 2017**

	Note	2017 £'000	2016 £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	15,830	15,689
<b>Creditors:</b>			
Amounts falling due within one year	8	(9,026)	(8,878)
<b>Net assets</b>		<u>6,804</u>	<u>6,811</u>
<b>Capital and reserves</b>			
Share capital	11	60,452	60,452
Retained earnings		(53,648)	(53,641)
<b>Shareholders' funds</b>		<u>6,804</u>	<u>6,811</u>

The financial statements were approved by the Board of Directors on 21 September 2018 and signed on its behalf by:

  
G.P. Stefferini  
Director

The notes on pages 12 to 19 form part of these financial statements.

**Amey Construction Limited****Statement of Changes in Equity for the Year Ended 31 December 2017**

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2016	60,452	(54,596)	5,856
Profit for the year	-	955	955
Total comprehensive income	-	955	955
At 31 December 2016	60,452	(53,641)	6,811

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2017	60,452	(53,641)	6,811
Loss for the year	-	(7)	(7)
Total comprehensive expense	-	(7)	(7)
At 31 December 2017	60,452	(53,648)	6,804

The notes on pages 12 to 19 form part of these financial statements.

## **Amey Construction Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

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#### **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 and operates principally within the UK. The Company is a private company limited by share capital, incorporated and domiciled in the UK and registered in England and Wales.

The Company Secretary and address of the registered office is as follows:

Sherard Secretariat Services Limited

The Sherard Building  
Edmund Halley Road  
Oxford  
Oxfordshire  
OX4 4DQ

#### **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.

On 1 January 2017, the following standards which might have an impact on the financial statements came into force in the European Union: Amendments to IAS 7, Disclosure Initiative, Annual Improvements to IFRSs, 2014-2016 Cycle and Amendments to IAS 12, Recognition of Deferred Tax Assets for Unrealised Losses. No significant impact on the Company's financial statements has been identified because of these amendments.

New standards applicable to the Company which have a significant impact and which will be adopted in the accounting period commencing on 1 January 2018:

IFRS 9 - Financial Instruments: IFRS 9 revised accounting for impairment of financial assets and also classification and measurement of financial assets. Under the new standard, the loss allowance for a financial instrument will be calculated at an amount equal to 12-month expected credit losses, or lifetime credit loss, if there has been a significant increase in the credit risk of an instrument. No significant impact is expected to arise from the new classification of financial assets.

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 for the Year Ended 31 December 2017 (continued)**

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#### **2 Accounting policies (continued)**

##### **Summary of disclosure exemptions**

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; and
- 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. Available Group cash balances at 31 December 2017 were £162.3 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 Ferrovia S.A., the ultimate parent company) both of which automatically renew annually. At the balance sheet date, £150 million was drawn down on these facilities. In addition, the Group's five-year loan from Landmille Limited of £177.5 million was automatically rolled over on an annual basis in March 2018. Ferrovia S.A. group has also provided additional equity to the Group by way of a £60.0 million other equity instrument issued since 31 December 2017, and Ferrovia have also approved additional funds of up to £75 million which will be made available to the Group, if required.

## **Amey Construction Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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#### **2 Accounting policies (continued)**

##### **Going concern (continued)**

The Directors have prepared forecasts for the purpose of their going concern review which show that the Group operates 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 Company 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.

##### **Other principal accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **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.

###### *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**

###### *Classification*

The Company classifies its financial liabilities as other financial liabilities measured at amortised cost using the Effective Interest Rate (EIR) method.

###### *Recognition and measurement*

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.



**Amey Construction Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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**2 Accounting policies (continued)**

**Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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.

**Creditors**

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

**3 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.

**4 Employees and Directors**

The Company had no direct employees in either 2017 or 2016. No costs of employees of Amey Services Limited are recharged to this Company.

No Directors were remunerated through the Company in either 2017 or 2016.

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.

**5 (Loss)/profit before taxation**

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 for the Year Ended 31 December 2017 (continued)**

**6 Taxation**

**Analysis of tax income**

	<b>2017 £'000</b>
Current tax	
Tax - current year	<u>(7)</u>
Deferred tax	<u>(132)</u>
Total tax income in Income statement	<u><u>(139)</u></u>

**Factors affecting the tax expense**

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)

The differences are reconciled below:

	<b>2017 £'000</b>	<b>2016 £'000</b>
(Loss)/profit before income tax	<u>(146)</u>	<u>955</u>
Tax on (loss)/profit calculated at standard rate	(28)	191
<b>Effects of:</b>		
Impact of previously unrecognised timing differences now recognised	(113)	-
Tax decrease from utilisation of tax losses	-	(191)
Deferred tax expense relating to changes in tax rates or laws	<u>2</u>	<u>-</u>
Tax income	<u><u>(139)</u></u>	<u><u>-</u></u>

The UK Finance Act 2016 included provision for the main rate of corporation tax to reduce from 19% to 17% from 1 April 2020. This will reduce the Company's future tax charge accordingly.

**Amey Construction Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

**7 Trade and other receivables**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Amounts owed by group undertakings	15,698	15,689
Deferred tax asset (see note 10)	<u>132</u>	<u>-</u>
	<u><b>15,830</b></u>	<u><b>15,689</b></u>

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

**8 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts (see note 9)	144	-
Amounts owed to group undertakings	8,878	8,878
Accruals and deferred income	<u>4</u>	<u>-</u>
	<u><b>9,026</b></u>	<u><b>8,878</b></u>

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

**9 Financial liabilities - borrowings**

	<b>2017</b>
	<b>£'000</b>
Current:	
Bank overdrafts	<u><b>144</b></u>

The bank overdraft facilities are repayable on demand under the terms of the Group banking arrangements. Group balances and overdrafts are subject to pooling under this arrangement and no interest has arisen on the net amount.

**Terms and debt repayment schedule:**

	<b>1 year or less</b>
	<b>£'000</b>
Bank Overdrafts	<u><b>144</b></u>
	<u><b>144</b></u>

**Amev Construction Limited****Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)****10 Deferred tax asset**

	£'000
Balance at 1 January 2017	-
Credited to Income Statement during year	132
Balance at 31 December 2017	132

	2017 £'000
Deferred tax asset comprises:	
Other timing differences	113
Trading losses	19
Balance at 31 December	132

	2017 £'000	2016 £'000
Unrecognised deferred tax comprises:		
Tax losses	311	294

Following the amendment to group relief tax rules effective from 1 April 2017, the Company is able to recognise a deferred tax asset on trading losses in the year.

All deferred tax assets have been measured at a rate of 17% (2016 - 17%).

**11 Share capital****Ordinary shares of £1 each**

	Number	£'000
Authorised, issued and fully paid at 31 December 2017 and at 31 December 2016	60,452,002	60,452

**12 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 2017 or at 31 December 2016.

**Amey Construction Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2017 (continued)**

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**13 Capital commitments**

The Company had no capital commitments at 31 December 2017 or at 31 December 2016.

**14 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](http://www.ferrovial.com)

The parent of the smallest group in which these financial statements are consolidated is Amey UK plc, incorporated in England and Wales.

Copies of those consolidated financial statements can be obtained from the registered office of Amey UK plc:

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