

**Amey OWR Limited (formerly
Owen Williams Railways Limited)**

Report and Financial Statements

Year ended

31 December 2008



Company no. 03033245



BDO Stoy Hayward
Chartered Accountants

Amey OWR Limited (formerly Owen Williams Railways Limited)

Annual report and financial statements for the year ended 31 December 2008

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Directors

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Directors

M Ewell
A L Milner
A L Nelson
C C Webster

Secretary and registered office

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

Company number

03033245

Auditors

BDO Stoy Hayward LLP, 125 Colmore Road, Birmingham, B3 3SD

Amey OWR Limited (formerly Owen Williams Railways Limited)

Report of the Directors for the year ended 31 December 2008

The Directors present their report together with the audited financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the Company is to provide engineering consultancy to the railway industry.

On 22 May 2008, the Company changed its name from Owen Williams Railways Limited to Amey OWR Limited.

Review of the business and future developments

The profit and loss account for the year is set out on page 7 and shows turnover of £27,318,000 (2007 - £26,184,000) and profit after tax of £1,968,000 (2007 - £2,380,000).

Turnover has increased by 4% and operating profit decreased by 50%, primarily as a result of the increase in administrative expenses following reorganisation within the Amey Group. The increase in intercompany interest income mitigated the overall change in profit after tax to a reduction of 17%.

During the year, the Company won several new contracts, including Milton Keynes detailed design, and it also attained a place on the Network Rail Professional Services Framework ('PServe'). The Company's rail consulting business is now working more closely with Amey's Inter-Urban division to identify and pursue joint working opportunities. This, and the Company's position on the PServe framework, has improved the order book and will help facilitate growth in 2009.

Employee numbers are expected to increase in line with the growth expected in 2009.

No dividend was paid during the year (2007 – £nil).

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 only 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 company, Amey UK plc, for the year ended 31 December 2008. The Company is a member of the Consulting division of the Group.

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 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 2009 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.

Amey OWR Limited (formerly Owen Williams Railways Limited)

Report of the Directors for the year ended 31 December 2008 *(continued)*

Going concern *(continued)*

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.

Directors

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

M Ewell

AL Nelson

CC Webster

AL Milner

D McHale

(appointed 30 September 2008)

(resigned 3 July 2008)

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.

Disabled employees

The Company 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 involvement

It is the Amey Group ("Group") policy to communicate with and involve all employees, subject to commercial and practical limitation, 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 Group 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 to provide current information to its employees. Members of the Amey 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 in the Company at the year end amounted to 42 days (2007 – 51 days) 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.

Directors' responsibilities for the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and 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 confirm that these financial statements comply with the above requirements.

The Directors are also responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. The Directors also have a general responsibility in law for taking such steps that are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Amey OWR Limited (formerly Owen Williams Railways Limited)

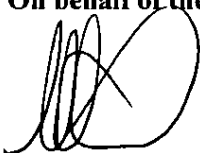
Report of the Directors for the year ended 31 December 2008 *(continued)*

Directors' responsibilities for the financial statements *(continued)*

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.

The Directors are responsible for ensuring that the Report of the Directors is prepared in accordance with company law in the United Kingdom.

On behalf of the Board



Mel Ewell
Director

28 April 2009

Amey OWR Limited (formerly Owen Williams Railways Limited)

Report of the independent auditors

To the shareholders of Amey OWR Limited

We have audited the financial statements of Amey OWR Limited for the year ended 31 December 2008 which comprise the profit and loss account and the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Report of the Directors is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Amey OWR Limited (formerly Owen Williams Railways Limited)

Report of the independent auditors (*continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

Birmingham

29 April 2009

Amey OWR Limited (formerly Owen Williams Railways Limited)

Profit and loss account for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Turnover	2	27,318	26,184
Cost of sales		<u>(23,135)</u>	<u>(22,061)</u>
Gross profit		4,183	4,123
Administrative expenses		<u>(2,990)</u>	<u>(1,743)</u>
Operating profit	5	1,193	2,380
Net interest receivable	6	<u>775</u>	<u>-</u>
Profit on ordinary activities before tax		1,968	2,380
Tax on profit on ordinary activities	7	<u>-</u>	<u>-</u>
Profit after tax and retained for the financial year		<u>1,968</u>	<u>2,380</u>

All transactions related to continuing operations.

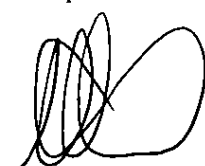
There were no recognised gains or losses other than the profit for the financial year.

The notes on pages 9 to 17 form part of these financial statements.

Amey OWR Limited (formerly Owen Williams Railways Limited)**Balance sheet at 31 December 2008**

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	8	<u>301</u>	<u>374</u>
Current assets			
Debtors	9	23,012	10,709
Cash at bank and in hand		<u>826</u>	<u>5,416</u>
		23,838	16,125
Creditors: amounts falling due within one year	10	<u>(12,738)</u>	<u>(7,066)</u>
Net current assets		<u>11,100</u>	<u>9,059</u>
Total assets less current liabilities		<u>11,401</u>	<u>9,433</u>
Capital and reserves			
Called up share capital	11	200	200
Profit and loss account	12	<u>11,201</u>	<u>9,233</u>
Equity shareholders' funds	12	<u>11,401</u>	<u>9,433</u>

The financial statements on pages 7 to 17 were approved and authorised for issue by the Board of Directors on 28 April 2009 and signed on its behalf by:



Mel Ewell
Director

The notes on pages 9 to 17 form part of these financial statements.

Amey OWR Limited (formerly Owen Williams Railways Limited)

Notes forming part of the financial statements for the year ended 31 December 2008

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:

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.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Plant and equipment: 20 - 33%

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted

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.

Defined contribution scheme:

The amount recognised in the profit and loss account is equal to the contributions payable to the scheme during the year.

1 Accounting policies (continued)

Leasing and hire purchase commitments

Assets financed by hire purchase contracts are initially recorded as a purchase of fixed assets with a hire purchase liability equal to the value of the assets. The interest element of hire purchase instalments is calculated at a constant rate on the balance outstanding and is charged to the profit and loss account over the period of the contract. Finance leasing agreements which in essence transfer to the lessee the risks and rewards of ownership and the majority of the value on resale are accounted for as though the finance lease were a hire purchase contract.

All other leasing arrangements are regarded as operating leases and the payments to lessors are charged to the profit and loss account on a straight-line basis over the lease term.

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.

Pre-contract and certain other costs arising on contracts

The Company expenses all pre-contract costs and other costs where recovery is not specifically provided for in accordance with the contract terms. The Company recognises on the balance sheet bid costs where it is virtually certain that a contract will be obtained and the contract is expected to result in future net cash inflows with a present value greater than the amount recognised as an asset. Costs are not subsequently reinstated when a contract award is achieved.

2 Turnover

The turnover and profit on ordinary activities before tax are attributable to the continuing operations and principal activities carried on within the United Kingdom. All turnover arises solely in the United Kingdom.

Amey OWR Limited (formerly Owen Williams Railways Limited)

Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

3 Employees (including Directors)

	2008	2007
Staff costs consist of:	£'000	£'000
Wages and salaries	10,894	10,040
Social security costs	1,104	1,007
Other pension costs	497	419
	<u>12,495</u>	<u>11,466</u>

The Company had no direct employees in 2008. The above represents employees of Amey Services Limited, whose costs were recharged to the Company in direct support of its trade.

	2008	2007
The average number of employees was as follows:	Number	Number
Operations	323	307
Administration and management	-	2
	<u>323</u>	<u>309</u>

4 Directors

Details of the remuneration of the Directors, who are also directors of the Company's intermediate parent undertaking, Amey UK plc, or of its fellow group undertakings, Amey OW Limited and Amey Datel Limited, are disclosed in those companies' financial statements.

No Directors were remunerated through the Company in 2008 or 2007.

5 Operating profit

	2008	2007
The operating profit is stated after charging:	£'000	£'000
Depreciation – owned tangible fixed assets	119	135
Lease rentals – land and buildings	452	341
– hire of plant and machinery	780	274
	<u>780</u>	<u>274</u>

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

Amey OWR Limited (formerly Owen Williams Railways Limited)

Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

6 Net interest receivable

	2008 £'000	2007 £'000
Interest receivable from group undertakings	<u>775</u>	<u>-</u>

7 Tax on profit on ordinary activities

	2008 £'000	2007 £'000
<i>Current tax</i>		
UK corporation tax at 28.5% (2007 - 30%)	<u>-</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:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	<u>1,968</u>	<u>2,380</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	561	714
<i>Effects of:</i>		
Expenses not deductible for tax purposes	10	-
Depreciation in excess of capital allowances	40	-
Group relief	<u>(611)</u>	<u>(714)</u>
Current tax charge for year	<u>-</u>	<u>-</u>

The estimated value of the potential deferred tax asset not recognised of £384,000 (2007 - £147,000) was in respect of deferred capital allowances of £408,000 (2007 - £nil) and other timing differences of £963,000 (2007 - £526,000), measured at the standard tax rate of 28% (2007 - 28%).

Amey OWR Limited (formerly Owen Williams Railways Limited)

Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

8 Tangible assets

	Plant and equipment £'000
<i>Cost</i>	
At 1 January 2008	810
Additions	46
At 31 December 2008	856
<i>Depreciation</i>	
At 1 January 2008	436
Depreciation	119
At 31 December 2008	555
<i>Net book value</i>	
At 31 December 2008	301
At 31 December 2007	374

9 Debtors

	2008 £'000	2007 £'000
Amounts due within one year:		
Trade debtors	1,850	1,732
Amounts owed by group undertakings	18,025	6,409
Amounts recoverable under contracts	2,549	2,010
Other debtors	275	-
Prepayments and accrued income	313	558
	23,012	10,709

Amey OWR Limited (formerly Owen Williams Railways Limited)

Notes forming part of the financial statements for the year ended 31 December 2008 *(continued)*

10 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Trade creditors	1,437	484
Amounts owed to group undertakings	8,896	3,699
Corporation tax creditor	-	12
Other creditors	11	-
Accruals and deferred income	1,270	2,140
Other tax and social security	1,124	731
	<u>12,738</u>	<u>7,066</u>

11 Share capital

	2008	2007
	£'000	£'000
<i>Authorised</i>		
500,000 Ordinary shares of £1 each	<u>500</u>	<u>500</u>
<i>Allotted, called up and fully paid</i>		
200,001 Ordinary shares of £1 each	<u>200</u>	<u>200</u>

Amey OWR Limited (formerly Owen Williams Railways Limited)

Notes forming part of the financial statements for the year ended 31 December 2008 *(continued)*

12 Reconciliation of movements in equity shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2007	200	6,853	7,053
Profit retained for the financial year	-	2,380	2,380
At 31 December 2007	200	9,233	9,433
Profit retained for the financial year	-	1,968	1,968
At 31 December 2008	200	11,201	11,401

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 £96,556,000 at the balance sheet date (2007 - £47,599,000). 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.

Amey OWR Limited (formerly Owen Williams Railways Limited)

Notes forming part of the financial statements for the year ended 31 December 2008 (continued)

14 Financial and capital commitments

The Company had no capital commitments at 31 December 2008 or at 31 December 2007.

As at 31 December 2008, the Company had amounts payable in the next year for non-cancellable operating leases commitments which expire:

	Land and buildings 2008 £'000	Other 2008 £'000	Total 2008 £'000	Land and buildings 2007 £'000	Other 2007 £'000	Total 2007 £'000
Within one year	25	39	64	27	19	46
In second to fifth year	367	120	487	321	201	522
After five years	-	-	-	53	-	53
	392	159	551	401	220	621

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.

16 Related party transactions

The Company has taken advantage of the exemption conferred by FRS 8 (Related Party Disclosures) not to disclose transactions with members of the group headed by Grupo Ferrovial, S.A. on the grounds that at least 90% of the voting rights in the Company are controlled within that group and the Company is included in those consolidated financial statements.

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 Grupo Ferrovial, S.A., the Company's ultimate parent company, whose financial statements are publicly available.

18 Ultimate parent undertaking

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

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

Grupo 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 Amey plc, which is 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