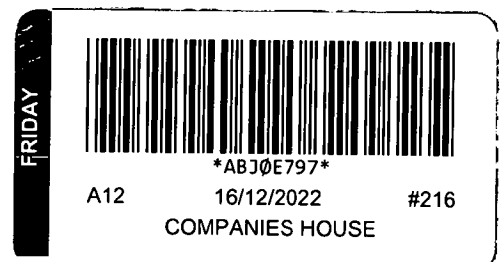


REGISTERED NUMBER: 05438319 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2021
for
Amey Holdings Limited**



Contents

Annual Report and Financial Statements 2021

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Company Information

Directors

A L Fisher
A L Nelson

Company Secretary and registered UK office

Sherard Secretariat Services Limited
Chancery Exchange, 10 Furnival Street, London, EC4A 1AB, United Kingdom

Company registration number

05438319

Company address

Chancery Exchange, 10 Furnival Street, London, EC4A 1AB, United Kingdom

Auditor

Deloitte LLP, Statutory Auditor, 4 Brindleyplace, Birmingham, B1 2HZ, United Kingdom

Strategic Report**Annual Report and Financial Statements 2021**

The Directors present their strategic report for the year ended 31 December 2021.

Principal activity

The Company's principal activity during the year is that of a holding company. There have been no changes in the Company's activities during the year.

Review of business and future developments

The Company has not traded in either the current year or the prior year. Accordingly, no Income Statement is included in the financial statements. A reversal of previously recognised impairment in subsidiary undertakings of £196.0 million (2020: £nil) has been recognised in the year.

The Directors do not anticipate any change to the Company's level of activity in 2022.

Post balance sheet events*Change in ultimate parent undertaking*

The Company is a subsidiary of Amey UK Limited (the Group, formerly Amey UK plc). On 11 October 2022, the Group's ultimate parent undertaking, Ferrovial, S.A., announced that it had reached agreement to sell the whole of the share capital of Amey UK Limited and the other equity instruments held by Ferrovial as issued by Amey UK Limited and its subsidiary undertaking, Amey Limited (formerly Amey plc) to a company controlled by One Equity Partners and Buckthorn Partners. The sale of the Group is conditional on the completion of the transfer of the Waste Treatment CGU to Ferrovial, as this CGU does not form part of the Group's ongoing business that One Equity Partners and Buckthorn Partners have agreed to purchase and the approval by the Secretary of State for BEIS, as the transaction is subject to the National Security and Investment Act 2021. It is expected that the sale will be completed prior to 31 December 2022. Any change of ownership has no impact on the financial statements of the Group for the year ended 31 December 2021 and is also not expected to have any impact on the Group's operations and activities following completion of the sale.

The transaction represents an enterprise value of £400 million and an estimated equity value of approximately £245 million. The final consideration to be paid upon completion of the transaction will be adjusted by reference to the net debt and working capital figures resulting from a balance sheet prepared as of that date. The net consideration will be in the form of cash of £109 million and a vendor loan note of £136 million repayable over the next 5 years with an interest of 6% per annum, increasing to 8% after the third year. As part of the transaction, the Group consulted with the pension scheme trustees concerning the sale, who, upon advice, were content to execute a letter of agreement recording that the trustees do not consider the transaction (including the terms of the vendor loan note subordinated in favour of the pension schemes) will be materially detrimental to the ongoing employer covenant or the likelihood of accrued scheme benefits being received by members.

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

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 Limited ('the Group'), for the year ended 31 December 2021. The Company is a member of the Central Services division of the Group.

Financial risk management

A discussion of the objectives and policies employed in managing risk and the Company's use of financial instruments can be found in the Amey UK Limited Annual Report and Accounts for the year ended 31 December 2021 as the Company is subject to the application of Group-wide policies and practices when assessing financial risk.

The Company does not hold any derivative financial instruments. There is no material financial risk arising on the assets and liabilities held by the Company.

Strategic Report (continued)Annual Report and Financial Statements 2021

Key performance indicators

The Company is a holding company that has not traded during the year and it is not expected to trade. As such, the Company has no principal key performance indicators.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

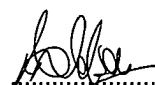
The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021 (see also the Corporate Governance statement and a detailed s172(1) statement on the Amey Group's website: www.amey.co.uk and the Amey UK Limited 2021 group accounts for more information).

In discharging their duties in relation to s172(1) of the Companies Act 2006, the Directors have paid regard to the following matters:

- (a) the likely consequences of any decision in the long-term, such as strategic planning, Brexit impact and business development opportunities;
- (b) interests of the Group's employees including health and safety, employee involvement and initiatives, diversity, inclusion and gender pay gap issues;
- (c) the need to foster relationships with suppliers, customers and others including supplier evaluation, social values and payment practices;
- (d) to act fairly between members of the Company;
- (e) impact of operations on community and the environment, including carbon management, climate crisis initiatives; and
- (f) reputation for high standards of business conduct including adoption of corporate governance standards, training of Directors and whistleblowing reporting.

As the Company is a wholly owned subsidiary of the Amey group of companies, and ultimately the Ferrovial group of companies, the Company's Directors discharge their duties within policies, procedures and authorisation limits set out on a group-wide basis. Further information on how officers within the Amey Group of companies discharge their duties is included in the Amey UK Limited 2021 group accounts. The Directors of this Company also achieve this through attendance at relevant executive meetings, involvement in executive briefings and training, and through having responsibility for implementation of group-wide initiatives to promote best practice.

Approved by the Board on 15 December 2022 and signed on its behalf by:



A L Nelson
Director
15 December 2022

Report of the DirectorsAnnual Report and Financial Statements 2021

The Directors present their annual report with the audited financial statements of the Company for the year ended 31 December 2021.

Strategic Report

Details of future developments, post balance sheet events (if any) and financial risk management can be found in the Strategic Report on pages 1 to 2 and form part of this report by cross reference.

Dividends

No dividends were paid by the Company during the year (2020: £nil). In view that the Company has a retained deficit at 31 December 2021, the Directors are unable to recommend the payment of any dividend.

Energy and Carbon Performance

The Company has taken exemption from reporting on Energy and Carbon Performance as this information is included in the consolidated group accounts of Amey UK Limited, of which this Company is a member. Full disclosure can be found in the Amey UK Limited Annual Report and Accounts for 2021.

Business Relationships

The Directors have had regard to the need to foster the company's business relationships with stakeholders. This is explained further within the S172 statement part (c) in the strategic report on page 2.

Directors of the Company

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

A L Fisher
A L Nelson

Directors' indemnity

Directors and Officers of the Company benefit from directors' and officers' liability insurance cover provided by the Amey Group in respect of legal actions brought against them for any of the directorships held within the Amey Group. In addition, Directors are indemnified under the Company's articles of association to the extent permitted by law, such indemnities being qualified third party indemnities.

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.

The Directors have considered the implications behind the Ferrovial, S.A. Group's strategic decision to divest the Amey UK Limited Group. This decision does not impact the Company's day to day operations.

Policy on slavery and human trafficking

In accordance with the Modern Slavery Act 2015, the Amey Group of which this Company is a member, 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 www.amey.co.uk and an abridged statement is included in the financial statements of the Company's intermediate parent company, Amey UK Limited.

Report of the Directors (continued)

Annual Report and Financial Statements 2021


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.

Auditors

Deloitte LLP have indicated to the Directors their intention to resign as auditor to the Company following completion of the 2021 financial statements. The Directors have appointed Mazars LLP as auditor of the Company for 2022.

Approved by the Board on 15 December 2022 and signed on its behalf by:


.....

A L Nelson

Director

15 December 2022

Statement of Directors' Responsibilities

Annual Report and Financial Statements 2021

Statement of Directors' Responsibilities

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'.

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 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.

**Independent auditor's report to the members of
Amey Holdings Limited**Annual Report and Financial Statements 2021

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

In our opinion the financial statements of Amey Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' 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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

**Independent auditor's report to the members of
Amey Holdings Limited (continued)**Annual Report and Financial Statements 2021

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, employment law and COVID-19 UK Government relief; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Bribery Act, General Data Protection Regulation and health and safety laws and regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions, IT, and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Annual Report and Financial Statements 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house/external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 or the Report of the Directors.

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.

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.

DocuSigned by:



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Peter Gallimore FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor,
Birmingham, United Kingdom
15 December 2022

Balance Sheet**Annual Report and Financial Statements 2021****Income Statement for the year ended 31 December 2021**

	Note	2021 £'000	2020 £'000
Revenue		-	-
Administrative expenses		-	-
Operating profit		-	-
Provision for impairment of investments in subsidiary undertakings	6	195,994	-
Profit before taxation		195,994	-
Tax on profit		-	-
Profit for the year after tax		195,994	-

The notes on pages 12 to 24 form part of these Company financial statements.

Balance Sheet

Annual Report and Financial Statements 2021

Balance Sheet as at 31 December 2021

Company number 05438319	Note	2021 £'000	2020 £'000
Fixed assets			
Investment in subsidiary undertakings	6	244,522	48,528
Total assets less current liabilities		244,522	48,528
Net assets		244,522	48,528
Equity			
Share capital	7	233,878	233,878
Share premium account	8	263,989	263,989
Other equity instrument	9	65,291	63,930
Retained deficit		(318,636)	(513,269)
Equity shareholders' funds		244,522	48,528

The notes on pages 12 to 24 form part of these Company financial statements.

These financial statements were approved by the Board of Directors on 15 December 2022 and signed on its behalf by:



A L Nelson
Director
15 December 2022

Statement of Changes in Equity

Annual Report and Financial Statements 2021

Statement of Changes in Equity for the year ended 31 December 2021

	Share capital £'000	Share premium account £'000	Other equity instrument £'000	Retained deficit £'000	Total equity £'000
At 1 January 2020	233,878	263,989	62,611	(511,950)	48,528
Reserves transfer in respect of Other equity instrument (see note 9)	-	-	1,319	(1,319)	-
At 31 December 2020	233,878	263,989	63,930	(513,269)	48,528
Profit after tax and total comprehensive income	-	-	-	195,994	195,994
Reserves transfer in respect of Other equity instrument (see note 9)	-	-	1,361	(1,361)	-
At 31 December 2021	233,878	263,989	65,291	(318,636)	244,522

The notes on pages 12 to 24 form part of these Company financial statements.

Notes to the financial statementsAnnual Report and Financial Statements 2021

1 General information

The principal activity of the Amey Holdings Limited (the Company) is that of holding company. The Company is a private company, limited by share capital and is incorporated in the United Kingdom (registered in England and Wales). The Company is privately owned.

The Company Secretary and the address of the registered office and principal place of business is as follows: Sherard Secretariat Services Limited, Chancery Exchange, 10 Fumival Street, London, EC4A 1AB.

2 Accounting policies**Basis of preparation**

The financial statements of the Company have been prepared in accordance with FRS 102, the historical cost convention and the Companies Act 2006. Amey Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Basis of consolidation

The Company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006 on the grounds that it is itself a wholly owned subsidiary undertaking of a company registered in England and Wales. These financial statements therefore, present information about the individual undertaking and not about its group. These financial statements are separate financial statements.

Going concern

The Company is a subsidiary of Amey UK Limited (the Group) and its financial resources are managed on a group basis. The Company is accordingly a cross-guarantor to certain liabilities of the Group as described in note 11. The Company has also received written confirmation from the intermediate parent undertaking, Amey UK Limited, that it will continue to provide financial support to the Company for the period of at least twelve months from the date of signing these financial statements in order to fund day-to-day operations and to meet liabilities to the extent that the Company is unable to do so. The ultimate parent of the Group is Ferrovial, S.A.

The Group is financed through a mixture of shareholder equity, other equity instruments issued to Ferrovial companies, intercompany debt from Ferrovial companies, leases, non-recourse project-related bank term loans, other bank loans and overdrafts. Details of all bank loans and their maturity are set out in the Amey UK Limited financial statements as are details of finance risks.

The Directors have also considered the implications of the recently announced sale of the Group to One Equity Partners and Buckthorn Partners. This decision does not impact the Group's day-to-day operations and given that the Group does not rely on Ferrovial contractual guarantees there are no implications to the ongoing trading operations of the Group after completion of any sale. The impact on our financing arising from a change of control is considered below.

The Group's key external banking facilities are bilateral facility agreements of £38 million with each of HSBC and Santander and £44 million with Royal Bank of Canada. These agreements total £120 million and mature on the earlier of July 2023 or on the date of completion of the proposed sale of the Group. At 31 December 2021, all of the facilities in place at that time were undrawn and the Group also held £46.9 million of unrestricted cash on the Group balance sheet.

Notes to the financial statements (continued)

Annual Report and Financial Statements 2021

2 Accounting policies (continued)**Going concern (continued)**

In October 2022, the Group received commitments from three lenders, HSBC, Natwest Group and ABN Amro, to enter into a four-year syndicated revolving credit facility. The facility is sized at £125 million and will be used to support the Group's future bonding and working capital requirements once the sale of the Group has been completed.

Notwithstanding this continuity of financing, the Directors of the Group have reviewed several factors including:

- the future business plans of the Group (including the current year results up to the date of these accounts, the current forecast for 2022 and the strategic plan for 2023 to 2026);
- the obligation, on completion of the sale of the Group, to pay in full to Birmingham Highways Limited the outstanding £35 million liability;
- servicing additional debt post-completion of the sale of the Group;
- the availability of core and ancillary financing facilities;
- the compliance with the post completion related net debt/EBITDA banking covenant which must remain under 1.5x;
- the projected drawn positions and headroom available on the core committed financing facilities; and
- the projected future cash flows of the Group comprising:
 - a Base Case forecast built up from the budget for 2022; and
 - a Reasonable Worst Case ('RWC') forecast which applies sensitivities against the Base Case

The RWC forecast looks at the following key sensitivities:

- £14 million net cash outflows due to unwind of working capital on contracts ending and other agreements in 2022 and 2023;
- the liquidity impact of lower-than-expected future revenue growth in each business stream through a lower bid win ratio; and
- consideration of a slowing down of working capital flows, in particular a market-wide increase in days sales outstanding.

The Group's cash flow forecasts show that there is sufficient liquidity to enable it to continue trading should all the above sensitivities materialise. In addition to the above sensitivities, management has also considered actions that can be taken to mitigate any significant additional reductions in headroom due to unforeseen events which would include actions such as delaying management fees and payments to suppliers. The increased liquidity of these actions give comfort to the Directors that it would have enough headroom to manage such unforeseen impacts.

The Directors have considered the pension risks and sensitivities in the Amey UK Limited financial statements and reviewed Value-at-Risk analysis. The Directors consider the exposure to be adequately mitigated by strong governance, de-risked scheme assets, various contingent assets and committed payments for the benefit of the schemes.

The Directors have also considered the impact on the Group's ability to continue as a going concern in the event of delayed completion of the sale to One Equity Partners and Buckthorn Partners. The Directors are comfortable that although commencement of the new syndicated revolving credit facility would be delayed, the existing facilities would remain in place until July 2023. The Group would seek to extend those facilities for a further period, but the Directors consider that even if an extension of those facilities were not granted, the Group has sufficient cash resources to enable it to continue operating in a normal manner.

In summary, since the Group's last set of financial statements for the year ended 2020 signed in May 2021, the Group's liquidity has strengthened and its external financing requirement reduced substantially. Accordingly, the Directors have adopted the going concern principle in preparing these financial statements.

Notes to the financial statements (continued)Annual Report and Financial Statements 2021

2 Accounting policies (continued)**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.

Investment in subsidiary undertakings

Investments by the Company in the shares of subsidiary undertakings are stated at cost less any provision where, in the opinion of the Directors, there has been a permanent impairment in the value of any such investment.

3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 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 other than using estimates (which inherently involves the use of management judgement) in respect of the carrying value of the investment in subsidiary undertaking (see note 6 for further information) and the judgement made in recognition for accounting purposes of the subordinated guaranteed hybrid loan as an Other equity instrument (see note 9).

4 Employees and Directors

The Company had no direct employees in either 2021 or 2020.

No Directors were remunerated through the Company in either 2021 or 2020.

Details of the remuneration of the other Directors, whose services are of a non-executive nature and who are also directors of the Company's intermediate parent undertaking, Amey UK Limited, are disclosed in that company's financial statements. Their remuneration is deemed to be wholly attributable to their services to that company. The remuneration of the other Director is deemed to be for services to the group as a whole.

5 Auditor's remuneration

The auditor's remuneration is borne by Amey Group Services Limited, a fellow subsidiary undertaking of the Company, and is not recharged. The allocation to the Company of the auditor's fees, which are attributable solely to the audit of these financial statements, is £45,000 (2020: £45,000).

Notes to the financial statements (continued)

Annual Report and Financial Statements 2021

6 Investment in subsidiary and joint venture undertakings**Investment in subsidiary undertakings**

	Cost of shares £'000	Subordinated loan £'000	Carrying value £'000
Cost			
At 1 January 2020, at 31 December 2020 and at 31 December 2021	497,867	60,000	557,867
Provision for impairment			
At 1 January 2020 and 31 December 2020	(497,867)	(11,472)	(509,339)
Release of provision for the year	184,522	11,472	195,994
At 31 December 2021	(313,345)	-	(313,345)
Carrying amount			
At 31 December 2021	184,522	60,000	244,522
At 1 January 2020 and 31 December 2020	-	48,528	48,528

On 25 July 2018, the Company granted a subordinated loan facility to its subsidiary undertaking, Amey Limited, for an amount of £60.0 million. It is a perpetual loan with an applicable interest rate of 12-month LIBOR plus 200 basis points which rises to 12-month LIBOR plus 500 basis points if Group Profits Before Interest, Tax, Depreciation and Amortisation ('EBITDA') is above a set threshold. The loan has no specified maturity date but can be redeemed by the Amey Holdings Limited at any time. That company also has the power to delay timing of the interest payment at its sole discretion which cannot be claimed by the lender.

The Directors have reviewed the carrying value of the investment in its only direct subsidiary company and have concluded that the impairment provision previously made can now be partially reversed as a result of the improved performance of that investment and the markets in which it operates.

The recoverable amounts of investments of £244.5 million are based on value-in-use which reflects forecast cash flows as derived from approved budgets and plans for the next five years. The future cash flows are based on the completed Budget 2022 and the 2023-2026 Strategic Plan. Residual values have also been included which are based on the normalised activity cash flow plus a growth factor. The growth rate used has been 1.76% (2020: 1.75%). The underlying assumptions of these cash flows are based on the existing contract order book, management's past experience and on probability ratios for new business generation. The cash flows have been discounted using a risk-based discount rate of 9.52% (2020: 9.76%). This pre-tax discount rate is a measure based on the 10-year UK bond rate adjusted for a risk premium to reflect both the increased risk of investments generally in the sector and the systematic risk of the specific CGUs.

The dynamics of the Support Services sector has remained in line with the previous year, with a similar uncertainty and instability in the markets in which the Group operates. As a result of this, management decided to maintain the same assumptions as used in the previous year.

The Company has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the specific investments. The Directors believe that any reasonably possible change in the key assumptions on which the recoverable amounts of investments is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the investment.

All subsidiary undertakings are incorporated in England and Wales and operate principally in the UK (unless otherwise indicated). Amey Power Services Limited has a branch in The Republic of Ireland. The Group's voting rights and the interest in their equity shares are 100% (unless otherwise indicated). Where the Group does not hold 100%, then the Group accounts for the corresponding Non-Controlling interest. All interests are held through another subsidiary undertaking with the exception of Amey Limited, which is held directly by the Company.

Notes to the financial statements (continued)

Annual Report and Financial Statements 2021

6 Investment in subsidiary and joint venture undertakings (continued)

Investment in subsidiary undertakings (continued)

Active subsidiary undertaking	Nature of business
Amey Limited	Holding company
Accord Limited	Holding company
Thalia IOW SPV Limited (formerly Amey (IOW) SPV Limited)	Waste management
Amey Community Limited	Building support services
Amey Construction Limited	Highway management and maintenance
Amey Consulting Australia Pty Limited (<i>Australia</i>)	Highway management and maintenance (<i>Australia</i>)
Amey Consulting USA, Inc. (<i>USA</i>)	Highway management and maintenance (<i>USA</i>)
Amey Defence Services Limited	Facilities management and buildings maintenance
Amey Defence Services (Housing) Limited	Housing maintenance on behalf of the MOD
Amey Environmental Services Limited	Waste management
Amey Finance Services Limited	Group insurance activities
Amey Fleet Services Limited	Specialist fleet support services
Amey Group Information Services Limited	Group IT services
Amey Group Services Limited	Group central services
Amey Highways Limited	Highway management and maintenance
Amey Investments Limited	Investment holdings
Seilwaith Amey Cymru/Amey Infrastructure Wales Limited	Rail services, management and maintenance
Amey LG Limited	Highway management and maintenance
Amey LUL 2 Limited	Sub-surface rail management services
Amey Mechanical and Electrical Services Limited	Building support services
Amey Metering Limited	Metering services
Amey OW Limited	Professional services to highways market
Amey OWR Limited	Professional services to rail market
Amey OW Group Limited	Holding company
Amey Power Services Limited	Power network maintenance
Amey Programme Management Limited	Building support services
Amey Public Services LLP (67%)	Highway management and maintenance
Amey Rail Limited	Rail services, management and maintenance
Amey Roads (North Lanarkshire) Limited (67%)	Highway management and maintenance
Amey Services Limited	Payroll services
Amey TPT Limited	Professional services to rail market
Amey Utility Services Limited (since renamed Avoe Limited)	Utilities network maintenance
Amey Ventures Limited	Bid management
Amey Ventures Asset Holdings Limited	Investment holdings
Amey Ventures Management Services Limited	Investment management
Amey Wye Valley Limited (80%)	Highways maintenance and other services
Thalia Waste Management Limited (formerly AmeyCespa Limited) (50%)+	Waste management
Thalia AWRP ODC Limited (formerly AmeyCespa (AWRP) ODC Limited) (50%)+	Waste management
Thalia WB ODC Limited (formerly AmeyCespa (East) Limited) (50%)+	Waste management
Thalia WB Holdco Limited (formerly AmeyCespa (East) Holdings Limited) (50%) +	Holding company
Thalia MK ODC Limited (formerly AmeyCespa (MK) ODC Limited) (50%)+	Waste management
Thalia WB Services Limited (formerly AmeyCespa Services (East) Limited) (50%)+	Waste management
Thalia WB SPV Limited (formerly AmeyCespa WM (East) Limited) (50%)+	Waste management
A.R.M. Services Group Limited	Holding company
Brophy Grounds Maintenance Limited	Environmental services
Byzak Limited	Water systems maintenance
C.F.M. Building Services Limited (<i>Scotland</i>)	Buildings maintenance
Enterprise plc	Holding company
Enterprise (AOL) Limited	Environmental services and highways maintenance
Enterprise (Venture Partner) Limited	Investment holdings
Enterprise Holding Company No.1 Limited	Holding company
Enterprise Managed Services Limited	Utilities network maintenance and environmental services
EnterpriseManchester Partnership Limited (80%)	Environmental services
Enterprise Public Services Limited	Holding company
Fleet and Plant Hire Limited	Specialist fleet support services
Globemile Limited	Holding company
Heating and Building Maintenance Company Limited	Facilities management
MRS Environmental Services Limited	Environmental services
Nationwide Distribution Services Limited	Highways maintenance and other services
Novo Community Limited	Rehabilitation and offender management services

On 7 February 2021, the Group acquired the remaining 10% shareholding in Seilwaith Amey Cymru/Amey Infrastructure Wales Limited (formerly Amey Keolis Infrastructure/Seilwaith Amey Keolis Limited). That company is now wholly owned.

The companies marked with a + in the list of companies above were disposed of on 30 November 2022.

Notes to the financial statements (continued)

Annual Report and Financial Statements 2021

6 Investment in subsidiary and joint venture undertakings (continued)**Investment in subsidiary undertakings (continued)****Dormant subsidiary undertaking**

Access Hire Services Limited	Durley Group Holdings Limited
Accord Asset Management Limited	Enterprise (ERS) Limited
Accord Consulting Services Limited	Enterprise Building Services Limited
Accord Environmental Services Limited	Enterprise Business Solutions 2000 Limited
Accord Network Management Limited	Enterprise Fleet Limited
Thalia IOW ODC Limited (formerly Allerton Waste Recovery Park Interim SPV Limited)+	Enterprise Foundation (ETR) Limited
Amey 1321 Limited	Enterprise Islington Limited
Amey Building Limited	Enterprise Lighting Services Limited
Amey Dattel Limited	Enterprise Managed Services (BPS) Limited
Amey Equitix Smart Meters 1 Holdings Limited	Enterprise Utility Services (DCE) Limited
Amey Equitix Smart Meters 1 SPV Limited	Enterprise Utility Services (TBC) Limited
Amey Facilities Partners Limited	Haringey Enterprise Limited
Amey IT Services Limited	Hillcrest Developments (Yorkshire) Limited
Amey Railways Holdings Limited	ICE Developments Limited
Amey Technology Services Limited	JDM Accord Limited
Amey Tramlink Limited	JNP Ventures Limited
Amey Tube Limited	JNP Ventures 2 Limited
Byzak Contractors (Scotland) Limited (<i>Scotland</i>)	MRS St Albans Limited
Comax Holdings Limited	TPI (Holdings) Limited
Countrywide Property Inspections Limited	Transportation Planning (International) Limited
CRW Maintenance Limited	Trinity Group Holdings Limited
Amey (JJMG) Limited	Wimco Limited
Amey (ABD) Limited	

Amey 1321 Limited was dissolved on 1 March 2022.

Amey Equitix Smart Meters 1 Holdings Limited and Amey Equitix Smart Meters 1 SPV Limited were dissolved on 9 November 2021.

Byzak Contractors (Scotland) Limited was dissolved on 10 February 2021.

Enterprise Utility Services (DCE) Limited was dissolved on 18 February 2021.

Enterprise Utility Services (TBC) Limited was dissolved on 28 February 2021.

Amey (ABD) Limited was incorporated on 8 March 2021 and dissolved on 1 February 2022.

The companies marked with a + in the list of companies above were disposed of on 30 November 2022.

Notes to the financial statements (continued)

Annual Report and Financial Statements 2021

6 Investment in subsidiary and joint venture undertakings (continued)

Investment in joint venture undertakings

The Company's joint venture undertakings, which are registered in England and Wales (unless otherwise indicated), and the proportion of equity which is all held indirectly are as follows:

Joint venture undertaking	Nature of business	Class of share held	2021 % held	2020 % held
ALC (FMC) Limited (<i>in voluntary liquidation</i>)	PFI asset management concession for the MOD	Ordinary	50.0	50.0
Amey (AB) Limited (formerly AmeyBreathe Limited)	Energy efficiency design and installation	Ordinary	50.0	50.0
AmeyBriggs Asset Holdings Limited	Secure infrastructure	Ordinary	50.0	-
AmeyBriggs Assets Limited	Secure infrastructure	Ordinary	50.0	-
AmeyBriggs Services Holdings Limited	Secure infrastructure	Ordinary	50.0	-
AmeyBriggs Services Limited	Secure infrastructure	Ordinary	50.0	-
Amey FMP Belfast Strategic Partnership Hold Co Limited	Managing development of schools and libraries in Northern Ireland	Ordinary	70.0	70.0
Amey FMP Belfast Strategic Partnership SP Co Limited	Managing development of schools and libraries in Northern Ireland	Ordinary	70.0	70.0
Amey Hallam Highways Holdings Limited	PFI highways concession in Sheffield	See note	3.3	3.3
Amey Hallam Highways Limited	PFI highways concession in Sheffield	See note	3.3	3.3
Amey Infrastructure Management (1) Limited	Investment holdings	See note	10.0	10.0
Amey Infrastructure Management (2) Limited	Investment holdings	See note	10.0	10.0
Amey Infrastructure Management (3) Limited	Investment holdings	See note	10.0	10.0
Amey Ventures Investments Limited	Investment holdings	Ordinary	5.0	5.0
Amey-Webber LLC (<i>USA</i>)	Highways maintenance	Ordinary	51.0	51.0
AmeyVTOL Limited	Railways maintenance	Ordinary	60.0	60.0
AWRP Holdings Co Limited (formerly AmeyCespa (AWRP) Holding Co Limited)+	PFI waste management concession	See note	3.3	3.3
AWRP SPV Limited (formerly AmeyCespa (AWRP) SPV Limited)+	PFI waste management concession	See note	3.3	3.3
EduAction (Waltham Forest) Limited	Education support services outsourcing	Ordinary	50.0	50.0
GEO Amey Limited (formerly GEO Amey PECS Limited)	Prisoner escort and custody services	Ordinary	50.0	50.0
Integrated Bradford Hold Co Two Limited	PFI schools concession in Bradford	See note	0.6	0.6
Integrated Bradford LEP Limited	PFI schools concession in Bradford	See note	4.0	4.0
Integrated Bradford LEP Fin Co One Limited	PFI schools concession in Bradford	See note	4.0	4.0
Integrated Bradford PSP Limited	PFI schools concession in Bradford	See note	5.0	5.0
Integrated Bradford SPV Two Limited	PFI schools concession in Bradford	See note	0.6	0.6
Keolis Amey Consulting Limited	Railways maintenance	Ordinary	36.0	-
Keolis Amey Docklands Limited	Railways maintenance	Ordinary	30.0	30.0
Keolis Amey Metrolink Limited	Railways maintenance	Ordinary	40.0	40.0
Keolis Amey Operations/Gweithrediadau Keolis Amey Limited	Railways maintenance	Ordinary	36.0	36.0
Keolis Amey Rail Limited (formerly Keolis Amey Wales Cymru Limited)	Railways maintenance	Ordinary	40.0	40.0
Scot Roads Partnership Holdings Limited (<i>Scotland</i>)	Highways maintenance	Ordinary	20.0	20.0
Scot Roads Partnership Project Limited (<i>Scotland</i>)	Highways maintenance	Ordinary	20.0	20.0
Scot Roads Partnership Finance Limited (<i>Scotland</i>)	Highways maintenance	Ordinary	20.0	20.0
Thalia MK Holding Co Limited (formerly AmeyCespa (MK) Holding Co Limited)+	PFI waste management concession	Ordinary	50.0	50.0
Thalia MK SPV Limited (formerly AmeyCespa (MK) SPV Limited)+	PFI waste management concession	Ordinary	50.0	50.0
TfW Innovation Services Limited	Railways maintenance	Ordinary	17.6	-

EduAction (Waltham Forest) Limited was dissolved on 1 February 2022

Note – the class of share held by the Group for each of the Companies here noted is 50.1% of Ordinary shares and 10.0% of Preference shares.

Percent held represents the overall economic interest in the joint venture undertaking.

The joint ventures marked with a + in the list of companies above were disposed of on 30 November 2022.

Notes to the financial statements (continued)

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6 Investment in subsidiary and joint venture undertakings (continued)

Investment in joint venture undertakings

The following joint venture undertakings, and the Company's proportion of equity held, are held indirectly through Amey Ventures Investments Limited:

Joint venture undertaking	Nature of business	Class of share held	2021 % held	2020 % held
AHL Holdings (Manchester) Limited	PFI street lighting concession	Ordinary	2.5	2.5
Amey Highways Lighting (Manchester) Limited	PFI street lighting concession	Ordinary	2.5	2.5
AHL Holdings (Wakefield) Limited	PFI street lighting concession	Ordinary	2.5	2.5
Amey Highways Lighting (Wakefield) Limited	PFI street lighting concession	Ordinary	2.5	2.5
ALC (Superholdco) Limited <i>(in voluntary liquidation)</i>	PFI asset management concession for the MOD	Ordinary	2.5	2.5
ALC (Holdco) Limited <i>(in voluntary liquidation)</i>	PFI asset management concession for the MOD	Ordinary	2.5	2.5
ALC (SPC) Limited <i>(in voluntary liquidation)</i>	PFI asset management concession for the MOD	Ordinary	2.5	2.5
Amey Belfast Schools Partnership Hold Co Limited	PFI schools concession	Ordinary	5.0	5.0
Amey Belfast Schools Partnership PFI Co Limited	PFI schools concession	Ordinary	5.0	5.0
Amey Lighting (Norfolk) Holdings Limited	PFI street lighting concession	Ordinary	5.0	5.0
Amey Lighting (Norfolk) Limited	PFI street lighting concession	Ordinary	5.0	5.0
Amey Roads NI Holdings Limited <i>(Northern Ireland)</i>	PFI highways concession in Northern Ireland	Ordinary	2.5	2.5
Amey Roads NI Limited <i>(Northern Ireland)</i>	PFI highways concession in Northern Ireland	Ordinary	2.5	2.5
Amey Roads NI Financial plc <i>(Northern Ireland)</i>	PFI highways concession in Northern Ireland	Ordinary	2.5	2.5
E4D&G Holdco Limited	PFI schools concession in Dumfries & Galloway	Ordinary	4.3	4.3
E4D&G Project Co Limited	PFI schools concession in Dumfries & Galloway	Ordinary	4.3	4.3
Integrated Bradford Hold Co One Limited	PFI schools concession in Bradford	Ordinary	1.7	1.7
Integrated Bradford SPV One Limited	PFI schools concession in Bradford	Ordinary	1.7	1.7
RSP (Holdings) Limited <i>(Scotland)</i>	PFI schools concession in Renfrewshire	Ordinary	1.8	1.8
The Renfrewshire Schools Partnership Limited <i>(Scotland)</i>	PFI schools concession in Renfrewshire	Ordinary	1.8	1.8
Services Support (Avon and Somerset) Holdings Limited	PFI courts concession in Bristol	Ordinary	1.0	1.0
Services Support (Avon and Somerset) Limited	PFI courts concession in Bristol	Ordinary	1.0	1.0

The Company also has an interest in the following jointly controlled operations:

Jointly controlled operation	Participating subsidiary	Nature of business	2021 % Held	2020 % held
Amey Black and Veatch	Byzak Limited	Water systems maintenance	50.0	50.0
AmeyColas	Amey Rail Limited	Rail track maintenance and renewal	50.0	50.0
AmeyInabensa	Amey Rail Limited	Rail track maintenance and renewal	50.0	50.0
Amey Lafarge	Amey LG Limited	Highways management and maintenance	70.0	70.0
Amey-Miller Glasgow Schools	Amey Programme Management Limited	Building support services	50.0	50.0
AmeyMouchel	Amey LG Limited	Highways management and maintenance	75.0	75.0
AmeySersa	Amey Rail Limited	Rail track maintenance and renewal	70.0	70.0
Amey SRM	Amey OW Limited	Highways management and maintenance	50.0	50.0
KeolisAmey	Amey Rail Limited	Rail track maintenance and renewal	70.0	70.0

The jointly controlled operations represent activities where assets have been pooled with other operators within the contract as part of the overall venture. They do not have registered offices other than the registered office of the participating subsidiaries. The principal place of business is Chancery Exchange, Funnival Street, London, EC4A 1AB.

Notes to the financial statements (continued)

Annual Report and Financial Statements 2021

6 Investment in subsidiary and joint venture undertakings (continued)**Investment in joint venture undertakings**

All incorporated joint venture undertakings operate in the UK, with the exception of Amey-Webber LLC (USA). The Amey Broadpectrum, Ventia Boral Amey New South Wales and Ventia Boral Amey Queensland jointly controlled operations are based in Australia and were all disposed of in June 2021. All joint venture undertakings and jointly controlled operations are not held directly but are held through subsidiary undertakings.

All joint venture undertakings and jointly controlled operations have financial periods ending on 31 December, with the exceptions of: Amey Roads NI Holdings Limited, Amey Roads NI Limited, Amey Roads NI Financial Limited, Keolis Amey Metrolink Limited, Keolis Amey Wales Cymru Limited, Keolis Amey Operations/Gweithrediadau Keolis Amey Limited, Scot Roads Partnership Holdings Limited, Scot Roads Partnership Project Limited, Scot Roads Partnership Finance Limited (all 31 March); Amey FMP Belfast Strategic Partnership Hold Co Limited, Amey FMP Belfast Strategic Partnership SP Co Limited (30 June). Where a joint venture undertaking does not have a coterminous year end, interim financial statements have been prepared.

Registered offices

The registered office of subsidiary and joint venture undertakings is Chancery Exchange, 10 Furnival Street, London, EC4A 1AB, United Kingdom. The exceptions to this are set out in the table below:

Undertaking	Registered office (United Kingdom, unless otherwise indicated)
ALC (FMC) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester, M2 5WA
ALC (Superholdco) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester, M2 5WA
ALC (Holdco) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester, M2 5WA
ALC (SPC) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester, M2 5WA
AHL Holdings (Manchester) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
AHL Holdings (Wakefield) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Amey Consulting Australia Pty Limited	Level 26, 181 William Street, Melbourne, VIC 3000, Australia
Amey Consulting USA, Inc.	1130 Post Oak Boulevard, Suite 1250, Houston, Texas 77056
Amey Highways Lighting (Manchester) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Amey Highways Lighting (Wakefield) Limited	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Amey Infrastructure Management (1) Limited	Watling House, 5th Floor, 33 Cannon Street, London, England, EC4M 5SB
Amey Roads NI Limited	Murray House, Murray Street, Belfast, BT1 6DN
Amey Roads NI Holdings Limited	Murray House, Murray Street, Belfast, BT1 6DN
Amey Roads NI Financial plc	Murray House, Murray Street, Belfast, BT1 6DN
Amey-Webber LLC	1209 Orange Street, Wilmington 19801, Delaware, USA
C.F.M. Building Services Limited	Precision House, McNeil Drive, Motherwell, Scotland, ML1 4UR
Fleet and Plant Hire Limited	The Matchworks Pavilions 3 and 4, Garston, Liverpool, L19 2PH
Keolis Amey Consulting Limited	Evergreen Building North, 160 Euston Road, London, NW1 2DX
Keolis Amey Docklands Limited	Evergreen Building North, 160 Euston Road, London, NW1 2DX
Keolis Amey Metrolink Limited	Evergreen Building North, 160 Euston Road, London, NW1 2DX
Keolis Amey Operations/Gweithrediadau Keolis Amey Limited	Evergreen Building North, 160 Euston Road, London, NW1 2DX
Keolis Amey Rail Limited	Evergreen Building North, 160 Euston Road, London, NW1 2DX
RSP (Holdings) Limited	Precision House, McNeil Drive, Motherwell, ML1 4UR
Scot Roads Partnership Finance Limited	1e, Willow House, Kestrel View, Strathclyde Business Park, Bellshill, ML4 3PB
Scot Roads Partnership Holdings Limited	1e, Willow House, Kestrel View, Strathclyde Business Park, Bellshill, ML4 3PB
Scot Roads Partnership Project Limited	1e, Willow House, Kestrel View, Strathclyde Business Park, Bellshill, ML4 3PB
Seilwaith Amey Cymru / Amey Infrastructure Wales Limited	Cvl Infrastructure Depot Ty Trafnidiaeth, Treforest Industrial Estate, Gwent Road, Pontypridd, United Kingdom, CF37 5UT
Services Support (Avon & Somerset) Limited	Watling House, 5th Floor, 33 Cannon Street, London, England, EC4M 5SB
Services Support (Avon & Somerset) Holdings Limited	Watling House, 5th Floor, 33 Cannon Street, London, England, EC4M 5SB
TfW Innovation Services Limited	3 Llys Cadwyn, Taff Street, Pontypridd, Rhondda Cynon Taf, United Kingdom, CF37 4TH
The Renfrewshire Schools Partnership Limited	Precision House, McNeil Drive, Motherwell, ML1 4UR
Above Limited	Part 2nd Floor Offices, Unit 5, Matrix Park Eaton Avenue, Buckshaw Village, Chorley, PR7 7NA

Notes to the financial statements (continued)

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6 Investment in subsidiary and joint venture undertakings (continued)

Following the disposal of Amey Ventures Management Services Limited on 23 March 2022, the registered for the following joint ventures is now 3rd Floor, 3 - 5 Charlotte Street, Manchester, M1 4HB:

Amey FMP Belfast Strategic Partnership Hold Co Limited

Amey FMP Belfast Strategic Partnership SP Co Limited

Amey Belfast Schools Partnership Hold Co Limited

Amey Belfast Schools Partnership PFI Co Limited

Amey Hallam Highways Holdings Limited

Amey Hallam Highways Limited

Amey Infrastructure Management (3) Limited

Amey Ventures Investments Limited

Integrated Bradford Hold Co Two Limited

Integrated Bradford LEP Limited

Integrated Bradford LEP Fin Co One Limited

Integrated Bradford PSP Limited

Integrated Bradford SPV Two Limited

Amey Lighting (Norfolk) Holdings Limited

Amey Lighting (Norfolk) Limited

E4D&G Holdco Limited

E4D&G Project Co Limited

Integrated Bradford Hold Co One Limited

7 Share capital

Ordinary shares of £1 each	Number	£'000
Authorised		
At 1 January 2020, 31 December 2020 and at 31 December 2021	233,878,283	233,878
Issued, allotted, called up and fully paid		
At 1 January 2020, 31 December 2020 and at 31 December 2021	233,878,283	233,878

8 Share premium account

	£'000
At 1 January 2020, 31 December 2020 and at 31 December 2021	263,989

Notes to the financial statements (continued)

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9 Other equity instruments

	£'000
At 1 January 2020	62,611
Reserves transfer in respect of accrued interest for the year	1,319
At 31 December 2020	63,930
Reserves transfer in respect of accrued interest for the year	1,361
At 31 December 2021	65,291

On 25 July 2018, Amey UK Limited, the Company's immediate parent company, granted a subordinated loan facility to the Company for an amount of £60.0 million. It is a perpetual loan with an applicable interest rate of 12-month LIBOR plus 200 basis points which rises to 12-month LIBOR plus 500 basis points if Group Profits Before Interest, Tax, Depreciation and Amortisation ('EBITDA') is above a set threshold.

The loan has no specified maturity date but can be redeemed by the Company at any time. The Company also has the power to delay timing of the interest payment at its sole discretion which cannot be claimed by the lender.

As it is at the Company's discretion to decide both the repayment of the principal and the possibility of deferring the payment of interest, the loan does not satisfy the condition to be accounted for as a financial liability since it does not include a contractual obligation to pay cash or other financial assets to discharge the liability. Accordingly, it will be classified as an equity instrument and will be recognised as 'Other equity instrument'. The accrued interest will be recognised in reserves and treated in the same way as dividends.

The total amount of dividend interest accrued and not paid at 31 December 2021 was £5,291,000 (2020 - £3,930,000)

10 Financial and capital commitments

The Company had no financial or capital commitments at 31 December 2021 or 31 December 2020.

Notes to the financial statements (continued)

Annual Report and Financial Statements 2021

11 Contingent liabilities

Under the terms of the Birmingham City Council Highways PFI contract settlement arrangements, the Company is party to Group guarantees in respect of the payment of the settlement accounts with £35 million remaining to be paid at 31 December 2021. The full amount of deferred consideration can be accelerated upon the occurrence of either a change of control or flotation of the Group; the sale of all or substantially all of the assets of the Group; abandonment by the Group of the original services agreement; material breach of certain business continuity covenants where such breach has a material adverse effect on the services provided by the Group; non-payment of amounts due under the settlement agreement; breach of payment security provisions in the settlement agreement; commencement of an insolvency process in relation to Amey companies party to the agreement; or acceleration of repayment of the Group's corporate banking facilities. Until the full amount of the deferred consideration is paid, subject to certain exceptions, there are restrictions on the disposal of assets which Amey Holdings Limited and the Amey Group can make. Upon certain material disposals, Amey LG Limited is required to pay a proportion towards any payment of any deferred consideration.

The Company had no other contingent liabilities at 31 December 2021 or at 31 December 2020.

12 Post balance sheet events*Change in ultimate parent undertaking*

The Company is a subsidiary of Amey UK Limited (the Group). On 11 October 2022, the Group's ultimate parent undertaking, Ferrovial, S.A., announced that it had reached agreement to sell the whole of the share capital of Amey UK Limited and the other equity instruments held by Ferrovial as issued by Amey UK Limited and its subsidiary undertaking, Amey Limited to a company controlled by One Equity Partners and Buckthorn Partners. The sale of the Group is conditional on the completion of the transfer of the Waste Treatment CGU to Ferrovial, as this CGU does not form part of the Group's ongoing business that One Equity Partners and Buckthorn Partners have agreed to purchase and the approval by the Secretary of State for BEIS, as the transaction is subject to the National Security and Investment Act 2021. It is expected that the sale will be completed prior to 31 December 2022. Any change of ownership has no impact on the financial statements of the Group for the year ended 31 December 2021 and is also not expected to have any impact on the Group's operations and activities following completion of the sale.

The transaction represents an enterprise value of £400 million and an estimated equity value of approximately £245 million. The final consideration to be paid upon completion of the transaction will be adjusted by reference to the net debt and working capital figures resulting from a balance sheet prepared as of that date. The net consideration will be in the form of cash of £109 million and a vendor loan note of £136 million repayable over the next 5 years with an interest of 6% per annum, increasing to 8% after the third year. As part of the transaction, the Group consulted with the pension scheme trustees concerning the sale, who, upon advice, were content to execute a letter of agreement recording that the trustees do not consider the transaction (including the terms of the vendor loan note subordinated in favour of the pension schemes) will be materially detrimental to the ongoing employer covenant or the likelihood of accrued scheme benefits being received by members.

Notes to the financial statements (continued)

Annual Report and Financial Statements 2021

13 Controlling parties

The immediate parent undertaking is Amey UK Limited (formerly Amey UK plc).

The ultimate parent undertaking, the ultimate controlling party and the largest group to consolidate these financial statements is Ferrovial, S.A., a company incorporated in Spain.

The Company is wholly owned by both the immediate and ultimate parent undertaking.

Copies of the Ferrovial, S.A. consolidated financial statements can be obtained from the Ferrovial, S.A. registered office as follows:

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

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

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

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

The Company Secretary
Amey UK Limited
Chancery Exchange
10 Fumival Street
London EC4A 1AB
United Kingdom