

Amey plc

Report and Financial Statements

Year ended

31 December 2012

Company number 02379479

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Amey plc

Annual report and financial statements for the year ended 31 December 2012

Contents

Page:

1	Report of the Directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7 - 14	Notes forming part of the financial statements

Directors

Sir Richard Mottram	Chairman
S Olivares	Vice Chairman
J Aguirre	
M Ewell	
A Garcia	
A L Nelson	
I Jodra	

Secretary and registered office

W A Robertson, The Sherard Building, Edmund Halley Road, Oxford, OX4 4DQ

Company number

02379479

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Amey plc

Amey plc

Report of the Directors for the year ended 31 December 2012

The Directors present their report together with the audited financial statements for the year ended 31 December 2012.

Results and dividends

The Company profit and loss account for the year is set out on page 5 and shows a profit after tax of £11,794,000 (2011 – £28,321,000) The Company received income from fixed asset investments of £9,086,000 (2011 – £26,000,000) during the year Net provisions against impairments to investments in subsidiary undertakings gave rise to a charge of £3,450,000 (2011 – £654,000 credit)

A dividend of £20,000,000 (2011 – £46,000,000), representing £5.5145517 per Ordinary share (2011 – £12.6834691 per Ordinary share), was paid by the Company during the year The Directors do not recommend the payment of a final dividend

Principal activities, trading review and future developments

Amey plc is a subsidiary undertaking of Amey UK plc, which is owned by Ferrovial Servicios, S A , a wholly owned subsidiary undertaking of Ferrovial, S A , which is a leading construction and services group based in Spain Amey plc acts as an intermediate holding company

Post balance sheet event

On 8 April 2013, the Company's intermediate parent undertaking, Ferrovial Servicios, S A , completed the acquisition of Enterprise plc It is Ferrovial's intention to integrate Enterprise plc with the Amey Group of companies following acquisition, though the exact form of this integration is still being reviewed

As part of the acquisition arrangements, the Company received a capital contribution of £119.0 million from its immediate parent undertaking, Amey UK plc, and further loans from Landmille Limited (a fellow Ferrovial Group undertaking) of £377.5 million The proceeds from these transactions were used to provide finance to Enterprise plc

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

Directors

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

Sir Richard Mottram	Chairman
S Olivares	Vice Chairman
J Aguirre	
M Ewell	
A Garcia	
A L Nelson	
I Jodra	
N Villén	(resigned 30 November 2012)

Auditors

Resolutions to reappoint BDO LLP as auditors of the Company and to authorise the Directors to fix their remuneration will be proposed at the next Annual General Meeting

Amey plc

Report of the Directors for the year ended 31 December 2012 (continued)

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, and
- make payments in accordance with the terms, wherever possible, providing that the documentation presented is complete and accurate

The Company had no trade creditors at the year end (2011 – nil)

Directors' responsibilities

The Directors are responsible for preparing the Directors' 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). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

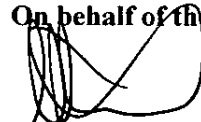
In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the Board



Mel Ewell
Director

25 April 2013

Amey plc

Amey plc

Report of the independent auditors

Independent auditor's report to the members of Amey plc

We have audited the financial statements of Amey plc for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Amey plc

Report of the independent auditors (*continued*)

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

BDO LLP

*David Campbell (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

Date *26 April 2013*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Amey plc

Profit and loss account for the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Turnover		-	-
Administrative expenses		6,711	3,905
Operating profit		6,711	3,905
Income from fixed asset investments		9,086	26,000
Provision (charge) release against investment in subsidiary undertakings		(3,450)	654
Profit on ordinary activities before interest	4	12,347	30,559
Net interest payable	5	(2,560)	(3,358)
Profit on ordinary activities before tax		9,787	27,201
Tax on profit on ordinary activities	6	2,007	1,120
Profit after tax and retained for the financial year	13	11,794	28,321

All transactions related to continuing operations

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

The notes on pages 7 to 14 form part of these financial statements

Balance sheet at 31 December 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Investment in subsidiary undertakings	8	<u>198,027</u>	<u>201,477</u>
Current assets			
Debtors	9	231,021	166,676
Cash at bank and in hand		<u>5,161</u>	<u>13,900</u>
Total current assets		<u>236,182</u>	<u>180,576</u>
Creditors – amounts falling due within one year	10	<u>(359,372)</u>	<u>(297,960)</u>
Net current liabilities		<u>(123,190)</u>	<u>(117,384)</u>
Total assets less current liabilities		<u>74,837</u>	<u>84,093</u>
Creditors – amounts falling due after more than one year	11	<u>(37,583)</u>	<u>(38,633)</u>
Net assets		<u><u>37,254</u></u>	<u><u>45,460</u></u>
Capital and reserves			
Called up share capital	12	3,627	3,627
Other reserves	13	9,326	9,326
Profit and loss account	13	<u>24,301</u>	<u>32,507</u>
Equity shareholders' funds	13	<u><u>37,254</u></u>	<u><u>45,460</u></u>

The financial statements on pages 5 to 14 were approved and authorised for issue by the Board of Directors on 25 April 2013 and signed on its behalf by



Mel Ewell
Director

The notes on pages 7 to 14 form part of these financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

The following principal accounting policies have been applied consistently in the current and prior year

Basis of 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

Going concern

The Company is a subsidiary of Amey UK plc and its financial resources are managed on a Group basis. Amey UK plc has a revolving committed syndicated credit facility of £135 million maturing on 5 August 2015 and a committed credit facility of £10 million which matures in March 2014

After making enquiries, the Directors have no reason to believe that amounts remaining to be drawn down under the existing bank loan facilities will not be forthcoming and are confident that the Group will be able to renew these medium term facilities in advance of their expiry. The Directors believe that the Group is well placed to manage its business risks successfully despite the current macro-economic market conditions

Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors therefore continue to adopt the going concern basis in preparing these financial statements

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 an impairment in the value of any such investment

Deferred tax

Deferred tax is recognised on all timing differences where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted

Income from investments

Investment income comprises dividend income received during the accounting period

1 Accounting policies (*continued*)

Foreign currency

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which they operate (their 'functional currency') are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the Group income statement.

2 Employees

The Company had no direct employees in 2012 or 2011.

No costs of Amey Services Limited were recharged to the Company in 2012 or 2011.

3 Directors

Details of the remuneration of the Directors, whose services are of a non-executive nature and who are also directors of the Company's intermediate parent undertaking, Amey UK plc, are disclosed in that company's financial statements.

No Directors were remunerated through the Company in 2012 or 2011.

4 Profit on ordinary activities before interest

The profit on ordinary activities before interest is stated after crediting (charging)	2012 £'000	2011 £'000
Decrease (increase) in provisions against		
– amounts due from subsidiary undertakings	6,722	3,914
– investments in subsidiary undertakings (note 8)	<u>(3,450)</u>	<u>654</u>

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

5 Net interest payable

	2012 £'000	2011 £'000
<i>Interest payable</i>		
Interest payable to parent undertaking	(2,297)	(1,259)
Interest payable to subsidiary undertakings	(491)	(2,665)
Interest payable to Landmille Limited	(1,797)	(1,592)
Other interest and similar charges	(980)	(1,601)
Total interest payable	<u>(5,565)</u>	<u>(7,117)</u>
<i>Interest receivable</i>		
Interest receivable from subsidiary undertakings	1,850	2,652
Other interest receivable and similar income	105	88
Foreign exchange gain	1,050	1,019
Total interest receivable	<u>3,005</u>	<u>3,759</u>
Net interest payable	<u>(2,560)</u>	<u>(3,358)</u>

6 Tax on profit on ordinary activities

	2012 £'000	2011 £'000
<i>Current tax</i>		
UK corporation tax at 24.5% (2011 – 26.5%)		
- current year	630	-
- adjustment in respect of prior years	1,377	1,120
Total current tax credit for the year	<u>2,007</u>	<u>1,120</u>

6 Tax on profit on ordinary activities *(continued)*

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

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	<u>9,787</u>	<u>27,201</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	2,398	7,208
<i>Effects of</i>		
Non-taxable investment income	(3,028)	(8,100)
Group relief surrendered	-	892
Adjustment in respect of prior periods	<u>(1,377)</u>	<u>(1,120)</u>
Total current tax credit for the year	<u>(2,007)</u>	<u>(1,120)</u>

The estimated value of the potential deferred tax asset not recognised of £2,009,000 (2011 – £2,183,000) was in respect of unutilised tax losses of £8,733,000 (2011 – £8,733,000), measured at an expected standard tax rate of 23% (2011 – 25%)

The main rate of corporation tax will reduce from 24% to 23% on 1 April 2013 in accordance with Finance Act 2012. It was also announced in the 2012 Autumn Statement that the main rate of corporation tax will reduce to 21% from 1 April 2014. In addition, the March 2013 Budget announced that the rate will further reduce to 20% in 2015. This will reduce the Company's future tax charge accordingly.

A deferred tax asset has not been recognised as the Company does not anticipate paying tax in the foreseeable future.

7 Dividends

	2012 £'000	2011 £'000
Interim dividend paid of £5.5145518 per Ordinary share (2011 – £12.6834691 per Ordinary share)	<u>20,000</u>	<u>46,000</u>

Amey plc**Notes forming part of the financial statements for the year ended 31 December 2012 (continued)****8 Investments in subsidiary undertakings**

	Cost £'000	Provisions £'000	Net £'000
At 1 January 2012	452,271	(250,794)	201,477
Amounts charged to the profit and loss account	-	(3,450)	(3,450)
At 31 December 2012	452,271	(254,244)	198,027

The principal subsidiary and joint venture undertakings are set out below. Unless otherwise stated, all subsidiary and joint venture undertakings are incorporated and operate in Great Britain and voting rights and interests in their Ordinary shares are 100% held by Amey plc.

Subsidiary undertaking	Nature of business
Amey Building Limited	Building contractors
Amey Community Limited	Facilities management services
Amey Construction Limited	Civil engineering
Amey Fleet Services Limited	Specialist fleet support services
Amey Group Information Services Limited	Group IT services
Amey Group Services Limited	Group central services
Amey Insurance Company PCC Limited **	Captive insurance company
Amey IT Services Limited	IT consultancy
Amey Investments Limited	Investment management
Amey LG Limited	Highway management and maintenance
Amey LUL 2 Limited *	Sub-surface rail management services
Amey Mechanical & Electrical Services Limited *	Facilities management services
Amey Programme Management Limited	Asset and whole-life availability
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 Ventures Limited	Bid management
Amey Ventures Asset Holdings Limited *	Investment management
Amey Ventures Management Services Limited *	Investment management
Amey Wye Valley Limited (80%) *	Highways maintenance and other services
Nationwide Distribution Services Limited *	Highway management and maintenance
Sherard Secretariat Services Limited	Company secretarial services

8 Investments in subsidiary undertakings (continued)

Joint venture undertaking	Nature of business
AmeyCespa Limited (50%) *	Waste management
Amey Birmingham Highways Holdings Limited (33%) *	Operation of PFI highways concession
Amey Hallam Highways Holdings Limited (33%) *	Operation of PFI highways concession
Amey Ventures Investments Limited (50%) *	Investment management
GEO Amey PECS Limited (50%)*	Prisoner escort and custodial services

* Investments held indirectly through another subsidiary undertaking

** Incorporated and operates solely in Guernsey

9 Debtors

	2012 £'000	2011 £'000
<i>Amounts falling due within one year</i>		
Amounts due from subsidiary undertakings	285,684	254,811
Provision against amounts due from subsidiary undertakings	(70,512)	(97,339)
Corporation tax	9,538	3,500
Other tax and social security	6,306	5,699
Other debtors	5	5
Total debtors	<u>231,021</u>	<u>166,676</u>

10 Creditors – amounts falling due within one year

	2012 £'000	2011 £'000
Bank overdrafts	-	9,912
Amounts due to subsidiary undertakings	358,672	287,348
Other creditors	700	700
Total current creditors	<u>359,372</u>	<u>297,960</u>

Amey plc

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

11 Creditors – amounts falling due after more than one year

	2012 £'000	2011 £'000
Due in more than two years but not more than five years		
- amount due to Landmille Limited	<u>37,583</u>	<u>38,633</u>
Total long-term creditors	<u>37,583</u>	<u>38,633</u>

Landmille Limited is a subsidiary undertaking of Ferrovial Servicios, S A , one of the Company's intermediate holding companies

12 Share capital

	2012 Number	2011 Number	2012 £'000	2011 £'000
<i>Issued, called up and fully paid</i>				
Ordinary shares of £1 each	<u>3,626,768</u>	<u>3,626,768</u>	<u>3,627</u>	<u>3,627</u>

13 Reserves and net movements in equity shareholders' funds

	Share capital £'000	Other reserves £'000	Profit and loss account £'000	Total equity shareholders' funds 2012 £'000	Total equity shareholders' funds 2011 £'000
At 1 January	3,627	9,326	32,507	45,460	63,139
Retained profit for the financial year	-	-	11,794	11,794	28,321
Dividends paid	-	-	(20,000)	(20,000)	(46,000)
At 31 December	<u>3,627</u>	<u>9,326</u>	<u>24,301</u>	<u>37,254</u>	<u>45,460</u>

The Company's other reserves of £9,326,000 relate to the accumulated surplus on issue of Ordinary shares subject to merger relief

14 Post balance sheet event

On 8 April 2013, the Company's intermediate parent undertaking, Ferrovial Servicios, S A , completed the acquisition of Enterprise plc. It is Ferrovial's intention to integrate Enterprise plc with the Amey Group of companies following acquisition, though the exact form of this integration is still being reviewed.

As part of the acquisition arrangements, the Company received a capital contribution of £119.0 million from its immediate parent undertaking, Amey UK plc, and further loans from Landmille Limited (a fellow Ferrovial Group undertaking) of £377.5 million. The proceeds from these transactions were used to provide finance to Enterprise plc.

15 Financial and capital commitments

The Company had no financial or capital commitments at 31 December 2012 or at 31 December 2011

16 Contingent liabilities

The Company has guaranteed certain performance bonds and borrowings of certain subsidiary undertakings

Losses, for which no provision has been made in these financial statements, which might arise from litigation in the normal course of business are not expected to be material in the context of these financial statements

There were no other contingent liabilities as at 31 December 2012 or at 31 December 2011

17 Related party transactions

The Company is a wholly owned subsidiary undertaking of the group headed by Ferrovial, S A and has taken advantage of the exemption conferred by FRS 8 (Related Party Disclosures) not to disclose transactions with Ferrovial, S A. or other wholly owned subsidiary undertakings within the Ferrovial, S A group

18 Cash flow statement

The Company has taken advantage of the exemption conferred by FRS 1 (Cash Flow Statements) not to prepare a cash flow statement on the basis that the Company's results are included in the consolidated financial statements of Ferrovial, S A, the Company's ultimate parent undertaking, whose financial statements are publicly available

19 Ultimate parent undertaking

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

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

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

Copies of the group financial statements of Amey UK plc, 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

Amey UK plc
The Sherard Building
Edmund Halley Road
Oxford
OX4 4DQ