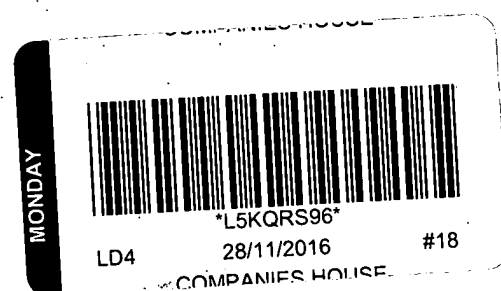


Amey Ventures Investments Limited

Annual Report and Financial Statements

Year ended 31 December 2015

Company number: 04738493



Amey Ventures Investments Limited

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Company information

Directors

J G Connelly
A Ghafoor
H M Murphy
A L Roshier
A G Waddington

Secretary and registered office

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

Company number

04738493

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

The Directors present their strategic report for the year ended 31 December 2015.

Principal activities

The Company is an investment holding company and its principal activity includes the provision of finance. The subsidiary undertakings and the joint ventures of the Company are engaged in Private Finance Initiative/Public Private Partnership (PFI/PPP) projects. These include the development and operation of PFI concessions covering street lighting, asset management, schools, libraries, justice courts and highways.

The Company is a joint venture. The companies participating in this joint venture are DIF Infra JV UK Limited, an independent dedicated investment fund specialising in PFI/PPP projects, and Amey Investments Limited, a subsidiary of Amey UK plc.

Results, business review and dividends

The results for the year are set out in the Group income statement on page 8. This shows total revenue for the year of £43,789,000 (2014: £42,227,000), including share of revenue of joint ventures. Group revenue was £9,578,000 (2014: £9,305,000) and the operating profit for the year was £8,921,000 (2014: £1,023,000). Net finance income for the year amounted to £3,057,000 (2014: £1,399,000 net finance costs) and the profit after tax for the year was £11,251,000 (2014: £301,000 loss).

In 2014, the Group's joint venture, Amey Roads NI Holdings Limited, restructured its borrowings on revised terms. The Group's share of the net loss after tax which arose from that restructuring was £4.6 million.

The Group's performance reflects the position on the PFI contracts held by subsidiary and joint venture undertakings. Full details are disclosed in the annual report and financial statements of those undertakings. A summary of the current position on each contract is set out below:

Belfast Schools Partnership	Construction of five schools commenced in 2008 and was fully completed in January 2011. The service contract continues to 2039.
Norfolk Street Lighting	The replacement and construction of street lighting units commenced in 2007 and was fully completed in 2012. The maintenance and power programme continues to 2033.
Manchester Street Lighting JV	The replacement and construction of street lighting units completed in 2009. The maintenance and power programme continues to 2029.
Wakefield Street Lighting JV	The replacement and construction of street lighting units completed in 2008. The maintenance and power programme continues to 2029.
ALC MOD Vehicles Contract JV	The contract for the provision of an extensive range of mechanical handling equipment and vehicles to the MoD for a period of 16 years from 2005 continued.
Northern Ireland Roads JV	The construction of trunk roads in Northern Ireland completed in 2011. The financing and operation of the roads will continue until 2037.
Dumfries & Galloway Schools JV	The construction of eight schools commenced in 2008 and was fully completed in 2010. The service contract continues to 2039.
Bradford Schools Partnership JV	The construction of three schools was completed in 2008 under the project agreement entered into in 2006 which continues to 2033.
Renfrewshire Schools Partnership JV	The construction of the schools was completed in 2008. The service contract for nine schools continues to 2037.
Avon & Somerset Courts and Offices JV	The construction of both Bristol Court and Worle Court was completed in 2007. The service contract continues to 2034.

Once the infrastructure capital phase of the PFI contract is completed, the PFI undertaking's principal activity is the provision of maintenance and other operational services together with servicing of debt.

Results, business review and dividends (continued)

During 2015, loan repayments totalling £1,872,000 (2014: £1,556,000) were received by the Company.

The Company paid an interim dividend of £1,382,000 (2014: £670,000) to holders of the 'A' Ordinary Shares and an interim dividend of £6,200,000 (2014: £3,400,000) to holders of the 'B' Ordinary Shares representing £92.13 (2014: £44.67) and £124,000 (2014: £68,000) per share respectively. The total dividends paid during the year amounted to £7,582,000 (2014: £4,070,000) representing £503.79 (2014: £270.43) per Ordinary share. The Directors do not recommend the payment of a final dividend.

Key performance indicators

The Directors consider revenue, operating profit, profit before tax, profit after tax and cash flows to be the key performance indicators of the Group. The Directors also monitor the performance and cash flows of each of the investments in subsidiary and joint venture undertakings as part of the assessment of the recoverability of investments and loans made by the parent company to those undertakings.

Principal risks and uncertainties

Under the terms of the individual PFI arrangements, the Group is required to meet key performance targets. The Directors review actual performance against those targets on a regular basis to mitigate risks arising from contract activities.

The PFI subsidiary and joint venture undertakings have individual committed term loan facilities which are non-recourse to the Company's balance sheet, but are secured on the assets and future revenues of the individual project undertaking. Project revenues are linked to inflation at the inception of each project. The terms of the Group's financial instruments, which are entered into by the relevant PFI project undertaking, are such that the profile of the debt service cost is tailored to match the expected revenue.

The Group's interest rate risk is managed by entering into fixed interest rate swaps to mitigate interest rate exposure on the long-term facilities. The Group does not undertake speculative financial instrument transactions.

The Group's credit risk is primarily attributable to its receivables on its PFI contracts which are held with local authorities or Government departments. This risk is mitigated by maintaining and improving the quality of services provided and by maintaining strong relationships with the Group's customers.

The Group's main commercial risks during the period are attributable to the delivery of the service and maintenance elements on each PFI contract. Except for the ALC MOD Vehicles Contract, the risk of operational revenue deductions on the service and maintenance element of the PFI contract is passed to the sub-contractor as a pass-through cost, as is the risk of asset renewal expenditure. The main commercial risk on the ALC MOD Vehicles Contract relates to demand and demand volatility which is mitigated by minimum "take or pay" levels and minimum hire periods respectively.

The Group monitors cash flow as part of the day-to-day control procedures. The Directors consider cash flow projections to ensure appropriate facilities are available to be drawn upon as necessary.

Going concern

The Group is financed through a mixture of shareholder loans and non-recourse project related bank term loans. Details of all loans are set out in notes 13 and 14 to the Group financial statements whilst details of financial risk are set out in note 10. The non-recourse project related bank term loans are held in the balance sheets of the subsidiary undertakings.

The shareholder loans are used for providing loan finance directly to the PFI project subsidiaries and joint venture investments in accordance with the project agreements entered into by those companies. Repayments of the shareholder loans are determined by the amounts the Company receives from repayments of the loans made to the PFI project subsidiaries and joint ventures investments.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Signed for and on behalf of the Board



H M Murphy
Director

25 November 2016

Amey Ventures Investments Limited

Report of the Directors

The Directors present their report together with the audited financial statements for the year ended 31 December 2015.

Directors

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

J G Connelly	
A Ghafoor	
A L Roshier	
A G Waddington	(appointed 1 June 2015)
H M Murphy	(appointed 18 October 2016)
M Turnbull-Fox	(resigned 18 October 2016)

Auditors

The Company has filed an elective resolution not to hold an annual general meeting and has therefore dispensed with the requirement to reappoint auditors annually.

Directors' responsibilities for the financial statements

The Directors are responsible for preparing the annual report and 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 Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Parent Company financial statements in accordance with United Kingdom Accounting Standards and applicable law, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101).

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 the parent company financial statements, 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, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

In preparing the Group financial statements, IFRS requires that the Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

Amey Ventures Investments Limited

Report of the Directors (*continued*)

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

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.

Statement of Directors as to disclosure of information to auditor

In accordance with the provisions of s418 of the Companies Act 2006, each of the Directors at the date of approval of this report confirms that, so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware and the Director has taken all of the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Signed for and on behalf of the Board



H M Murphy
Director

25 November 2016

We have audited the financial statements of Amey Ventures Investments Limited for the year ended 31 December 2015 which comprise the Group income statement, the Group statement of comprehensive income, the Group and parent Company balance sheets, the Group and parent Company statement of changes in equity, the Group statement of cash flows and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements 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 auditors' 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

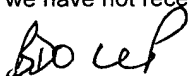
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.



Jason Homewood (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom

25/11/16

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

Amey Ventures Investments Limited

Group income statement for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Total revenue		43,789	42,227
Less: share of revenue of joint ventures		(34,211)	(32,922)
Group revenue		9,578	9,305
Cost of sales		(8,821)	(8,457)
Gross profit		757	848
Share of profit after tax of joint ventures	8	8,164	175
Operating profit	3	8,921	1,023
Finance income		11,401	11,990
Finance costs		(8,344)	(13,389)
Net finance income (costs)	5	3,057	(1,399)
Profit (loss) before tax		11,978	(376)
Tax (charge) credit	6	(727)	75
Profit (loss) after tax for the year		11,251	(301)

All of the above relates to continuing operations. The notes on pages 13 to 30 form part of these Group financial statements.

Amey Ventures Investments Limited

Group statement of comprehensive income for the year ended 31 December 2015

	2015 £'000	2014 £'000
Profit (loss) after tax for the year	11,251	(301)
Other comprehensive income (expense)		
<i>Items subject to recycling:</i>		
Derivative gains (losses) transferred to equity	2,359	(11,714)
Deferred tax thereon	(1,004)	2,343
Share of joint ventures' other comprehensive income (expense)		
- derivative gains (losses) transferred to equity	1,887	(1,910)
- deferred tax thereon	(899)	382
Other comprehensive income (expense) for the year, net of tax	2,343	(10,899)
Total comprehensive income (expense) for the year	13,594	(11,200)

The notes on pages 13 to 30 form part of these Group financial statements.

Amey Ventures Investments Limited
Group balance sheet as at 31 December 2015
Company number: 04738493

	Note	2015 £'000	2014 £'000
Non-current assets			
Investments in joint ventures	8	38,950	38,506
PFI/PPP financial assets	9	126,327	129,492
Deferred tax assets	6	5,366	7,046
		170,643	175,044
Current assets			
Trade and other receivables	11	946	2,762
PFI/PPP financial assets	9	5,778	6,038
Cash and cash equivalents	12	10,814	10,711
		17,538	19,511
Total assets		188,181	194,555
Current liabilities			
Trade and other payables	13	(6,020)	(8,030)
Current tax liabilities		(16)	(9)
Derivative financial instruments	10	(3,365)	(3,496)
PFI/PPP non-recourse term loans	14	(3,793)	(2,931)
		(13,194)	(14,466)
Non-current liabilities			
Trade and other payables	13	(38,778)	(40,076)
Provisions	15	(24,075)	(24,374)
Derivative financial instruments	10	(23,283)	(25,511)
PFI/PPP non-recourse term loans	14	(126,325)	(133,614)
		(212,461)	(223,575)
Total liabilities		(225,655)	(238,041)
Net liabilities		(37,474)	(43,486)
Capital and reserves			
Share capital	16	15	15
Hedge reserve		(45,013)	(47,356)
Retained earnings		7,524	3,855
Total shareholders' deficit		(37,474)	(43,486)

The notes on pages 13 to 30 form part of these Group financial statements. The financial statements on pages 8 to 30 were approved and authorised for issue by the Board of Directors on 25 November 2016 and signed on its behalf by:


H M Murphy
Director

25 November 2016

Amey Ventures Investments Limited

Group statement of changes in equity for the year ended 31 December 2015

	Share capital £'000	Hedge reserve £'000	Retained earnings £'000	Total shareholders' deficit £'000
At 1 January 2014	15	(36,457)	8,226	(28,216)
Loss after tax for the year	-	-	(301)	(301)
Other comprehensive expense	-	(10,899)	-	(10,899)
Total comprehensive expense	-	(10,899)	(301)	(10,899)
Dividends paid (note 7)	-	-	(4,070)	(4,070)
At 31 December 2014	15	(47,356)	3,855	(43,486)
Profit after tax for the year	-	-	11,251	11,251
Other comprehensive income	-	2,343	-	2,343
Total comprehensive income	-	2,343	11,251	13,594
Dividends paid (note 7)	-	-	(7,582)	(7,582)
At 31 December 2015	15	(45,013)	7,524	(37,474)

The notes on pages 13 to 30 form part of these Group financial statements.

Amey Ventures Investments Limited

Group cash flow statement for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Operating activities			
Cash inflow generated from operations	17	1,174	606
Interest paid		(13,722)	(13,634)
Income taxes paid		(44)	(25)
		(12,592)	(13,053)
Cash flows from investing activities			
Loan repayments received from joint ventures		827	716
Dividends received from joint ventures		7,582	4,070
Interest received		13,244	12,946
Repayment of PFI/PPP financial assets		3,425	3,229
		25,078	20,961
Cash flows from financing activities			
Repayment of non-recourse term loans		(2,929)	(2,795)
Shareholder loans repayments		(1,872)	(1,556)
Dividends paid to parent undertakings		(7,582)	(4,070)
		(12,383)	(8,421)
Net increase (decrease) in cash and cash equivalents		103	(513)
Cash and cash equivalents at 1 January		10,711	11,224
Cash and cash equivalents at 31 December	12	10,814	10,711

The notes on pages 13 to 30 form part of these Group financial statements.

1 Basis of preparation and going concern

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The Group has applied all accounting standards and interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU, relevant to its operations and effective for accounting periods beginning 1 January 2015.

The new or revised standards or interpretations that are effective for accounting periods commencing on or after 1 January 2015 and that are applicable to the Group are as follows. The adoption of these standards does not lead to any changes in the Group's accounting policies and has no material impact on the financial statements.

Annual improvements 2011 – 2013

The following new or revised standards or interpretations that are applicable to the Group but which have not been adopted early are as follows:

Effective for accounting periods commencing on or after 1 January 2016:

IAS 1 (amendment)	Disclosure initiative
IFRS 11 (amendment)	Accounting for acquisitions of interests in joint operations
IAS 16 and IAS 38 (amendments)	Clarification of acceptable methods of depreciation and amortisation
IAS 27 (amendment)	Equity method in separate financial statements
Annual improvements 2010 – 2012	
Annual improvements 2012 – 2014	

In addition, the following new or revised standards are applicable to the Group, subject to adoption by the EU:

Effective for accounting periods commencing on or after 1 January 2016:

IFRS 10, IFRS 12 and IAS 28 (amendments)	Investment entities: applying the consolidation exemption
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Effective for accounting periods commencing on or after 1 January 2017:

IAS 12 (amendment)	Recognition of deferred tax assets for unrealised losses
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Effective for accounting periods commencing on or after 1 January 2018:

IFRS 9	Financial instruments
IFRS 15	Revenue from contracts with customers

Effective for accounting periods commencing on or after 1 January 2019:

IFRS 16	Leases
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The Directors do not expect that the adoption of the Standards and Interpretations listed above to have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosure of Financial Instruments. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review is undertaken.

The preparation of the Group financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1 Basis of preparation and going concern *(continued)*

(a) Basis of preparation *(continued)*

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

A significant amount of the Group's activities are undertaken via long-term contracts. These contracts are accounted for in accordance with IAS 11 which requires estimates to be made for the contract costs and revenue.

Management base their judgement of contract costs and revenue on the latest available information, which includes detailed contract valuations. In many cases the results reflect the expected outcome of long-term contractual obligations which span more than one reporting period. Contract costs and revenue are affected by a variety of uncertainties that depend on the outcome of future events and often need to be revised as events unfold and uncertainties are resolved. The estimates are updated regularly and significant changes are highlighted through established internal review procedures. The impact of the change in accounting estimate is then reflected in current and future periods.

(b) Going concern

The Group is financed through a mixture of shareholder loans and non-recourse project related bank term loans. Details of all loans are set out in notes 13 and 14 to the Group financial statements whilst details of financial risk are set out in note 10. The non-recourse project related bank term loans are held in the balance sheets of the subsidiary undertakings.

The shareholder loans are used for providing loan finance directly to the PFI project subsidiaries and joint venture investments in accordance with the project agreements entered into by those companies. Repayments of the shareholder loans are determined by the amounts the Company receives from repayments of the loans made to the PFI project subsidiaries and joint ventures investments.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

2 Accounting policies

(a) Basis of consolidation

The Group financial statements include the financial statements of Amey Ventures Investments Limited and its subsidiary undertakings and exclude all intra-group transactions. The results of subsidiary undertakings acquired during the year are consolidated from the date on which control in the subsidiary undertaking passes to the Group. Acquisitions of subsidiary undertakings are dealt with by the acquisition method of accounting. The results and cash flows of subsidiary undertakings which have been disposed of are consolidated up to the date of sale. The profit attributable to members of the Company is stated after deducting the proportion attributable to minority shareholders.

(b) Joint ventures where the Group exercises joint control

As permitted by IFRS 11, joint ventures are included in the financial statements using the equity method of accounting. The results of stakes in joint ventures acquired are included from the date on which the Group acquires joint control in the joint venture, or until the date on which the Group disposes of its joint control in the joint venture.

In accordance with IAS 28, the Group limits the recognition of share of joint venture losses where those losses exceed the investment made in those joint ventures and no obligation arises on the investor to make good those losses. Any losses recognised are held as a provision on the balance sheet.

The results, assets and liabilities of joint ventures are stated in accordance with Group accounting policies. Where joint ventures do not adopt Group accounting policies, their reported results and assets and liabilities are restated to comply with Group accounting policies. Where joint ventures do not adopt accounting periods that are coterminous with the Group's, their results and net assets are based on interim financial statements drawn up to the Group's accounting reference date.

2 Accounting policies (*continued*)

(c) Revenue

PFI/PPP revenue is accounted for using the financial asset model, where it has been determined that the Group has an unconditional right to receive cash for the construction service. Revenue is determined by the fair value of consideration received or receivable in respect of goods and services provided in the same way as other long-term contracts. Revenue is adjusted for the expected payment date at the time of providing the services in accordance with the principles of IAS 39 (Financial Instruments: Recognition and Measurement). The amounts recoverable from the capital enhancement element of PFI/PPP contracts are shown separately on the face of the balance sheet as PFI/PPP financial assets.

Revenue from other contract activities represents fee income receivable in respect of services provided during the year. Estimates are included of amounts not yet invoiced. The Group manages customer expenditure and charges customers for goods purchased from suppliers and services performed by contractors. These amounts are included in revenue and cost of sales when the Group is acting as a principal, but where the Group is acting as an agent, transactions are recognised on a net basis.

The Group defers other fees receivable and brings these fees into revenue in line with the degree of completion of the service delivery.

All revenue excludes Value Added Tax.

(d) Deferred tax

Deferred tax is recognised on all temporary 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. However, the deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised when it is more likely than not that they will be recovered in the foreseeable future. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

(e) Financial assets

The Group classifies its financial assets into one of the following categories, depending on the nature of the asset that was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

(i) *Financial assets – loans and receivables.* These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables) under PFI/PPP contracts but also incorporate other types of contractual monetary asset. They are carried at cost less any provision for impairment. For PFI/PPP contracts, cost is determined by the fair value of goods and services as adjusted for the expected payment date at the time of providing the services. Interest bearing financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Interest calculated in accordance with this policy is recognised in finance income in the income statement.

(ii) *Financial assets – fair value through the income statement.* This category comprises only in-the-money derivatives. They are carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

(iii) *Financial assets – available-for-sale.* Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognised directly in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in the income statement.

2 Accounting policies (*continued*)

(f) Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the nature of the liability that was acquired. Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

(i) *Financial liabilities – fair value through the income statement.* This category comprises only out-of-the-money derivatives. They are carried in the balance sheet at fair value with changes in fair value recognised in the income statement.

(ii) *Financial liabilities – other financial liabilities.* Trade payables and other payables are recognised at amortised cost. Bank borrowings are recognised at the amount advanced net of any transaction costs. Such interest bearing liabilities are subsequently measured at amortised cost using the EIR method. Finance costs calculated in accordance with this policy are recognised in finance costs in the income statement.

(g) Hedge accounting

Hedge accounting is applied to financial assets and liabilities only where all of the following criteria are met:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge
- for cash flow hedges, the hedged item in a forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect income or expense
- the cumulative change in the fair value of the hedging instruments is expected to be between 80% and 125% of the cumulative change in the fair value or cash flows of the hedged item attributable to the risk hedged, i.e. it is expected to be highly effective
- the effectiveness of the hedge can be reliably measured
- the hedge is assessed on a regular basis and remains highly effective.

The Group does not hold or issue derivative instruments for speculative purposes, although derivatives not meeting the above criteria are designated for accounting purposes at fair value through the income statement as appropriate.

(h) Derivative financial instruments at fair value - cash flow hedges

The Group uses derivative financial instruments to manage interest rate risk and, where the hedge accounting criteria are met, designates these as cash flow hedges. Changes in the fair value of the effective portion of derivatives that are designated and qualify as hedges are recognised in other comprehensive income.

Changes in the fair value of the ineffective portion of cash flow hedges are recognised in the income statement. Amounts accumulated in equity are transferred to the income statement when the underlying transaction occurs or, if the transaction results in a non-financial asset or liability, are included in the initial cost of the asset or liability.

Amey Ventures Investments Limited

Notes forming part of the Group financial statements for the year ended 31 December 2015 (continued)

3 Operating profit

This is stated after charging:

	2015 £'000	2014 £'000
Auditors' remuneration - audit of Group and Company financial statements	22	30
- audit of subsidiary undertakings	28	28
- audit of joint venture undertakings	32	35

The Group had no employees during the year (2014: none).

4 Directors and key management remuneration

No Directors were remunerated by the Company or members of the Group in 2015 or in 2014.

The emoluments of the Directors are paid by the Company's parent undertakings. Their services to this Company are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to the parent undertakings.

5 Net finance income (costs)

	2015 £'000	2014 £'000
Finance income		
Interest on financial assets	7,955	8,157
Interest receivable on loans to joint ventures (note 21)	3,423	3,780
Other interest and similar income	23	53
Total finance income	11,401	11,990
Finance costs		
Interest payable on borrowings	(3,621)	(8,182)
Interest payable on shareholder loans (note 21)	(4,631)	(5,127)
Other interest and similar charges	(92)	(80)
Total finance costs	(8,344)	(13,389)
Net finance income (costs)	3,057	(1,399)

Finance income relates to items classified as loans and receivables. Finance costs relate to items classified as other financial liabilities measured at amortised cost, with the exception of certain derivatives. Derivatives that are not designated in an IAS 39-compliant hedging relationship are classified as held-for-trading and measured at fair value through profit or loss.

6 Tax

	2015 £'000	2014 £'000
Current tax		
UK corporation tax at 20.25% (2014: 21.5%) on the (loss) profit for the year	51	37
Total current tax charge	51	37
Deferred tax		
Transfer from (to) deferred tax asset:		
- current year	693	(150)
- prior year	(17)	38
Total deferred tax charge (credit)	676	(112)
Total tax charge (credit)	727	(75)
Reconciliation of variances from standard rate of UK corporation tax:		
Profit (loss) before tax	11,978	(376)
Less: share of profit after tax of joint ventures	(8,164)	(175)
Profit (loss) before tax excluding share of profit after tax of joint ventures	3,814	(551)
Profit (loss) before tax excluding share of profit after tax of joint ventures at the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	772	(118)
<i>Adjusted for:</i>		
Impact of change of tax rate on deferred tax assets	19	-
Difference in tax rates applied	(47)	-
Other timing differences	-	5
Adjustment in respect of prior year	(17)	38
Total tax charge (credit)	727	(75)

Deferred tax

Deferred tax is calculated in full on temporary timing differences under the liability method using an expected tax rate of 18% (2014: 20%) for the UK.

Deferred tax assets

	Derivatives and EIR £'000	Other temporary differences £'000	Total £'000
At 1 January 2014	4,291	300	4,591
Income statement	138	(26)	112
SOCI	2,343	-	2,343
At 31 December 2014	6,772	274	7,046
Income statement	(734)	58	(676)
SOCI	(1,004)	-	(1,004)
At 31 December 2015	5,034	332	5,366

Amey Ventures Investments Limited

Notes forming part of the Group financial statements for the year ended 31 December 2015 (*continued*)

7 Dividends

The Company paid an interim dividend of £1,382,000 (2014: £670,000) to holders of the 'A' Ordinary Shares and an interim dividend of £6,200,000 (2014: £3,400,000) to holders of the 'B' Ordinary Shares representing £92.13 (2014: £44.67) and £124,000 (2014: £68,000) per share respectively. The total dividends paid during the year amounted to £7,582,000 (2014: £4,070,000) representing £503.79 (2014: £270.43) per Ordinary share.

8 Investments in joint ventures

	Cost of shares £'000	Share of post acquisition profits £000	Loan advances £'000	Total £'000
Carrying value				
At 1 January 2014	188	7,232	30,596	38,016
Share of profit after tax for the year	-	5,164	-	5,164
Dividends paid by joint ventures	-	(4,070)	-	(4,070)
Share of movements in the SOCI:				
- derivative gains	-	140	-	140
- deferred tax thereon	-	(28)	-	(28)
Loans repaid	-	-	(716)	(716)
At 31 December 2014	188	8,438	29,880	38,506
Share of profit after tax for the year	-	8,164	-	8,164
Dividends paid by joint ventures	-	(7,582)	-	(7,582)
Share of movements in the SOCI:				
- derivative gains	-	986	-	986
- deferred tax thereon	-	(297)	-	(297)
Loans repaid	-	-	(827)	(827)
At 31 December 2015	188	9,709	29,053	38,950

The Group's joint venture investments, including the percentage of interest held, are set out in note 18.

8 Investments in joint ventures (continued)

The Group's share of the results and net assets of joint ventures was as follows:

	2015 £'000	2014 £'000
Share of revenue	34,211	32,922
Share of operating profit	12,512	8,009
Share of net finance costs	(2,842)	(7,735)
Share of tax	(1,507)	(99)
Share of profit after tax for the year	8,164	175
Share of other comprehensive income (expense)	988	(1,528)
	2015 £'000	2014 £'000
Share of gross assets	398,809	415,794
Share of gross liabilities	(412,987)	(431,542)
Share of net liabilities	(14,178)	(15,748)
Loan advances	29,053	29,880
Total investments in joint ventures	14,875	14,132
Included in:		
Investments in joint ventures	38,950	38,506
Provisions for liabilities	(24,075)	(24,374)
	14,875	14,132

The Group's share of profit after tax of £8,164,000 (2014: £175,000) is comprised of £8,164,000 debited to investments above (2014: £5,164,000) and £nil credited to provisions (2014: £4,989,000) (see note 15). The group's share of other comprehensive income of £988,000 (2014: £1,528,000 expense) is comprised of £689,000 debited to investments above (2014: £112,000) and £299,000 debited to provisions (2014: £1,640,000 credited) (see note 15).

The share of gross liabilities include financial instrument derivatives within joint ventures which relate to interest rate swaps entered into by the joint ventures concerned as a means of hedging interest rate risk. In accordance with IAS 39, these derivatives are accounted for as cash flow hedges by the joint ventures with the effective portion of movements in fair value each year recognised in the hedge reserve.

9 PFI/PPP financial assets

The PFI/PPP financial assets are fixed rate financial assets which bore interest during the year at an average rate of 5.96% (2014: 5.96%), none of which are past due. There are no significant differences between the book values and the fair values of the PFI/PPP financial assets.

10 Financial instruments**Financial risk**

The financial risks affecting the Group are as follows:

Financial risk management - interest rate risk

The Group's main interest rate risk arises on bank borrowings where variable rate loans could expose the Group to cash flow interest rate risk. The Group's exposure to variable rate loans is minimised through the use of fixed rate loans and interest rate hedge contracts.

10 Financial instruments (continued)**Financial risk (continued)***Financial risk management - credit risk*

The Group's main financial assets are cash and cash equivalents as well as PFI/PPP financial assets, trade and other receivables and represent the Group's maximum exposure to credit risk in connection with its financial assets. The Group's credit risk is mainly attributable to its public sector trade receivables due from local authorities. The amounts are carried on the balance sheet net of bad debt provisions estimated by the Directors based on prior year experience and an evaluation of prevailing economic circumstances.

Financial risk management - funding and liquidity risk

A key function of Group management is to ensure that the Group has sufficient cost effective facilities to meet its obligations in the short, medium and long-term.

Group management monitors the following activities:

- regular cash flow forecasts prepared by the business units
- budget and forecast cash flows
- actual trading results, debt and balance sheet positions
- capital expenditure requests
- forecast facility availability.

IFRS 7 requires the Group to analyse its financial assets and liabilities held at fair value according to the valuation basis applied. Level 1 represents fair values based on quoted prices in active markets; Level 2 represents fair values where valuation inputs are based on observable market data; Level 3 represents fair values where any significant valuation input is not based on observable market data.

The Group has no Level 1 or Level 3 financial assets or liabilities. The amounts held at Level 2 basis of valuation and included in the Group balance sheet in respect of derivative contracts were as follows:

	2015 £'000	2014 £'000
Interest rate caps and swaps:		
Cash flow hedges – current liabilities	3,365	3,496
Cash flow hedges – non-current liabilities	23,283	25,511
Total cash flow hedges	26,648	29,007

Amounts recognised in respect of cash flow hedges were as follows:

	2015 £'000	2014 £'000
Gains (losses) included in the SOCI:		
- in respect of the Group (before tax)	2,359	(11,714)
- in respect of share of joint ventures (before tax)	1,887	(1,910)

Gains (losses) included in the SOCI relate to changes in the fair value of the effective portion of derivatives held by both the Group and joint ventures that are designated and qualify as cash flow hedges.

As a condition of lending, the PFI/PPP joint ventures are required to take out interest rate hedges to fix the interest rate to hedge against cash flow interest rate risk until the debt has been repaid. The last of these hedges expires in 2035.

All Group financial assets, with the exception of derivatives, are classified as loans and receivables and all financial liabilities, with the exception of derivatives, are classified as other financial liabilities measured at amortised cost. The Group's share of joint venture financial assets and liabilities, including derivatives held by the joint ventures, are included in the balance sheet as non-current assets: investments in joint ventures.

10 Financial instruments (continued)**Interest rate risks**

The Group has used a sensitivity analysis technique that measures the estimated change in fair value of the Group's financial instruments to the income statement of an instantaneous increase or decrease of 0.5% in interest rates. This exercise has been performed purely for illustrative purposes as, in practice, these changes rarely occur in isolation. In preparing this analysis, it has been assumed that changes in interest rates affect the interest payable or receivable on floating rate financial instruments.

	Decrease of 0.5% in market interest rates £'000	Increase of 0.5% in market interest rates £'000
At 31 December 2015		
Impact on income statement from PFI/PPP non-recourse term loans	316	(316)

The amounts generated from the sensitivity analysis are estimates of the impact of interest rate risk assuming that the specified changes occur. Clearly, developments in global markets may cause the actual changes to differ significantly from the changes specified above. Therefore, this analysis should not be considered a projection of likely future events and losses.

Capital structure

The Group manages its cash, bank loans and overdrafts, loans from shareholders and equity as capital. The Group's principal objective is to ensure that the Group has sufficient capital to fund its operations. In developing business plans, management consider the likely capital requirements and how to fund these requirements. Additional capital is funded by using the least cost source at the time of fund-raising. At 31 December 2015, the Group's capital was summarised as follows:

	2015 £'000	2014 £'000
Cash and cash equivalents	(10,814)	(10,711)
PFI/PPP non-recourse term loans	130,118	136,545
Loans due to shareholders	39,727	41,599
Total shareholders' deficit	(37,474)	(43,486)
	121,557	123,947

The Group is not subject to any externally imposed capital requirements.

Amey Ventures Investments Limited

Notes forming part of the Group financial statements for the year ended 31 December 2015 (*continued*)

11 Trade and other receivables

	2015 £'000	2014 £'000
Current		
Amounts due from joint ventures (note 21)	850	2,693
Other receivables	62	22
Prepayments and accrued income	34	47
	946	2,762

No provision for doubtful debts was held against trade receivables at 31 December 2015.

12 Cash and cash equivalents

	2015 %	2015 £'000	2014 %	2014 £'000
Fixed rate	0.5	10,814	0.5	10,711

Cash and cash equivalents of £10.8 million (2014: £10.7 million) were held by PFI/PPP project companies over which the Group has restricted control.

13 Trade and other payables

	2015 £000	2014 £000
Current		
Trade payables	734	489
Other creditors	12	10
Loans due to shareholders (note 21)	949	1,523
Interest due on shareholders' loans (note 21)	1,170	3,050
Other tax and social security	571	591
Accruals and deferred income	2,584	2,367
	6,020	8,030
Non-current		
Loans due to shareholders (note 21)		
- in more than 1 year but not more than 2 years	1,350	539
- in more than 2 years but not more than 5 years	5,961	3,461
- in more than 5 years	31,467	36,076
	38,778	40,076

The loans due to shareholders are interest bearing financial liabilities held at amortised cost. The interest rate applicable to the loans is fixed at weighted average of 11.5% (2014: 11.6%). The table below sets out the total repayments of principal and associated interest on these loans:

	Due in 2016 £'000	Due in 2017 £'000	Due in 2018 £'000	Due in 2019 £'000	Due in 2020 and later £'000	Total £'000
At 31 December 2015						
Loans due to shareholders	5,289	6,000	5,258	6,743	81,477	104,767

	Due in 2015 £'000	Due in 2016 £'000	Due in 2017 £'000	Due in 2018 £'000	Due in 2019 and later £'000	Total £'000
At 31 December 2014						
Loans due to shareholders	7,955	5,027	5,193	5,780	86,978	110,933

The fair value of the loans due to shareholders at 31 December 2015 was £65.0 million (2014: £55.4 million). Loans due to shareholders are matched with the investment loans made by the Company to its subsidiary and joint venture undertakings.

Amey Ventures Investments Limited

Notes forming part of the Group financial statements for the year ended 31 December 2015 (continued)

14 Borrowings

The PFI/PPP term loans are secured by fixed and floating charges over the assets of the special purpose companies of the projects and have no recourse to the balance sheet of Amey Ventures Investments Limited.

	Current 2015 £'000	Non- current 2015 £'000	Current 2014 £'000	Non- current 2014 £'000
PFI/PPP non-recourse term loans	3,793	126,325	2,931	133,614

The analysis of PFI/PPP non-recourse term loans was as follows:

	Expiry date	Interest Rate	2015 £'000	2014 £'000
Amey Lighting (Norfolk) Holdings Limited	2032	Floating	30,884	31,625
Amey Belfast Schools Partnership Hold Co Limited	2038	Floating	50,799	53,213
Amey Belfast Schools Partnership Hold Co Limited	2038	Fixed 5.49%	48,435	51,707
			130,118	136,545

PFI/PPP non-recourse term loans mature as follows:

	2015 £'000	2014 £'000
Due within 1 year	3,793	2,931
Due within 1 to 2 years	3,743	2,874
Due within 2 to 5 years	9,637	8,535
Due after more than 5 years	113,887	123,192
Facility arrangement cost	(942)	(987)
	130,118	136,545

The weighted average interest rate for PFI/PPP non-recourse floating rate liabilities for 2015 was 2.8% (2014: 2.9%). The Group's exposure to floating rate loans is minimised through the use of interest rate hedge contracts.

There is no difference between the borrowings shown above and their equivalent fair values for 2015 and 2014. Fair value has been based on carrying amount.

14 Borrowings (continued)**Liquidity risk**

Liquidity risk is defined as the risk that the Group would not be able to settle or meet its obligations on time or at a reasonable price. Group management is responsible for liquidity, funding and settlement management. In addition, liquidity and funding risks, as well as related processes and policies are overseen by management. The Group manages its liquidity risk on a group basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility. In accordance with IFRS 7 (Financial Instruments: Disclosures), the table below sets out the repayment of principal and associated interest payments.

	Due in 2016 £'000	Due in 2017 £'000	Due in 2018 £'000	Due in 2019 £'000	Due in 2020 and later £'000	Total £'000
At 31 December 2015						
PFI/PPP non-recourse term loans	8,540	8,512	8,489	8,577	181,636	215,754
	Due in 2015 £'000	Due in 2016 £'000	Due in 2017 £'000	Due in 2018 £'000	Due in 2019 and later £'000	Total £'000
At 31 December 2014						
PFI/PPP non-recourse term loans	6,743	6,974	6,993	7,024	168,970	196,704

15 Provisions for liabilities

	Joint venture loss provision £'000
At 1 January 2014	17,745
Share of loss after tax for the year	4,989
Share of movements in the SOCI	1,640
At 31 December 2014	24,374
Share of movements in the SOCI	(299)
At 31 December 2015	24,075

The joint venture loss provision represents the Group's share of losses recognised which principally arise from deficits on the fair value of derivatives.

Amey Ventures Investments Limited

Notes forming part of the Group financial statements for the year ended 31 December 2015 (continued)

16 Share capital

	2015 Number	2015 £'000	2014 Number	2014 £'000
Issued, called up and fully paid:				
'A' Ordinary shares of £1 each	15,000	15	15,000	15
'B' Ordinary shares of £1 each	50	-	50	-
Total at 31 December 2015	15,050	15	15,050	15

The holders of the 'B' Ordinary shares are not entitled to appoint Directors or to vote at any general meeting of the Company. The 'B' Ordinary shares are entitled only to receive dividends, other distributions or distribution of capital on a winding up of the Company out of the profits of the Company allocated to the 'B' Share Fund. The 'B' Share Fund comprises the distributions received by the Company from its joint venture investment, ALC (Superholdco) Limited, that derive from that company's subsidiary undertaking, ALC (FMC) Limited, less any distributions made to holders of the 'B' Ordinary shares. The balance on the 'B' Share Fund at 31 December 2015 was £nil (2014: £nil).

The holders of the 'A' Ordinary shares are entitled to receive all dividends, distributions or distribution of capital on a winding up of the Company out of the profits of the Company less those allocated to the 'B' Share Fund.

17 Cash inflow generated from operations

	2015 £'000	2014 £'000
Profit (loss) before tax	11,978	(376)
Adjustments for net finance (income) costs		
Finance income	(11,401)	(11,990)
Finance costs	8,344	13,389
	(3,057)	1,399
Adjustments for non-cash movements		
Share of profit after tax of joint ventures	(8,164)	(175)
	(8,164)	(175)
Movement in working capital		
Increase in receivables	(27)	(8)
Increase (decrease) in payables	444	(234)
	417	(242)
Cash inflow generated from operations	1,174	606

Amey Ventures Investments Limited

Notes forming part of the Group financial statements for the year ended 31 December 2015 (continued)

18 Subsidiary and joint venture undertakings

Unless otherwise stated, all subsidiary undertakings are incorporated in England and Wales and operate in the UK. Voting rights and interests in their Ordinary shares are 100% held by the Company. All subsidiary undertakings have been consolidated.

Subsidiary undertaking	Nature of business
Amey Belfast Schools Partnership Hold Co Limited	PFI schools concessions
Amey Belfast Schools Partnership PFI Co Limited	PFI schools concessions
Amey Lighting (Norfolk) Holdings Limited	PFI street lighting concession
Amey Lighting (Norfolk) Limited	PFI street lighting concession

The Group's joint venture undertakings, and the proportion of equity held directly or indirectly, are as follows:

Joint venture undertaking	Nature of business	% held 2015	% held 2014
AHL Holdings (Manchester) Limited	PFI street lighting concession	50.0	50.0
Amey Highways Lighting (Manchester) Limited	PFI street lighting concession	50.0	50.0
AHL Holdings (Wakefield) Limited	PFI street lighting concession	50.0	50.0
Amey Highways Lighting (Wakefield) Limited	PFI street lighting concession	50.0	50.0
ALC (Superholdco) Limited	PFI asset management concession for the MOD	50.0	50.0
ALC (Holdco) Limited	PFI asset management concession for the MOD	50.0	50.0
ALC (FMC) Limited	PFI asset management concession for the MOD	50.0	50.0
ALC (SPC) Limited	PFI asset management concession for the MOD	50.0	50.0
Amey Roads NI Holdings Limited	Operation of PFI highways concession in Northern Ireland	50.0	50.0
Amey Roads NI Limited	Operation of PFI highways concession in Northern Ireland	50.0	50.0
Amey Roads Financial Limited	Operation of PFI highways concession in Northern Ireland	50.0	50.0
E4 D&G Holdco Limited	Operation of PFI schools concession in Dumfries & Galloway	85.0	85.0
E4 D&G Project Co Limited	Operation of PFI schools concession in Dumfries & Galloway	85.0	85.0
Integrated Bradford Hold Co One Limited	Operation of PFI schools concession in Bradford	25.2	25.2
Integrated Bradford SPV One Limited	Operation of PFI schools concession in Bradford	25.2	25.2
RSP (Holdings) Limited	Operation of PFI schools concession in Renfrewshire	35.0	35.0
The Renfrewshire Schools Partnership) Limited	Operation of PFI schools concession in Renfrewshire	35.0	35.0
Services Support (Avon and Somerset) Holdings Limited	Operation of PFI courts concession in Bristol	20.0	20.0
Services Support (Avon and Somerset) Limited	Operation of PFI courts concession in Bristol	20.0	20.0

With the exception of Amey Roads NI Holdings Limited (31 March), all subsidiaries and joint ventures have financial periods ending on 31 December. Where a joint venture does not have a coterminous year end, interim financial statements have been prepared.

19 Financial and capital commitments

There were no capital or financial commitments at 31 December 2015 or at 31 December 2014.

20 Contingent liabilities

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.

21 Related party transactions

Joint ventures

The Group receives income for the supply of services from its joint ventures in relation to PFI projects. The Group also receives interest on loans to joint ventures. The Group had the following trading balances with joint ventures at 31 December 2015:

	Interest receivable on loans to joint ventures		Loan amounts outstanding to joint ventures		Net trading balance owing to the Group	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000
AHL Holdings (Manchester) Limited	188	197	1,484	1,524	56	50
AHL Holdings (Wakefield) Limited	104	113	798	869	27	55
ALC (Superholdco) Limited	449	504	3,639	4,001	110	121
Amey Roads NI Holdings Limited	731	868	7,981	8,058	179	774
E4 D&G Holdco Limited	1,031	1,031	7,999	8,117	254	258
Integrated Bradford Hold Co One Limited	237	371	1,868	1,974	55	1,264
RSP (Holdings) Limited	492	505	3,976	4,029	121	123
Services Support (Avon and Somerset) Holdings Limited	191	191	1,308	1,308	48	48
	3,423	3,780	29,053	29,880	850	2,693

Shareholders

Set out below are the aggregate related party transactions with DIF Infra JV UK Limited and Amey UK plc (including its subsidiary undertakings) (Amey Group) (including its subsidiary undertakings) (DIF) with the Company and its subsidiary undertakings:

	DIF		Amey Group	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Income statement				
Operating expenses				
- services	51	54	8,314	8,079
Net finance costs				
- interest payable on shareholder loans	4,168	4,614	463	513
	4,219	4,668	8,777	8,592

Amey Ventures Investments Limited

Notes forming part of the Group financial statements for the year ended 31 December 2015 (*continued*)

21 Related party transactions (*continued*)

Shareholders (*continued*)

	DIF		Amey Group	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Balance sheet				
Current liabilities:				
- trade payables	-	-	939	410
- loans due to shareholders	854	1,371	95	152
- interest accrual on shareholders' loans	1,053	2,745	117	305
Non-current liabilities:				
- loans due to shareholders	34,900	36,068	3,879	4,008
	36,807	40,184	5,030	4,875

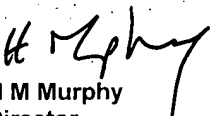
22 Controlling interests and ultimate parent undertaking

The Group is a joint venture. The companies participating in this joint venture are DIF Infra JV UK Limited, who hold 90% of the A Ordinary Shares (2014: 90%), and Amey UK plc, who hold 10% of the A Ordinary Shares (2014: 10%) and all of the B Ordinary Shares (2014: all). The ultimate parent undertaking and controlling party for DIF Infra JV UK Limited is Dutch Infrastructure II Fund BV, an entity incorporated in the Netherlands. The ultimate parent undertaking and controlling party for Amey UK plc is Ferrovial, S.A., a company incorporated in Spain.

Amey Ventures Investments Limited
Parent Company balance sheet as at 31 December 2015
Company number: 04738493

	Note	2015 £'000	2014 £'000
Fixed assets			
Investment in subsidiary undertakings	25	10,774	11,819
Investment in joint ventures	26	29,241	30,068
		40,015	41,887
Current assets			
Trade and other receivables	27	1,196	3,072
Cash and cash equivalents		36	12
		1,232	3,084
Creditors – amounts falling due within one year	28	(2,181)	(4,607)
Net current liabilities		(949)	(1,523)
Total assets less current liabilities		39,066	40,364
Creditors – amounts falling due after more than one year	29	(38,778)	(40,076)
Net assets		288	288
Equity			
Share capital	30	15	15
Retained earnings		273	273
Equity shareholders' funds		288	288

The notes on pages 33 to 36 form part of these Company financial statements. The financial statements on pages 31 to 36 were approved and authorised for issue by the Board of Directors on 25 November 2016 and signed on its behalf by:


H M Murphy
Director

25 November 2016

Amey Ventures Investments Limited

Parent Company statement of changes in equity for the year ended 31 December 2015

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2014	15	272	288
Retained profit for the year	-	4,070	4,070
Dividends paid	-	(4,070)	(4,070)
At 31 December 2014	15	273	288
Retained profit for the year	-	7,582	7,582
Dividends paid	-	(7,582)	(7,582)
At 31 December 2015	15	273	288

The Company is not publishing a separate income statement, as permitted by Section 408 of the Companies Act 2006. The profit for the financial year of the parent company dealt with in the Group financial statements was £7,582,000 (2014 – £4,070,000).

The notes on pages 33 to 36 form part of these Company financial statements.

23 Accounting policies

New and amended standards adopted by the Company

The Company has adopted Financial Reporting Standard 101 'Reduced Disclosure Framework' for the financial year beginning 1 January 2015. The adoption of FRS 101 has had no impact on the previously reported profit and net assets of the Company. Comparative information has been restated accordingly to reflect the presentation requirements of FRS 101.

Except as noted above, the principal accounting policies set out below have been applied consistently.

Basis of preparation

The financial statements of the Company have been prepared on a going concern basis and in accordance with FRS 101, the historical cost convention and the Companies Act 2006.

The following exemptions from the requirements of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement': disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities
- Paragraph 38 of IAS 1, 'Presentation of financial statements': comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1
- The following paragraphs of IAS 1:
 - 10(d): statement of cash flows
 - 10(f): a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements
 - 16: statement of compliance with all IFRS
 - 38A: requirement for minimum of two primary statements, including cash flow statements
 - 38B-D: additional comparative information
 - 40A-D: requirements for a third statement of financial position
 - 111: cash flow information
 - 134-136: capital management disclosures
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors': requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective
- The requirements of IAS 24: disclosure of related party transactions entered into between two or more members of a group.

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.

Deferred tax

Deferred tax is recognised on all temporary 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. However, the deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised when it is more likely than not that they will be recovered in the foreseeable future. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

24 Directors

Details of the remuneration of the Company's Directors are outlined in note 4 of the Group's financial statements. No Directors were remunerated by the Company.

25 Investments in subsidiary undertakings

	Cost of shares £'000	Loans to subsidiary undertakings £'000	Total £'000
At 1 January 2014	100	12,559	12,659
Loans repaid	-	(840)	(840)
At 31 December 2014	100	11,719	11,819
Loans repaid	-	(1,045)	(1,045)
At 31 December 2015	100	10,674	10,774

The subsidiary undertakings of the Company are disclosed in note 18 of the Group financial statements.

All subsidiary undertakings are directly held by the Company.

26 Investments in joint ventures

	Cost of shares £'000	Loans to joint ventures £'000	Total £'000
At 1 January 2014	188	30,596	30,784
Loans repaid	-	(716)	(716)
At 31 December 2014	188	29,880	30,068
Loans repaid	-	(827)	(827)
At 31 December 2015	188	29,053	29,241

The joint ventures held by the Company are disclosed in note 18 of the Group financial statements.

27 Trade and other receivables

	2015 £'000	2014 £'000
Amounts due within one year		
Interest receivable from subsidiary undertakings	320	357
Interest receivable from joint ventures (note 21)	850	2,693
Other debtors	26	22
	1,196	3,072

Amey Ventures Investments Limited

Notes forming part of the Parent Company financial statements for the year ended 31 December 2015 (*continued*)

28 Creditors – amounts falling due within one year

	2015 £'000	2014 £'000
Loans due to shareholders (note 21)	949	1,523
Interest due on shareholders' loans (note 21)	1,170	3,050
Accruals and deferred income	50	22
Other creditors	12	12
	2,181	4,607

29 Creditors – amounts falling due after more than one year

	2015 £'000	2014 £'000
Loans due to shareholders (note 21)		
- in more than 1 year but not more than 2 years	1,350	539
- in more than 2 years but not more than 5 years	5,961	3,461
- in more than 5 years	31,467	36,076
	38,778	40,076

The interest rate applicable to the loans due to shareholders is fixed at a weighted average of 11.5% (2014: 11.6%).

30 Share capital

	2015 Number	2015 £'000	2014 Number	2014 £'000
Issued, called up and fully paid:				
'A' Ordinary shares of £1 each	15,000	15	15,000	15
'B' Ordinary shares of £1 each	50	-	50	-
Total at 31 December 2015	15,050	15	15,050	15

The holders of the 'B' Ordinary shares are not entitled to appoint Directors or to vote at any general meeting of the Company. The 'B' Ordinary shares are entitled only to receive dividends, other distributions or distribution of capital on a winding up of the Company out of the profits of the Company allocated to the 'B' Share Fund. The 'B' Share Fund comprises the distributions received by the Company from its joint venture investment, ALC (Superholdco) Limited, that derive from that company's subsidiary undertaking, ALC (FMC) Limited, less any distributions made to holders of the 'B' Ordinary shares. The balance on the 'B' Share Fund at 31 December 2015 was £nil (2014: £nil).

The holders of the 'A' Ordinary shares are entitled to receive all dividends, distributions or distribution of capital on a winding up of the Company out of the profits of the Company less those allocated to the 'B' Share Fund.

31 Financial and capital commitments

The Company had no financial or capital commitments at 31 December 2015 or at 31 December 2014.

32 Contingent liabilities

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.

33 Ultimate parent undertaking

The Company is held as a joint venture. The companies participating in this joint venture are DIF Infra JV UK Limited, who hold 90% of the A Ordinary Shares (2014: 90%), and Amey UK plc, who hold 10% of the A Ordinary Shares (2014: 10%) and all of the B Ordinary Shares (2014: all). The ultimate parent undertaking and controlling party for DIF Infra JV UK Limited is Dutch Infrastructure II Fund BV, an entity incorporated in the Netherlands. The ultimate parent undertaking and controlling party for Amey UK plc is Ferrovial, S.A., a company incorporated in Spain.