

REGISTERED NUMBER: 02379479 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2021
for
Amey Limited
(formerly Amey plc)**



Amey Limited (formerly Amey plc)

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for the Year Ended 31 December 2021**

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Amey Limited (formerly Amey plc)

Company Information

for the Year Ended 31 December 2021

Directors

A L Fisher
A L Nelson
G Nieto Mier
E F Rodriguez
I P Tyler
A Veramendi

Company Secretary

J S Bowie

Registered Office

Chancery Exchange
10 Fumival Street
London
EC4A 1AB
United Kingdom

Auditor

Deloitte LLP
4 Brindleyplace
Birmingham
B1 2HZ
United Kingdom

Amey Limited (formerly Amey plc)

Strategic Report for the Year Ended 31 December 2021

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

Principal activity

Amey Limited is a subsidiary undertaking of Amey UK Limited (formerly Amey UK Limited), 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 Limited acts as an intermediate holding company and its income is derived from interest on intercompany loans. There have been no changes in the Company's activities during the year.

Review of business and future developments

The income statement for the year is set out on page 12 and shows revenue of £nil (2020 - £nil) and a profit after tax amounting to £243,744,000 (2020 - a loss of £235,602,000), all of which arose from continuing activities.

A net charge arose in 2021 in respect of the provisions against impairments of investments in subsidiary and other group undertakings of £59,542,000 (2020 - £214,937,000). In addition, the Company recognised a release of the impairment provision against intercompany balances and loan receivables of £163,073,000 (2020 - £42,934,000 additional charge). These provisions reflect the difficult trading conditions experienced by some of the Group's principal operating subsidiaries, though the outlook has considerably improved following the exit from loss-making contracts by the Amey Group and as a result of additional capital contributions made to those group companies in need of support. During the year, management has reassessed the carrying value of investments in group undertakings and the amounts due from fellow group undertakings for any change in the level of impairment provision against carrying value. For operating companies, the assessment may also consider whether the carrying value of the investment or receivable exceeds its recoverable amount which is the higher of the fair value of the investment or receivable and its value in use. The value in use is calculated using the present value of the future cash flows incorporating variations in the amount and timing of cash flows, time value of money, price for bearing the inherent uncertainty in the asset and other factors such as illiquidity. For non-operating companies the impairment provision reflects the net asset position of the related investment.

The Company also realised a gain of £6,126,000 (2020 - £nil) in respect of the release of intercompany liabilities following the liquidation of an indirectly held subsidiary undertaking, Amey Consulting LLC.

On 20 July 2021, the Company purchased 143,000,000 shares at a value of £143,000,000 in a fellow Amey group company, Enterprise Limited (formerly Enterprise plc).

Amey Limited (formerly Amey plc)

Strategic Report for the Year Ended 31 December 2021 (continued)

Post balance sheet events

Change in ultimate parent undertaking

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

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

Reregistration and change of name

On 21 November 2022, the Company reregistered from a public limited company to a private limited company. On the same date it changed its name from Amey plc to Amey Limited.

Further investment in subsidiary undertakings

On 13 December 2022, the Company purchased 22,500,000 shares at a value of £22,500,000 in a fellow Amey group company, Amey Highways Limited.

Disposal of investment

On 30 November 2022, the Amey Group completed the disposal of companies comprising the Thalia Waste Treatment business. See investment note 10 for information on the companies disposed of. As part of the disposal agreement with Ferrovial, S.A, who acquired the companies, the Company has incurred a loss of £29.9 million in respect of forgiveness of intercompany debtors.

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

Key performance indicators

The Company's principal key performance indicators is profit after tax which is shown in the income statement for the year set out on page 12.

Principal risks and uncertainties

The Company's risks and other key performance indicators are only reported and managed on a Divisional basis. To gain a further understanding of this business, details of the principal risks and uncertainties and other key performance indicators are contained in the Annual Report and Financial Statements of the intermediate parent undertaking, Amey UK Limited ('the Group'), for the year ended 31 December 2021. The Company is a member of the Central Services division of the Group.

Amey Limited (formerly Amey plc)

Strategic Report for the Year Ended 31 December 2021 (continued)

Financial risk management

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

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

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

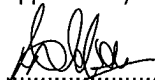
The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the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

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

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

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

Approved by the Board on 13 December 2022 and signed on its behalf by:



A L Nelson
Director
13 December 2022

Amey Limited (formerly Amey plc)

Report of the Directors for the Year Ended 31 December 2021

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

Strategic Report

Details of future developments, post balance sheet events (if any) and financial risk management can be found in the Strategic Report on pages 2 to 4 and form part of this report by cross reference.

Energy and Carbon Performance

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

Business Relationships

The Directors have had regard to the need to foster the company's business relationships with stakeholders. This is explained further within the S172 statement part c) in the strategic report on page 4.

Dividends

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

Directors of the Company

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

J S Bowie
A L Fisher
A L Nelson
G Nieto Mier
I P Tyler
A Veramendi (appointed 24 November 2021)
E F Rodriguez (appointed 24 November 2021)
J Galindo (appointed 24 November 2021, resigned 20 June 2022)
A Garcia (resigned 24 November 2021)
F Gonzalez De Canales Moyano (resigned 24 November 2021)
F Lopez Soria (resigned 24 November 2021)

Directors' indemnity

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

Going concern

After making enquiries and based on the assumptions outlined in note 2 to the financial statements, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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

Amey Limited (formerly Amey plc)

Report of the Directors for the Year Ended 31 December 2021 (continued)

Policy on slavery and human trafficking

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

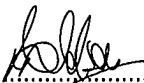
Statement as to disclosure of information to the auditor

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

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

Approved by the Board on 13 December 2022 and signed on its behalf by:



.....
A L Nelson
Director
13 December 2022

Amey Limited (formerly Amey plc)

Statement of Directors' Responsibilities

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

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

Amey Limited (formerly Amey plc)

Independent auditor's report to the members of Amey plc

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Amey Limited (formerly Amey plc)

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Amey Limited (formerly Amey plc)

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

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

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

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

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

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

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

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

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

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

Amey Limited (formerly Amey plc)

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception


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

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

We have nothing to report in respect of these matters.

Use of our report

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

DocuSigned by:

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

Amey Limited (formerly Amey plc)**Income Statement for the Year Ended 31 December 2021**

	Note	2021 £'000	2020 £'000
Revenue		-	-
Cost of sales		-	-
Gross result		-	-
Administrative expenses		162,961	(42,788)
Operating loss		162,961	(42,788)
Profit on liquidation of business	8	6,126	-
Provision for investment in subsidiary undertakings	5	59,542	(214,937)
Profit/(loss) before interest and taxation		228,629	(257,725)
Interest receivable and similar income	6	32,680	39,409
		261,309	(218,316)
Finance expense	7	(13,380)	(12,815)
Profit/(loss) before taxation	8	247,929	(231,131)
Tax on profit/(loss)	9	(4,185)	(4,471)
Profit/(loss) for the year		243,744	(235,602)

The notes on pages 16 to 40 form part of these financial statements.

Amey Limited (formerly Amey plc)

Statement of Comprehensive Income for the Year Ended 31 December 2021

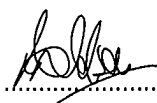
	2021 £'000	2020 £'000
Profit/(loss) for the year	243,744	(235,602)
Total comprehensive income/(expense) for the year	243,744	(235,602)

The notes on pages 16 to 40 form part of these financial statements.

Amey Limited (formerly Amey plc) (Registered number: 02379479)**Balance Sheet as at 31 December 2021**

	Note	2021 £'000	2020 £'000
Fixed assets			
Investments	10	843,728	641,186
Current assets			
Debtors: amounts falling due within one year	11	957,283	704,630
Debtors: amounts falling due after more than one year	11	1,073	1,009
Cash at bank and in hand		1,734	423
		960,090	706,062
Creditors:			
Amounts falling due within one year	12	(1,472,305)	(1,259,479)
Net current liabilities		(512,215)	(553,417)
Total assets less current liabilities		331,513	87,769
Net assets		331,513	87,769
Capital and reserves			
Share capital	14	233,878	233,878
Other reserves		120,182	120,182
Other equity instruments	15	912,635	909,716
Retained deficit		(935,182)	(1,176,007)
Shareholders' funds		331,513	87,769

The financial statements were approved by the Board of Directors on 13 December 2022 and signed on its behalf by:



A L Nelson

Director

13 December 2022

The notes on pages 16 to 40 form part of these financial statements.

Amey Limited (formerly Amey plc)**Statement of Changes in Equity for the Year Ended 31 December 2021**

	Share capital £'000	Other reserves £'000	Other equity instruments £'000	Retained deficit £'000	Total £'000
At 1 January 2020	233,878	120,182	725,652	(934,213)	145,499
Loss for the year	-	-	-	(235,602)	(235,602)
Total comprehensive expense	-	-	-	(235,602)	(235,602)
Fourth issue of Other Equity Instrument	-	-	169,000	-	169,000
Fifth issue of Other Equity Instrument	-	-	8,872	-	8,872
Dividends on Other Equity Instruments	-	-	6,192	(6,192)	-
At 31 December 2020	233,878	120,182	909,716	(1,176,007)	87,769

	Share capital £'000	Other reserves £'000	Other equity instruments £'000	Retained deficit £'000	Total £'000
At 1 January 2021	233,878	120,182	909,716	(1,176,007)	87,769
Profit for the year	-	-	-	243,744	243,744
Total comprehensive income	-	-	-	243,744	243,744
Dividends on Other Equity Instruments	-	-	2,919	(2,919)	-
At 31 December 2021	233,878	120,182	912,635	(935,182)	331,513

The Other reserves represent a capital contribution of £110,856,000 from Amey UK Limited made in 2013 and £9,326,000 in respect of the accumulated surplus on issue of Ordinary shares subject to merger relief.

See note 15 for further information on other equity instruments.

The notes on pages 16 to 40 form part of these financial statements.

Amey Limited (formerly Amey plc)

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The principal activity of Amey plc (the Company) is intermediate holding company and it operates principally within the UK. The Company is a private company limited by share capital, incorporated and domiciled in the UK and registered in England and Wales.

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

J S Bowie

Chancery Exchange
10 Funnival Street
London
EC4A 1 AB
United Kingdom

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

During the year ended 31 December 2021, the following additional standards which might have had an impact on the financial statements came into force in the United Kingdom:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform
Amendment to IFRS 16	Covid related rent concessions
Amendments to IFRS 4	Applying IFRS 9 with IFRS 4

No significant impact on the Company's financial statements has been identified because of these additional standards and amendments.

New standards or interpretations applicable to the Company for accounting periods commencing on or after 1 January 2022 are not expected to have a material impact on the Company.

Basis of consolidation

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

Amey Limited (formerly Amey plc)

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 'Reduced Disclosure Framework':

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- IFRS 2, 'Share based payments';
- IAS 36, 'Impairment of assets' paragraphs 134 and 135;
- IFRS 15, 'Revenue from contracts with customers': second sentence of paragraph 110, and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129; and
- IFRS 16, 'Leases': paragraph 52, the second sentence of paragraph 89 and paragraphs 90, 91 and 93. Paragraph 58, provided that the disclosure of details of indebtedness required by paragraph 61(c) of Schedule 1 of the Regulations is presented separately for lease liabilities and other liabilities in total.

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****2 Accounting policies (continued)****Going concern**

The Company is a subsidiary of Amey UK Limited (the Group) and its financial resources are managed on a group basis. The Company is accordingly a cross-guarantor to certain liabilities of the Group as described in note 16. The Company has also received written confirmation from the intermediate parent undertaking, Amey UK Limited, that it will continue to provide financial support to the Company for the period of at least twelve months from the date of signing these financial statements in order to fund day-to-day operations and to meet liabilities to the extent that the Company is unable to do so. The ultimate parent of the Group is Ferrovial, S.A.

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

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

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

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

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

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

The RWC forecast looks at the following key sensitivities:

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

Amey Limited (formerly Amey plc)

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Going concern (continued)

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

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

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

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

Amey Limited (formerly Amey plc)

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Other principal accounting policies

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

Foreign currency transactions and balances

The functional currency is the currency of the primary economic environment in which the Company operates (Pound Sterling). Foreign currency denominated transactions and balances are translated using the exchange rate ruling at the date of the transaction or balance. Gains or losses arising are included in the income statement as they arise.

Investment in subsidiary undertakings

Investments by the Company in the shares of subsidiary undertakings are stated at cost less accumulated impairment losses.

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. They are initially recognised at fair value and subsequently measured at amortised cost, less provision for impairment.

Financial instruments

Recognition and de-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component, and which are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for applicable transaction costs. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories: amortised cost; fair value through profit or loss (FVTPL); or fair value through other comprehensive income (FVOCI). The classification is determined by both the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****2 Accounting policies (continued)****Financial instruments (continued)***Subsequent measurement of financial assets*

(a) Financial assets at amortised cost - financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL): they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest.

(b) Financial assets at FVTPL - financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

(c) Financial assets at FVOCI - the Group accounts for financial assets at FVOCI if the assets meet the following conditions: they are held under a business model whose objective is 'hold to collect' the associated cash flows and the contractual terms of financial assets give rise to cash flows that are solely payments of principal and interest. Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon de-recognition of the asset.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at FVTPL. Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: Stage 1 - financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk; Stage 2 - financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low; and Stage 3 - financial assets that have objective evidence of impairment at the reporting date. Twelve-month expected credit losses are recognised for the first category while lifetime expected credit losses are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(a) Trade and other receivables - trade receivables are initially recognised and carried at the lower of their original invoiced value and recoverable amount. Balances are written off when the probability of recovery is remote. The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses historical experience, external indicators and forward-looking information to calculate the expected credit losses. The Group assesses impairment of trade receivables on a collective basis. Where they possess shared credit risk characteristics, they have been grouped based on industry sector global default rates.

(b) Intercompany loans receivable - intercompany advances to other Group companies are all held to maturity, neither parties have an option to call or prepay the loan before the contracted maturity date. Such assets are held under a business model to hold and collect contractual cash flows and therefore meet the 'solely payments of principal and interest' test. No embedded derivatives are currently recognised in these advances, and the amortised cost classification is not impacted. All intercompany advances are assessed for impairment under the ECL model.

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****2 Accounting policies (continued)****Financial instruments (continued)***Classification and measurement of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that provides a residual interest in the assets of a business after deducting all other liabilities.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate (EIR) method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs.

(a) Borrowings - borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost unless they form part of a fair value hedge relationship. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the EIR method. Borrowings being novated or cancelled and re-issued, with a substantial modification of the terms, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any resulting gain or loss recognised in the income statement.

(b) Trade and other payables - trade and other payables are non-interest bearing and are stated at their fair value and subsequently measured at amortised cost using the EIR method.

(c) Derivative financial instruments and hedging activities - derivatives are initially recognised at fair value on the date a derivative contract is entered and are subsequently re-measured at their fair value. Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet the following requirements: there is an economic relationship between the hedged item and the hedging instrument; and the effect of credit risk does not dominate the value changes that result from that economic relationship. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives either as fair value hedges, where they hedge exposure to changes in the fair value of the hedged asset or liability or as cash flow hedges, where they hedge exposure to variability in cash flows that are attributable to a risk associated with any changes in the fair value of the hedged asset, liability or forecasted transaction. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents, both at hedge inception and on an ongoing basis, its assessment of whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The fair value of a derivatives is classified as a non-current asset or liability when the remaining maturity is more than 12 months and as a current asset or liability where it is less than 12 months.

(d) Fair value hedge - all hedging relationships that were hedging relationships under IAS 39 at the 31 December 2017 reporting date meet the IFRS 9's criteria for hedge accounting at 1 January 2020 and are therefore regarded as continuing hedging relationships. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value gains and losses on any underlying hedged items that are part of a fair value hedging relationship. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the EIR method is used is amortised in the income statement over the period to maturity.

Amey Limited (formerly Amey plc)

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Financial instruments (continued)

Classification and measurement of financial liabilities (continued)

(e) Cash flow hedge - the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI. To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in OCI and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When or if a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(f) Derivatives at fair value through profit and loss - certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised immediately in the income statement. When derivatives are designated in a hedge relationship, the net interest payable or receivable on those derivatives is recorded net of the interest on the underlying hedged item in the income statement. When derivatives are not in a hedge relationship, the fair value changes on these derivatives are recognised within fair value gains or losses on financial instruments in the income statement. The interest payable and receivable on those derivatives are recorded at their net amount in finance costs in the income statement.

Current and deferred income tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Cash at bank and in hand

Cash at bank and in hand includes cash and deposits with banks. Bank overdrafts are shown within borrowings in current liabilities.

Creditors

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

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****3 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's existing accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Impairments of investment in subsidiary undertakings and amounts due from fellow group undertakings:

Management have assessed the carrying value of investments in subsidiary undertakings and the amounts due from fellow group undertakings for any change in the level of impairment provision against carrying value. For operating companies, the assessment considers whether the carrying value of the investment or receivable exceeds its recoverable amount which is the higher of the fair value of the investment or receivable and its value in use. The value in use is calculated using the present value of the future cash flows incorporating variations in the amount and timing of cash flows, time value of money, price for bearing the inherent uncertainty in the asset and other factors such as illiquidity. For non-operating companies the impairment provision reflects the net asset position of the related subsidiary undertaking.

Other Equity Instrument

Significant judgement has been applied in respect of the recognition of the subordinated loan facility as an Other Equity Instrument (see note 15).

4 Employees and Directors

The Company had no direct employees in either 2021 or 2020. The costs of employees of Amey Services Limited are recharged to this Company in direct support of its trade.

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

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

5 Provision for investments in subsidiary undertakings

	2021 £'000	2020 £'000
(Release)/provision for impairment in investments in shares	(24,923)	219,937
Release of provision for impairment in equity loans	(34,619)	(5,000)
(Release)/charge for the year	<u>(59,542)</u>	<u>214,937</u>

Further detail on the change in investment provision recorded in the year is included in note 10.

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****6 Interest receivable and similar income**

	2021 £'000	2020 £'000
Foreign exchange gains	61	-
Other interest receivable	7,161	415
Interest receivable from fellow subsidiaries	25,352	38,888
Interest receivable from Thalia Ventures Limited (formerly Cespa Ventures Limited), a Ferrovial S.A. undertaking	106	106
	<u>32,680</u>	<u>39,409</u>

7 Finance expense

	2021 £'000	2020 £'000
Foreign exchange losses	-	169
Interest payable to fellow group undertakings	13,368	12,301
Interest payable to Landmille Limited, a Ferrovial S.A. group undertaking	12	345
	<u>13,380</u>	<u>12,815</u>

8 Profit/(loss) before taxation

The auditor's remuneration is borne by Amey Group Services Limited, a fellow subsidiary undertaking of the Company, and is not recharged. The allocation to the Company of the auditor's fees, which are attributable solely to the audit of these financial statements, is £67,000 (2020 - £65,000).

The profit for 2021 includes a credit of £163,073,000 (2020 - £42,934,000 charge) in respect of the ultimate recoverability of amounts due from fellow group undertakings.

The Company also realised a gain of £6,126,000 (2020 - £nil) in respect of the release of intercompany liabilities following the liquidation of an indirectly held subsidiary undertaking, Amey Consulting LLC.

9 Taxation**Analysis of tax charge**

	2021 £'000	2020 £'000
Current tax		
Tax - current year	3,823	5,051
Tax - adjustment in respect of prior periods	362	(576)
Total current tax charge	<u>4,185</u>	<u>4,475</u>
Deferred tax – current year charge	9	-
Deferred tax – credit relating to changes in tax laws	(9)	(4)
Total deferred tax credit	<u>-</u>	<u>(4)</u>
Total tax charge in income statement	<u>4,185</u>	<u>4,471</u>

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****9 Taxation (continued)****Factors affecting the tax charge**

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%).

The differences are reconciled below:

	2021 £'000	2020 £'000
Profit/(loss) before income tax	247,929	(231,131)
Tax on profit/(loss) calculated at standard rate	47,107	(43,915)
Effects of:		
Increase/(decrease) in tax from adjustment for prior periods	362	(576)
(Decrease)/increase from effect of expenses not deductible	(974)	-
Utilisation of brought forward losses	(13)	-
Tax effect of asset impairments not deductible in determining taxable profit	(42,297)	48,966
Rate differential between current and deferred tax	9	-
Change in tax rate	(9)	(4)
Tax charge	4,185	4,471

10 Investments

	Shares in group undertakings £'000	Equity loans to group undertakings £'000	Total £'000
Subsidiaries			
Cost			
At 1 January 2021	862,268	605,000	1,467,268
Additions	143,000	-	143,000
At 31 December 2021	1,005,268	605,000	1,610,268
Provision for impairment			
At 1 January 2021	674,082	152,000	826,082
Release for the year	(24,923)	(34,619)	(59,542)
At 31 December 2021	649,159	117,381	766,540
Carrying amount			
At 31 December 2021	356,109	487,619	843,728
At 31 December 2020	188,186	453,000	641,186

A net credit arose in 2021 in respect of the provisions against impairments of investments in subsidiary and other group undertakings of £59,442,000 (2020 - £214,937,000 charge). These provisions reflect the difficult trading conditions experienced by some of the Group's principal operating subsidiaries, though the outlook has considerably improved following the exit from loss-making contracts by the Amey Group and as a result of additional capital contributions made to those group companies in need of support. During the year, management has reassessed the carrying value of investments in group undertakings and the amounts due from fellow group undertakings for any change in the level of impairment provision against carrying value. For operating companies, the assessment may also consider whether the carrying value of the investment or receivable exceeds its recoverable amount which is the higher of the fair value of the investment or receivable and its value in use.

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****10 Investments (continued)**

The value in use is calculated using the present value of the future cash flows incorporating variations in the amount and timing of cash flows, time value of money, price for bearing the inherent uncertainty in the asset and other factors such as illiquidity. For non-operating companies the impairment provision reflects the net asset position of the related investment.

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

On 20 July 2021, the Company purchased 143,000,000 shares at a value of £143,000,000 in a fellow Amey group company, Enterprise Limited.

At 31 December 2021, the Company held share capital of the following subsidiary undertakings, none of which are publicly traded. All subsidiary undertakings are incorporated in England and Wales and operate principally in the UK (unless otherwise indicated). The Company's voting rights and the interest in their equity shares are 100% (unless otherwise indicated).

Post balance sheet event - Further investment in subsidiary undertakings

On 13 December 2022, the Company purchased 22,500,000 shares at a value of £22,500,000 in a fellow Amey group company, Amey Highways Limited.

Active subsidiary undertaking

Accord Limited *

Amey Community Limited *

Amey Construction Limited

Amey Consulting Australia Pty Limited (Australia) *

Amey Consulting USA, Inc. (USA) *

Amey Finance Services Limited

Amey Fleet Services Limited

Amey Group Information Services Limited

Amey Group Services Limited

Amey Highways Limited

Amey Investments Limited

Amey LG Limited

Amey LUL 2 Limited *

Amey Mechanical and Electrical Services Limited *

Amey Metering Limited *

Amey OW Limited *

Amey OWR Limited *

Amey Power Services Limited

Amey Programme Management Limited

Amey Public Services Limited (67%) *

Amey Rail Limited

Amey Services Limited

Amey TPT Limited *

Amey Utility Services Limited (since renamed Avoce Limited)*

Amey Ventures Limited

Amey Ventures Asset Holdings Limited *

Nature

Holding company

Building support services

Highway management and maintenance

Highway management and maintenance (Australia)

Highway management and maintenance (USA)

Group insurance activities

Specialist fleet support services

Group IT services

Group central services

Highway management and maintenance

Investment holdings

Highway management and maintenance

Sub-surface rail management services

Building support services

Metering services

Professional services to highways market

Professional services to rail market

Power network maintenance

Building support services

Highway management and maintenance

Rail services, management and maintenance

Payroll services

Professional services to rail market

Utilities network maintenance

Bid management

Investment holdings

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****10 Investments (continued)****Active subsidiary undertaking**

Amey Ventures Management Services Limited *

Amey Wye Valley Limited (80%) *

Thalia Waste Management Limited (50%) *+

Thalia MK ODC Limited *+

Thalia WB Holdco Limited (50%) *+

Thalia AWRP ODC Limited (50%) *+

Thalia WB ODC Limited (50%) *+

Thalia WB Services Limited (50%) *+

Thalia WB SPV Limited (50%) *+

Thalia IOW SPV Limited (formerly Amey IOW SPV Limited)+

Brophy Grounds Maintenance Limited *

Byzak Limited *

C.F.M. Building Services Limited (Scotland) *

Enterprise Limited (formerly Enterprise plc)

Enterprise (AOL) Limited *

Enterprise (Venture Partner) Limited *

Enterprise Holding Company No.1 Limited *

Enterprise Managed Services Limited *

EnterpriseManchester Partnership Limited (80%) *

Fleet and Plant Hire Limited *

Globemile Limited *

Heating and Building Maintenance Company Limited *

MRS Environmental Services Limited *

Nationwide Distribution Services Limited *

Sherard Secretariat Services Limited

Slough Enterprise Limited *

Amey Defence Services Limited *

Amey Defence Services (Housing) Limited *

Seilwaith Amey Cymru / Amey Infrastructure Wales Limited (90%) *

A.R.M. Services Group Limited *

Amey Environmental Services Limited

Amey OW Group Limited

*Interest held indirectly

Wholly owned dormant subsidiary undertakings

Access Hire Services Limited *

Accord Asset Management Limited *

Accord Consulting Services Limited*

Accord Environmental Services Limited*

Accord Network Management Limited*

Amey 1321 Limited (*dissolved 1 March 2022*)

Amey Building Limited

Amey Datel Limited*

Amey Facilities Partners Limited*

Amey IT Services Limited

Nature

Investment management

Highways maintenance and other services

Waste management

Waste management

Holding company

Waste management

Waste management

Waste management

Waste management

Waste management

Environmental services

Water systems maintenance

Buildings maintenance

Holding company

Environmental services and highways maintenance

Investment holdings

Holding company

Utilities network maintenance and environmental services

Environmental services

Specialist fleet support services

Holding company

Facilities management

Environmental services

Highways maintenance and other services

Company secretarial services

Environmental services

Facilities management and buildings maintenance

Housing maintenance of behalf of the MOD

Rail services, management and maintenance

Holding company

Waste management

Holding company

Amey Limited (formerly Amey plc)

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Investments (continued)

Wholly owned dormant subsidiary undertakings

Amey Railways Holding Limited
Amey Technology Services Limited
Amey Tramlink Limited*
Amey Tube Limited*
Comax Holdings Limited
Countrywide Property Inspections Limited*
CRW Maintenance Limited *
Durley Group Holdings Limited*
Enterprise (ERS) Limited*
Enterprise Building Services Limited *
Enterprise Business Solutions 2000 Limited*
Enterprise Fleet Limited*
Enterprise Foundation (ETR) Limited *
Enterprise Islington Limited*
Enterprise Lighting Services Limited *
Enterprise Managed Services (BPS) Limited*
Haringey Enterprise Limited *
Hillcrest Developments (Yorkshire) Limited*
ICE Developments Limited*
JDM Accord Limited*
JNP Ventures Limited*
JNP Ventures 2 Limited*
MRS St Albans Limited*
TPI (Holdings) Limited*
Transportation Planning (International) Limited*
Amey (JJMG) Limited (formerly JJ McGinley Limited)*
Trinity Group Holdings Limited*
Wimco Limited*
Enterprise Public Services Limited *
Novo Community Limited *
Amey (ABD) Limited * (*dissolved 1 February 2022*)
Thalia IOW ODC Limited (formerly Allerton Waste Recovery
Park Interim SPV Limited) +
*Interest held indirectly

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****10 Investments (continued)**

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

Joint venture undertaking	Nature of business	2021 %	2020 %
ALC (FMC) Limited	PFI asset management concession for the MOD	50.00	50.00
Keolis Amey Operations / Gweithrediadau Amey Keolis Limited	Railways maintenance	36.00	36.00
AmeyBreathe Limited	Energy efficiency designed installations	50.00	50.00
AmeyBriggs Services Holdings Limited	Secure infrastructure	50.00	Nil
AmeyBriggs Services Limited	Secure infrastructure	50.00	Nil
AmeyBriggs Assets Limited	Secure infrastructure	50.00	Nil
AmeyBriggs Asset Holdings Limited	Secure infrastructure	50.00	Nil
Amey FMP Belfast Strategic Partnership Hold Co Limited	Managing development of schools and libraries in Northern Ireland	70.00	70.00
Keolis Amey Wales Cymru Limited	Railways maintenance	40.00	40.00
Amey FMP Belfast Strategic Partnership SP Co Limited	Managing development of schools and libraries in Northern Ireland	70.00	70.00
Amey Hallam Highways Holdings Limited	PFI Highways concession in Sheffield	3.30	3.30
Amey Hallam Highways Limited	PFI Highways concession in Sheffield	3.30	3.30
Amey Infrastructure Management (1) Limited	Investment holdings	10.00	10.00
Amey Infrastructure Management (2) Limited	Investment holdings	50.10	50.10
Amey Infrastructure Management (3) Limited	Investment holdings	50.10	50.10
Amey Ventures Investments Limited	Investment holdings	5.00	5.00
AmeyVTOL Limited	Dormant	60.00	60.00
Amey-Webber LLC (USA)	Highways maintenance	51.00	51.00
AWRP Holdings Co Limited	PFI waste management concession	33.33	33.33
AWRP SPV Limited	PFI waste management concession	33.33	33.33
Thalia MK Holdco Limited+	PFI waste management concession	50.00	50.00
Thalia MK SPV Limited+	PFI waste management concession	50.00	50.00
GEO Amey PECS Limited	Prisoner escort and custody services	50.00	50.00
Integrated Bradford Hold Co Two Limited	PFI schools concession in Bradford	0.60	0.60
Integrated Bradford LEP Limited	PFI schools concession in Bradford	4.00	4.00
Integrated Bradford LEP Fin Co One Limited	PFI schools concession in Bradford	4.00	4.00
Integrated Bradford PSP Limited	PFI schools concession in Bradford	5.00	5.00
Integrated Bradford SPV Two Limited	PFI schools concession in Bradford	0.60	0.60
Keolis Amey Docklands Limited	Railways maintenance	30.00	30.00

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****10 Investments (continued)**

Joint venture undertaking	Nature of business	2021 %	2020 %
Keolis Amey Metrolink Limited	Railways maintenance	40.00	40.00
Scot Roads Partnership Holdings Limited (Scotland)	Highways maintenance	20.00	20.00
Scot Roads Partnership Project Limited (Scotland)	Highways maintenance	20.00	20.00
Scot Roads Partnership Finance Limited (Scotland)	Highways maintenance	20.00	20.00
Keolis Amey Wales Consulting Limited	Consulting	36.00	Nil
TfW Innovation Services Limited	Consulting	17.60	Nil

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****10 Investments (continued)**

The following joint venture undertakings, and the Group proportion of equity held, are held directly through Amey Ventures Investments Limited:

Joint venture undertaking	Nature of business	2021 %	2020 %
AHL Holdings (Manchester) Limited	PFI street lighting concession	2.50	2.50
Amey Highways Lighting (Manchester) Limited	PFI street lighting concession	2.50	2.50
AHL Holdings (Wakefield) Limited	PFI street lighting concession	2.50	2.50
Amey Highways Lighting (Wakefield) Limited	PFI street lighting concession	2.50	2.50
ALC (Superholdco) Limited*	PFI asset management concession for the MOD	2.50	2.50
ALC (Holdco) Limited*	PFI asset management concession for the MOD	2.50	2.50
ALC (SPC) Limited*	PFI asset management concession for the MOD	2.50	2.50
Amey Belfast Schools Partnership Hold Co Limited	PFI schools concession	5.00	5.00
Amey Belfast Schools Partnership PFI Co Limited	PFI schools concession	5.00	5.00
Amey Lighting (Norfolk) Holdings Limited	PFI street lighting concession	5.00	5.00
Amey Lighting (Norfolk) Limited	PFI street lighting concession	5.00	5.00
Amey Roads NI Holdings Limited (Northern Ireland)	PFI highways concession in Northern Ireland	2.50	2.50
Amey Roads NI Limited (Northern Ireland)	PFI highways concession in Northern Ireland	2.50	2.50
Amey Roads NI Financial Limited (Northern Ireland)	PFI highways concession in Northern Ireland	2.50	2.50
E4D&G Holdco Limited	PFI schools concession in Dumfries & Galloway	4.25	4.25
E4D&G Project Co Limited	PFI schools concession in Dumfries & Galloway	4.25	4.25
Integrated Bradford Hold Co One Limited	PFI schools concession in Bradford	1.70	1.70
Integrated Bradford SPV One Limited	PFI schools concession in Bradford	1.70	1.70
RSP (Holdings) Limited (Scotland)	PFI schools concession in Renfrewshire	1.80	1.80
The Renfrewshire Schools Partnership Limited (Scotland)	PFI schools concession in Renfrewshire	1.80	1.80
Services Support (Avon and Somerset) Holdings Limited	PFI courts concession in Bristol	1.00	1.00
Services Support (Avon and Somerset) Limited	PFI courts concession in Bristol	1.00	1.00

* in members voluntary liquidation

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****10 Investments (continued)**

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

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

Amey Limited (formerly Amey plc)

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

10 Investments (continued)

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

Amey FMP Belfast Strategic Partnership Hold Co Limited
Amey FMP Belfast Strategic Partnership SP Co Limited
Amey Belfast Schools Partnership Hold Co Limited
Amey Belfast Schools Partnership PFI Co Limited
Amey Hallam Highways Holdings Limited
Amey Hallam Highways Limited
Amey Infrastructure Management (3) Limited
Amey Ventures Investments Limited
Integrated Bradford Hold Co Two Limited
Integrated Bradford LEP Limited
Integrated Bradford LEP Fin Co One Limited
Integrated Bradford PSP Limited
Integrated Bradford SPV Two Limited
Amey Lighting (Norfolk) Holdings Limited
Amey Lighting (Norfolk) Limited
E4D&G Holdco Limited
E4D&G Project Co Limited
Integrated Bradford Hold Co One Limited

Post balance sheet event – disposal of investment

On 30 November 2022, the Amey Group completed the disposal of companies comprising the Thalia Waste Treatment business. The subsidiary companies and the joint venture undertakings disposed of are marked with a + in the list of companies above.

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****11 Trade and other receivables**

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Amounts owed by other fellow subsidiaries of the Amey UK Limited group	1,031,227	958,001
Provision against amounts owed by other fellow subsidiaries of the Amey UK Limited group	(91,420)	(254,493)
Amounts owed by Ferrovial, S.A. group undertakings	240	655
Amounts owed by joint venture undertakings	68	-
Other debtors	-	5
Corporation tax	7,401	462
Social security and other tax	9,767	-
	<u>957,283</u>	<u>704,630</u>
Amounts falling due after more than one year:		
Deferred tax asset (see note 13)	40	40
Amounts owed by other fellow subsidiaries of the Amey UK Limited group	488,123	488,123
Provision against amounts owed by other fellow subsidiaries of the Amey UK Limited group	(488,123)	(488,123)
Amounts owed by Ferrovial, S.A group undertakings	1,033	969
	<u>1,073</u>	<u>1,009</u>
Aggregate amounts	<u>958,356</u>	<u>705,639</u>

Amounts owed by group undertakings which are due within one year are repayable on demand and bear interest at a market rate of 0.4% (2020 - 0.4%). There is no difference between the book value and the fair value of amounts owed by group undertakings.

Of the total amounts due from subsidiary undertakings, £542,257,000 (2020 - £557,757,000) bears interest at a variable rate of 0.5% (2020 - 0.5%), £488,123,000 (2020 - £488,123,000) bears interest at LIBOR plus a margin of 4.17% (2020 - LIBOR plus a margin of 4.17%) and £846,000 (2020 - £846,000) bears interest at a fixed rate of 12.5% (2020 - 12.5%).

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****12 Creditors: amounts falling due within one year**

	2021	2020
	£'000	£'000
Amounts owed to subsidiary undertakings	1,470,162	1,239,714
Accruals and deferred income	-	327
Corporation tax	1,768	-
Social security and other taxes	75	19,356
Amounts owed to other Ferrovia group undertaking	222	-
Other creditors	78	82
	<u>1,472,305</u>	<u>1,259,479</u>

Amounts due to fellow group undertakings are repayable on demand and bear interest at a market rate of 1.9% (2020 - 1.9%). There is no difference between the book value and the fair value of amounts owed to group undertakings.

Of the total amounts due to subsidiary undertakings, £1,338,599,000 (2020 - £1,099,654,000) bears interest at 3.75% (2020 - 3.75%).

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****13 Deferred tax asset**

	£'000
Balance at 1 January 2021 and at 31 December 2021	<u>40</u>

	2021 £'000	2020 £'000
Deferred tax asset comprises:		
Trading losses	<u>40</u>	<u>40</u>
Balance at 31 December	<u>40</u>	<u>40</u>
Falling due after more than one year	<u>40</u>	<u>40</u>

The Company has recognised deferred tax assets in full in respect of and other timing differences as the reversal of those items is foreseeable in future periods. Deferred tax assets have been recognised on trading losses carried forward to the extent that those losses are anticipated to be utilised via generation of future profits as based on the projections of the Amey Group over a period of up to five years.

	2021 £'000	2020 £'000
Unrecognised deferred tax comprises:		
Losses	-	13
Capital losses	<u>3,828</u>	<u>2,910</u>
Balance at 31 December	<u>3,828</u>	<u>2,923</u>

The current main rate of UK corporation tax is 19%. On 11 March 2021, Finance Bill 2021 was published which includes provision for the main rate of UK Corporation Tax to increase to 25% from 1 April 2023. All deferred tax assets have been measured at a rate of 25% (2020 - 19%).

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****14 Share capital**

Ordinary shares of £1 each	Number	£'000
Authorised, issued and fully paid at 31 December 2020	233,878,283	233,878
Authorised, issued and fully paid at 31 December 2021	233,878,283	233,878

15 Other equity instruments

	£'000
Balance at 1 January 2021	909,716
Reserves transfer on other equity instruments	2,919
Balance at 31 December 2021	912,635

On 8 July 2019, £200.0 million of the Company's existing subordinated loans from Landmille Limited were converted into a new Other Equity Instrument with Landmille Limited. This is a perpetual loan that is initially interest free but with interest that rises to 12-month LIBOR plus 700 basis points if Group Profits Before Interest, Tax, Depreciation and Amortisation ('EBITDA') is above a set threshold.

On 26 February 2020, a further £169.0 million of the Company's existing subordinated loans from Landmille Limited was converted into a new Other Equity Instrument with Landmille Limited. This is also a perpetual loan that is initially interest free but with interest that rises to 12-month LIBOR plus 700 basis points if Group Profits Before Interest, Tax, Depreciation and Amortisation ('EBITDA') is above a set threshold.

On 31 December 2020, the Company's remaining subordinated loan of £8.9 million was converted and consolidated with the existing £200.0 million and £169.0 million subordinated hybrid loans from Landmille Limited. Landmille Limited is a fellow member of the Ferrovial, S.A. group of companies.

This loan remains fully subordinated in favour of any amounts due to the Amey Group's banks under the five five-year bilateral facility agreements in place and which have recourse to the Amey Group's balance sheet.

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

These loans have been fully subordinated in favour of any amounts due to the Amey Group's banks under the five five-year bilateral facility agreements in place and which have recourse to the Amey Group's balance sheet.

The total amount of dividend interest accrued and not paid at 31 December 2021 was £13,763,000 (2020 - £10,744,000).

Amey Limited (formerly Amey plc)**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****16 Contingent liabilities**

As a member of the Amey UK Limited Group of Companies, the Company is a participating guarantor in respect of certain Group borrowings, bank account pooling arrangements, Group VAT registrations and HMRC UK Corporation Tax Group Payment arrangement and is jointly and severally liable with other group companies for the total Group balances outstanding. At 31 December 2021, the only net liabilities arising across the Amey Group were £nil (2020 - £nil) in respect of Group borrowings and £52,955,000 (2020 - £56,824,000) in respect of VAT.

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

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

There were no other contingent liabilities at 31 December 2021 or at 31 December 2020.

17 Capital commitments

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

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

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

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

Amey Limited (formerly Amey plc)

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

18 Post balance sheet events (continued)

Reregistration and change of name

On 21 November 2022, the Company reregistered from a public limited company to a private limited company. On the same date it changed its name from Amey plc to Amey Limited.

Further investment in subsidiary undertakings

On 13 December 2022, the Company purchased 22,500,000 shares at a value of £22,500,000 in a fellow Amey group company, Amey Highways Limited.

Disposal of investment

On 30 November 2022, the Amey Group completed the disposal of companies comprising the Thalia Waste Treatment business. See investment note 10 for information on the companies disposed of. As part of the disposal agreement with Ferrovial, S.A, who acquired the companies, the Company has incurred a loss of £29.9 million in respect of forgiveness of intercompany debtors.

19 Controlling parties

The immediate parent undertaking is Amey Holdings Limited.

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

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

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

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

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

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

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

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