

Companies House Copy

Amey LUL 2 Limited

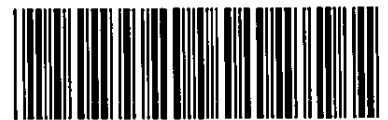
Report and Financial Statements

Year ended

31 December 2009

Company no 04602504

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COMPANIES HOUSE

Amey LUL 2 Limited

Annual report and financial statements for the year ended 31 December 2009

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Directors

K Cottrell
M Ewell
C V Fenton
A L Nelson

Secretary and registered office

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

Company number

04602504

Auditors

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

Amey LUL 2 Limited

Report of the Directors for the year ended 31 December 2009

The Directors present their report together with the audited financial statements for the year ended 31 December 2009

Principal activities

The Company is engaged in the activity of providing management services to Tube Lines (Holdings) Limited and Tube Lines Limited ("The Tube Lines Group") The Tube Lines Group is responsible for the maintenance, renewal and upgrade of the infrastructure of the Jubilee, Northern and Piccadilly lines of the London Underground There have been no changes in the Company's activities in the year under review

Business review and future developments

The profit and loss account for the year is set out on page 7 and shows turnover of £24,083,000 (2008 - £30,892,000) and loss after tax of £440,000 (2008 - £4,659,000 profit) Turnover has decreased by 22% which in the most part is due to a reduction in management fees arising from the Amey seconding party which provides services into the Tube Lines Group

The profit in 2009 was lower than for 2008 and this was in most part attributable to reduction in the management fee turnover, with this decrease being partially offset by a reduction in Amey Group management fees Based on the results to date in the 2010 financial year, the Directors believe that there will be an improvement in turnover and profit in 2010 as revenues from management services provided to the Tube Lines Group increase

A dividend of £24,000,000 (2008 - £nil) representing £12,000,000 per Ordinary share (2008 - £nil) was paid during the year The Directors do not recommend the payment of a final dividend

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

Principal risks and uncertainties

The Company's profitability is in the most part driven by the performance of The Tube Lines Group and the quantity of management services required The Company seeks to manage the risk of adverse performance by ensuring that the management secondees provided to The Tube Lines Group have the appropriate skills required by The Tube Lines Group and that the directors and management secondees gain appropriate understanding of the ongoing operational and financial performance of The Tube Lines Group

The Company's credit risk is primarily attributable to The Tube Lines Group Credit risk is managed by ensuring that the directors' have a thorough understanding of The Tube Lines Group financial performance and position

The Company monitors cash flow as part of its day-to-day control procedures The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary

Directors

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

K Cottrell
M Ewell
A L Nelson
C V Fenton

Employment policy

Diversity

Our aim is to ensure that no job applicant, employee or former employee receives less favourable treatment on the grounds of colour, race, nationality, ethnic or national origin, religious belief, sex, sexual orientation, marital status, age or as a consequence of unlawful discrimination relating to disability

Disabled employees

The Company gives consideration to applications for employment from disabled persons where the disabled person may adequately cover the requirements of the job

Disabled persons are employed under the normal contract terms and conditions. Career development and promotion is provided wherever appropriate.

Employee involvement

It is Amey Group ("Group") policy to communicate with and involve all employees, subject to commercial and practical limitation, in matters affecting their interests at work and to inform them of the performance of their Group. Employees are provided with information about the Group, which is supplemented by frequent emails from the Group Chief Executive when there is urgent and important news to be communicated. "The Hub", the Group's newsletter, is sent in hard copy and by email and provides useful business updates across the Group. The Group makes full use of its intranet to provide current information to its employees. Members of the Amey pension schemes also receive regular reports on matters relating to their pensions.

Payment policy and practice

The Company recognises the importance of good relationships with its suppliers and subcontractors. Although the Company does not follow a particular code or standard on payment practice, its payment policy is to

- Agree payment terms in advance of any commitment being entered into
- Ensure suppliers are made aware of these terms by inclusion of the terms of payment on the order or contract
- Make payments in accordance with the terms, wherever possible, providing that the documentation presented is complete and accurate

Trade creditors of the Company at the year end amounted to 7 days (2008 – 14 days) of average supplies for the financial year

Auditors

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

Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to

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

The Directors 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.

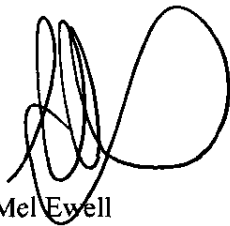
Amey LUL 2 Limited

Report of the Directors for the year ended 31 December 2009 *(continued)*

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

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the Board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Mel Ewell
Director

28 April 2010

Amey LUL 2 Limited

Report of the independent auditors

Independent auditor's report to the members of Amey LUL 2 Limited

We have audited the financial statements of Amey LUL 2 Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Amey LUL 2 Limited

Report of the independent auditors (*continued*)

Independent auditor's report to the members of Amey LUL 2 Limited (*continued*)

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



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

28 APR 2010

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

Amey LUL 2 Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	2	24,083	30,892
Cost of sales		<u>(11,893)</u>	<u>(11,591)</u>
Gross profit		12,190	19,301
Administrative expenses		<u>(10,065)</u>	<u>(12,092)</u>
Operating profit	5	2,125	7,209
Net interest payable	6	<u>(2,565)</u>	<u>(2,550)</u>
(Loss) profit on ordinary activities before tax		(440)	4,659
Tax on (loss) profit on ordinary activities	7	<u>-</u>	<u>-</u>
(Loss) profit after tax and retained for the financial year	13	<u>(440)</u>	<u>4,659</u>

All transactions related to continuing operations.

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

The notes on pages 9 to 16 form part of these financial statements

Balance sheet at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Intangible assets	9	<u>45,393</u>	<u>51,008</u>
Current assets			
Debtors	10	<u>27,297</u>	<u>40,415</u>
Cash at bank and in hand		<u>792</u>	<u>2,416</u>
		28,089	42,831
Creditors: amounts falling due within one year	11	<u>(73,220)</u>	<u>(69,137)</u>
Net current liabilities		<u>(45,131)</u>	<u>(26,306)</u>
Total assets less current liabilities		<u>262</u>	<u>24,702</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	<u>262</u>	<u>24,702</u>
Equity shareholders' funds	14	<u>262</u>	<u>24,702</u>

The financial statements on pages 7 to 16 were approved and authorised for issue by the Board of Directors on 28 April 2010 and signed on its behalf by



Mel Ewell
Director

The notes on pages 9 to 16 form part of these financial statements

1 Accounting policies

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

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

Going concern

The Company is a subsidiary of Amey UK plc and its financial resources are managed on a Group basis. Amey UK plc renewed its banking facilities in April 2009 and has a revolving committed syndicated credit facility of £92 million maturing in April 2012 and other committed credit facilities of £46 million maturing between October 2010 and April 2011.

The current arrangements are forecast to be sufficient to finance the Amey UK plc Group's operations for a period of at least twelve months from the date of approval of these financial statements. The Group has no reason to believe that amounts remaining to be drawn down under the bank loan facilities will not be forthcoming. The Directors believe that the Group is well placed to manage its business risks successfully despite the current macro-economic market conditions.

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

Intangible fixed assets

Acquired intangible fixed assets are included in the balance sheet at cost and amortised over their useful economic finite lives. The Company has no intangible fixed assets with indefinite lives.

The Company reviews the carrying value of intangible fixed assets in the light of developments in its business and makes provision for any impairment in value as the need arises.

Turnover

Turnover represents fee income receivable in respect of services provided during the year, excluding VAT.

Deferred tax

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

Deferred tax balances are not discounted.

1 Accounting policies (continued)*Pension costs – defined benefit scheme*

The Company participates in a defined benefit scheme but is unable to identify its share of the underlying assets and liabilities. It has therefore taken advantage of the provision in FRS 17 (Retirement Benefits), which allows the Company to account for it as a defined contribution scheme. As a result the pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period. Any deficits or surpluses in the schemes in which the Company participates, are disclosed in note 15 to the financial statements. The Company may be required to make contributions to, or receive the benefit of, any deficits or surpluses that may arise in these schemes over time.

Pension costs – defined contribution scheme

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

2 Turnover

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

3 Employees (including Directors)

	2009 £'000	2008 £'000
Staff costs during the year were as follows		
Wages and salaries	4,402	4,285
Social security costs	470	445
Pension costs		
- in respect of defined benefit schemes	252	219
- in respect of defined contribution schemes	67	74
	<u>5,191</u>	<u>5,023</u>

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

	2009 Number	2008 Number
The average number of employees during the year was as follows		
Operations	<u>31</u>	<u>25</u>

Amey LUL 2 Limited

Notes forming part of the financial statements for the year ended 31 December 2009 *(continued)*

4 Directors

Details of the remuneration of the Directors, who are also directors of the Company's intermediate parent undertakings, Amey UK plc, Amey Ventures Limited and JNP Ventures Limited, are disclosed in those companies' financial statements

No Directors were remunerated through the Company in 2009 or 2008

5 Operating profit

	2009 £'000	2008 £'000
Operating profit is stated after charging		
Amortisation of intangible fixed assets	<u>5,615</u>	<u>5,615</u>

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

6 Net interest payable

	2009 £'000	2008 £'000
Interest payable to Group undertakings	2,462	2,392
Other interest and similar charges	<u>103</u>	<u>158</u>
	<u>2,565</u>	<u>2,550</u>

Amey LUL 2 Limited**Notes forming part of the financial statements for the year ended 31 December 2009 (continued)****7 Tax on (loss) profit on ordinary activities**

	2009 £'000	2008 £'000
<i>Current tax</i>		
UK corporation tax at 28% (2008 – 28.5%)	-	-
Total current tax	-	-

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

	2009 £'000	2008 £'000
(Loss) profit on ordinary activities before tax	(440)	4,659
(Loss) profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 – 28.5%)	(123)	1,328
<i>Effects of</i>		
Group relief surrendered (received)	5	(1,340)
Expenses not deductible for tax purposes	118	12
Current tax charge for year	-	-

8 Dividends

	2009 £'000	2008 £'000
Interim dividend of £12,000,000 per Ordinary share (2008 - £nil per Ordinary share)	24,000	-

Amey LUL 2 Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (*continued*)

9 Intangible fixed assets

	2009 £'000	2008 £'000
<i>Cost</i>		
At 1 January and at 31 December	<u>73,000</u>	<u>73,000</u>
<i>Amortisation</i>		
At 1 January	21,992	16,377
Provided in year	<u>5,615</u>	<u>5,615</u>
At 31 December	<u>27,607</u>	<u>21,992</u>
<i>Net book value</i>		
At 31 December	<u>45,393</u>	<u>51,008</u>

The intangible fixed asset relates to contractual rights acquired with the purchase of the entire business of Jarvis LUL Limited, which provides key operational management and technical staff to Tube Lines Limited under a secondment agreement. The contractual rights have been capitalised at their cost of £73 million and are being amortised over 13 years, the life of the contract to which it relates. No other assets or liabilities were acquired.

10 Debtors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Trade debtors	20,313	16,397
Other debtors	623	510
Amounts owed by group undertakings	6,351	21,108
Prepayments and accrued income	10	10
Amounts recoverable on contracts	-	2,390
	<u>27,297</u>	<u>40,415</u>

Amey LUL 2 Limited

Notes forming part of the financial statements for the year ended 31 December 2009 *(continued)*

11 Creditors – amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	26	42
Accruals and deferred income	3,707	3,665
Amounts owed to group undertaking	61,222	61,589
Accruals	935	1,011
Other creditors	4,678	165
Other taxes and social security	2,652	2,665
	<u>73,220</u>	<u>69,137</u>

12 Share capital

	2009 £	2008 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

13 Profit and loss account

	2009 £'000	2008 £'000
At 1 January	24,702	20,043
Retained (loss) profit for the financial year	(440)	4,659
Dividends paid	<u>(24,000)</u>	<u>-</u>
At 31 December	<u>262</u>	<u>24,702</u>

14 Reconciliation of movements in equity shareholders' funds

	2009 £'000	2008 £'000
Retained (loss) profit for the financial year	(440)	4,659
Dividends paid	(24,000)	-
Net movement in shareholders' funds	(24,440)	4,659
Equity shareholders' funds at 1 January	24,702	20,043
Equity shareholders' funds at 31 December	262	24,702

15 Pensions*Defined Benefit Scheme*

The Company operates defined benefit pension schemes for the benefit of the employees. The assets of these schemes are administered by trustees in funds independent from the assets of the Company. The Company also provides post-retirement benefits other than pensions to the employees.

The Company pays contributions to defined benefit pension schemes where more than one employer participates and is therefore unable to identify its share of the underlying assets and liabilities of those schemes. Taking advantage of the provision in FRS 17 (Retirement Benefits), which allows the Company to account for it as a defined contribution scheme, the pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period.

The net deficit in the schemes in which the Amey Group participates amounted to £143,550,000 at the balance sheet date (2008 – £96,558,000). The Company may be required to make proportionate contributions to, or receive the proportionate benefit of, any deficits or surpluses that may arise in these schemes over time. Full details of Amey Group pension schemes are disclosed in the financial statements of Amey UK plc.

16 Financial and capital commitments

The Company had no financial or capital commitments at 31 December 2009 or at 31 December 2008.

17 Contingent liabilities

The Company has guaranteed certain performance bonds and borrowings of certain group undertakings.

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

There were no other contingent liabilities as at 31 December 2009 or at 31 December 2008.

18 Related party transactions

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

19 Cash flow statement

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

20 Ultimate parent undertaking

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

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

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

Copies of the group financial statements of Amey UK plc, the ultimate holding Company in the UK and the parent of the smallest group for which group financial statements are prepared and of which the Company is a member, can be obtained from

Head Office
The Sherard Building
Edmund Halley Road
Oxford
OX4 4DQ