

**Amey Wye Valley Limited**

**Report and Financial Statements**

Year ended

31 December 2012



Company no 04798180

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**Amey Wye Valley Limited**

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

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**Directors**

N M Gregg  
B Lala  
S J Munro

**Secretary and registered office**

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

**Company number**

04798180

**Auditors**

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

## **Amey Wye Valley Limited**

### **Report of the Directors for the year ended 31 December 2012**

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

#### **Principal activities**

The Company delivers a wide range of services including highways, building and ground maintenance across Herefordshire and adjacent counties. There have been no changes in the Company's activities in the period under review.

#### **Review of the business and future developments**

The profit and loss account for the year is set out on page 6 and shows turnover of £26,943,000 (2011 – £28,622,000) and profit after tax of £1,377,000 (2011 – £841,000 loss).

Turnover has decreased by 5.8% over 2011 driven by reductions in both the budget of Herefordshire Council and other activities. The operating profit has returned to the levels anticipated for 2012. The operating loss for 2011 principally arose as a result of the exceptional charge incurred of £2,625,000 following review of the recoverability of costs incurred on the contract. The Directors believe turnover will remain stable until the contract ends in August 2013 and the Company should remain profitable for that time.

The average number of employees has reduced this year to 417 (2011 – 446).

No dividend was paid during the year (2011 – £nil).

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

#### **Principal risks and uncertainties**

The Company's risks and key performance indicators are reported and managed on a Divisional basis. To gain a further understanding of this business, details of the Divisional reviews are contained in the Report and Financial Statements of the intermediate parent undertaking, Amey UK plc ("the Group"), for the year ended 31 December 2012. The Company is a member of the Local Government & Highways division of the Group.

#### **Directors**

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

S J Munro	
N M Gregg	
B Lala	(appointed 6 February 2013)
C V Fenton	(resigned 31 October 2012)
A L Milner	(resigned 6 February 2013)

**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 engagement*

It is Amey Group ("Group") policy to communicate with and involve all employees, subject to commercial and practical limitations, in all matters affecting their interests at work and to inform them of the performance of their Group. Employees are provided with information about the Group through Chief Executive Officer briefings, 'Hub', the employee magazine, 'Time to Talk', the line managers' monthly cascade briefing process, and email, all of which provide useful business updates across the business. The Group also regularly updates its intranet site, AmeyWorld, which is seen as the primary source of business information and news. Members of the Group pension schemes also receive regular reports and communications 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, and
- 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 ended amounted to zero days (2011 – 15 days) of average supplies for the financial year.

## **Amey Wye Valley Limited**

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

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#### **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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

#### **On behalf of the Board**



N M Gregg  
**Director**

29 August 2013

## **Amey Wye Valley Limited**

### **Report of the independent auditors**

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#### **Independent auditor's report to the members of Amey Wye Valley Limited**

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

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

#### *Respective responsibilities of Directors and auditors*

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

#### *Scope of the audit of the financial statements*

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### *Opinion on financial statements*

In our opinion the financial statements

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

**Amey Wye Valley Limited**

**Report of the independent auditors (*continued*)**

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**Independent auditor's report to the members of Amey Wye Valley 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



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

30 August 2013

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

**Amey Wye Valley Limited**

**Profit and loss account for the year ended 31 December 2012**

	<b>Note</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Turnover</b>	2	<b>26,943</b>	<b>28,622</b>
Cost of sales - <i>including exceptional costs of £nil (2011 – £2,625,000)</i>	5	<u>(25,981)</u>	<u>(29,109)</u>
<b>Gross profit (loss)</b>		<b>962</b>	<b>(487)</b>
Administrative expenses		<u>-</u>	<u>-</u>
<b>Operating profit (loss)</b>	5	<b>962</b>	<b>(487)</b>
Net interest receivable	6	<u>2</u>	<u>2</u>
<b>Profit (loss) on ordinary activities before tax</b>		<b>964</b>	<b>(485)</b>
Tax credit (charge) on profit (loss) on ordinary activities	7	<u>413</u>	<u>(356)</u>
<b>Profit (loss) after tax and retained for the financial year</b>	13	<b><u>1,377</u></b>	<b><u>(841)</u></b>

All transactions related to continuing operations

There were no recognised gains and losses other than the profit (loss) for the financial years

The notes on pages 9 to 18 form part of these financial statements



**Balance sheet at 31 December 2012**

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible fixed assets	8	20	50
<b>Current assets</b>			
Stocks	9	112	160
Debtors			
– amounts falling due within one year	10	4,756	4,211
– amounts falling due after more than one year	10	-	486
Total debtors		4,756	4,697
Cash at bank and in hand		64	107
Total current assets		4,932	4,964
<b>Creditors: amounts falling due within one year</b>	11	(5,247)	(6,686)
<b>Net current liabilities</b>		(315)	(1,722)
<b>Total assets less current liabilities</b>		(295)	(1,672)
<b>Net liabilities</b>		(295)	(1,672)
<b>Capital and reserves</b>			
Called-up share capital	12	1	1
Profit and loss account deficit	13	(296)	(1,673)
<b>Equity shareholders' deficit</b>	14	(295)	(1,672)

The financial statements on pages 6 to 18 were approved and authorised for issue by the Board of Directors on 29 August 2013 and signed on its behalf by



N M Gregg  
Director  
29 August 2013

The notes on pages 9 to 18 form part of these financial statements

**Amey Wye Valley Limited**

**Cash flow statement for the year ended 31 December 2012**

	<b>Note</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Net cash (outflow) inflow from operating activities</b>	15	<b>(44)</b>	36
<b>Returns from investments and servicing of finance</b>			
Interest received	6	2	2
<b>Tax</b>			
UK corporation tax paid		(1)	-
<b>(Decrease) increase in cash for the year</b>	16	<b>(43)</b>	38

The notes on pages 9 to 18 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's balance sheet shows net liabilities at 31 December 2012 and in these circumstances the Company's trading activities are supported by the Company's intermediate parent undertaking, Amey UK plc. The Directors have no reason to believe that this support will not continue and have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of one year from the date of approval of the financial statements

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

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

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

### *Turnover*

Turnover represents the total amount receivable by the Company for work done during the year calculated by reference to the value of contracts closed and the movement in work in progress during the year

### *Tangible fixed assets and depreciation*

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are

Plant and machinery	1 – 3 years
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### *Stocks and work in progress*

Stocks are stated at the lower of cost and net realisable value.

Contract work in progress is stated at cost, which includes appropriate overheads but not interest, or at net realisable value, whichever is lower. Full provision is made for estimated losses to the completion of contracts

**1 Accounting policies (*continued*)**

*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 making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

*Pension costs - defined benefit schemes*

The Company participates in defined benefit schemes 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 them as defined contribution schemes. As a result the pension costs charged against operating profit are the contributions payable to the schemes in respect of the accounting period. Any deficits or surpluses in the schemes in which the Company participates, are disclosed in note 18 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 schemes*

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

In addition, the Company contributes to personal pension plans of the employees according to the arrangements agreed with employees. Contributions to employees' personal pension arrangements during the period are charged to the profit and loss account as incurred.

*Leased assets*

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the term of the lease.

*Amounts recoverable on contracts*

Amounts recoverable on contracts represent the excess of work done including attributable profit over cumulative payments on account received. Payments on account in excess of work done are included within creditors.

## Amey Wye Valley Limited

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

#### 2 Turnover

Turnover and profit (loss) on operating activities before tax are attributable to the principal activity of highways, building and ground maintenance across Herefordshire and adjacent counties. All turnover arises solely within the UK.

#### 3 Employees (including Directors)

	2012 £'000	2011 £'000
Staff costs during the year were as follows		
Wages and salaries	6,940	7,047
Social security costs	558	580
Pension costs in respect of defined contribution schemes	408	417
Total staff costs	<u>7,906</u>	<u>8,044</u>

	2012 Number	2011 Number
The average number of employees during the year was as follows		
Operations	<u>417</u>	<u>446</u>
Total average number of employees	<u>417</u>	<u>446</u>

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

#### 4 Directors

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

The emoluments of the Directors are paid by the parent company and other group companies. Their services to this Company are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to those companies.

#### 5 Operating profit (loss)

	2012 £'000	2011 £'000
The operating profit (loss) is stated after charging		
Depreciation of owned tangible fixed assets	30	30
Lease rentals – hire of plant and machinery	2,935	3,556
– land and buildings	220	505
Exceptional costs – excess contract costs	<u>-</u>	<u>2,625</u>

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

**Amey Wye Valley Limited**

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

**6 Net interest receivable**

	2012 £'000	2011 £'000
Other interest receivable	4	2
Other interest payable and similar charges	(2)	-
Net interest receivable	<u>2</u>	<u>2</u>

**7 Tax on profit (loss) on ordinary activities**

	2012 £'000	2011 £'000
<i>Current tax</i>		
UK corporation tax at 24.5% (2011 – 26.5%)		
- current tax	(1)	-
- adjustment in respect of prior years	900	-
Total current tax credit for the year	<u>899</u>	<u>-</u>
<i>Deferred tax</i>		
Transfer from deferred tax asset	(486)	(356)
Tax credit (charge) on profit (loss) on ordinary activities	<u>413</u>	<u>(356)</u>

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

	2012 £'000	2011 £'000
Profit (loss) on ordinary activities before tax	<u>964</u>	<u>(485)</u>
Profit (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	236	(129)
<i>Effects of</i>		
Depreciation in excess of capital allowances	(2)	10
Expenses not deductible for tax purposes	11	8
Utilisation of tax losses	(246)	(311)
Group relief surrendered	-	422
Adjustment in respect of prior years	900	-
Total current tax credit for the year	<u>899</u>	<u>-</u>

**7 Tax on profit (loss) on ordinary activities (*continued*)**

The estimated value of the potential deferred tax asset of £277,000 (2011 – £558,000) was in respect of unutilised tax losses estimated at £1,053,000 (2011 – £2,057,000), accelerated capital allowances of £106,000 (2011 – £169,000) and other timing differences of £46,000 (2011 – £7,000) measured at an expected standard tax rate of 23% (2011 – 25%)

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

In 2012, a deferred tax asset has not been recognised as the Company is not anticipating paying tax in the foreseeable future.

In 2011, a deferred tax asset of £486,000 was recognised in respect of unutilised tax losses of £1,944,000.

**8 Tangible fixed assets**

	<b>£'000</b>
<i>Cost</i>	
As at 1 January 2012 and as at 31 December 2012	<u><b>150</b></u>
<i>Depreciation</i>	
As at 1 January 2012	100
Provided during the year	<u>30</u>
As at 31 December 2012	<u><b>130</b></u>
<i>Net book value</i>	
As at 31 December 2012	<u><b>20</b></u>
As at 31 December 2011	<u><b>50</b></u>

**9 Stocks**

	<b>2012 £'000</b>	<b>2011 £'000</b>
Raw materials and consumable stores	<u><b>112</b></u>	<u><b>160</b></u>

# Amey Wye Valley Limited

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

### 10 Debtors

	2012 £'000	2011 £'000
<i>Amounts falling due within one year</i>		
Trade debtors	62	81
Amounts recoverable under contracts	2,086	2,119
Amounts owed by group undertakings	24	229
Corporation tax	900	-
Other debtors	35	-
Prepayments and accrued income	1,649	1,782
Total current debtors	4,756	4,211
<i>Amounts falling due after more than one year</i>		
Deferred tax asset (see note 7)	-	486
Total long-term debtors	-	486
Total debtors	4,756	4,697

### 11 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	-	1,083
Payments received on account	1,090	1,000
Amounts owed to group undertakings	1,710	2,504
Other taxation and social security	271	172
Accruals and deferred income	2,176	1,927
Total creditors	5,247	6,686

### 12 Share capital

	2012 £	2011 £
<i>Issued, called up and fully paid</i>		
800 (2011 – 800) 'A' Ordinary shares of £1 each	800	800
200 (2011 – 200) 'B' Ordinary shares of £1 each	200	200
Total share capital	1,000	1,000

The 'A' Ordinary shares carry voting rights. The 'B' Ordinary shares do not carry any voting rights but otherwise rank par passu with the 'A' Ordinary shares.



**13 Profit and loss deficit**

	<b>2012</b> <b>£'000</b>
Retained deficit as at 1 January	(1,673)
Profit retained for the financial year	<u>1,377</u>
<b>Retained deficit as at 31 December</b>	<b><u>(296)</u></b>

**14 Reconciliation of movements in equity shareholders' deficit**

	<b>2012</b> <b>£'000</b>	2011 £'000
Profit (loss) retained for the financial year	<u>1,377</u>	<u>(841)</u>
Net movement in equity shareholders' deficit for the year	<u>1,377</u>	<u>(841)</u>
Equity shareholders' deficit at 1 January	<u>(1,672)</u>	<u>(831)</u>
<b>Equity shareholders' deficit at 31 December</b>	<b><u>(295)</u></b>	<b><u>(1,672)</u></b>

**15 Net cash inflow from operating activities**

	<b>2012</b> <b>£'000</b>	2011 £'000
Operating profit (loss)	962	(487)
Depreciation	30	30
Decrease (increase) in stocks	48	(32)
Decrease (increase) in debtors	355	(414)
(Decrease) increase in creditors	<u>(1,439)</u>	<u>939</u>
<b>Net cash (outflow) inflow from operating activities</b>	<b><u>(44)</u></b>	<b><u>36</u></b>

**16 Reconciliation of net (decrease) increase in cash**

	<b>2012</b> <b>£'000</b>	2011 £'000
(Decrease) increase in cash for the year	<u>(43)</u>	<u>38</u>
Movement in net cash	<u>(43)</u>	<u>38</u>
Net cash at 1 January	<u>107</u>	<u>69</u>
<b>Net cash at 31 December</b>	<b><u>64</u></b>	<b><u>107</u></b>

## 17 Analysis of changes in net funds

	1 January 2012 £'000	Cash flow £'000	31 December 2012 £'000
Cash at bank and in hand	<u>107</u>	<u>(43)</u>	<u>64</u>

## 18 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 them as defined contribution schemes, the pension costs charged against operating profit are the contributions payable to the schemes in respect of the accounting period.

The net deficit in the schemes in which the Amey Group participates amounted to £84,175,000 at the balance sheet date (2011 – £89,235,000). On 1 January 2006 the Company ceased its participation in these pension schemes and, accordingly, is not 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.

## 19 Financial and capital commitments

As at 31 December 2012, the Company has annual amounts payable for non-cancellable operating lease commitments that expire

	Other 2012 £'000	Other 2011 £'000
Within two to five years	<u>-</u>	<u>38</u>

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

**20 Contingent liabilities**

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

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

**21 Related party transactions**

The related parties are The County of Herefordshire District Council ("CHDC"), which is the Company's main customer and also holds 200 (2011 – 200) Ordinary 'B' shares in the Company, and Amey UK plc Group ("Amey Group"), which is the Company's main shareholder (through a subsidiary undertaking) and supplier and holds 800 (2011 – 800) 'A' Ordinary shares of £1 each through a subsidiary undertaking

	CHDC		Amey Group	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
<b>Income statement</b>				
Turnover	23,061	23,796	2,985	3,239
Net operating expenses	<u>303</u>	<u>290</u>	<u>11,774</u>	<u>9,951</u>
<b>Balance sheet</b>				
<i>Trade and other receivables</i>				
Current assets				
Trade debtors	5	1	-	-
Prepayments	<u>20</u>	<u>31</u>	<u>-</u>	<u>-</u>
<i>Trade and other payables</i>				
Current liabilities				
Trade creditors	-	(21)	(3)	-
Payments received on account	(1,000)	(1,000)	(92)	-
Accruals	<u>(42)</u>	<u>(40)</u>	<u>(159)</u>	<u>(344)</u>

For CHDC the net operating expenses relate to rental costs and rates

For Amey Group, the turnover includes rental income and the recharge of net operating costs. Net operating expenses relate to staff costs of £7,788,000 (2011 – £8,266,000) and other operating costs of £3,986,000 (2011 – £1,685,000) which principally relate to plant and vehicle costs

**22 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