

AMEC Facilities Limited

Directors' report and accounts

31 December 2001

Registered number 689849



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07/06/02

AMEC Facilities Limited

Directors

DRT Baird
GGR Ludlow

Secretary

C L Fidler

Registered Office

Sandiway House
Hartford
Northwich
Cheshire CW8 2YA

AMEC Facilities Limited

Directors' Report

Business Review

With effect from 1 January 2000, AMEC Facilities Limited entered into an agency agreement for the benefit of AMEC Services Limited whose results will include the trade of this company.

Directors

The current directors are listed on page 1.

The following were directors during the year:

GR Ling (resigned 15 February 2002)

AJ Soper (resigned 30 April 2002)

M Straughen (resigned 30 April 2002)

Mr DRT Baird and Mr GGR Ludlow were appointed as directors of the company on 30 April 2002.

The number of options in the ordinary share capital of AMEC plc, the ultimate parent company of the group, held by directors under the Executive and Savings Related Share Option Schemes were as follows:

	As at 1 January 2001	Exercised during the year	Granted during the year	As at 31 December 2001	Option price (pence)	Market Price on date of exercise (pence)
M Straughen	* 1,347	-	-	1,347	230	
M Straughen	* 5,060	5,060	-	-	90	461
M Straughen	10,000	10,000	-	-	218	461
M Straughen	10,000	10,000	-	-	160	461
M Straughen	5,000	5,000	-	-	118	461
M Straughen	* 596	-	-	596	181	-
G R Ling	* 4,211	-	-	4,211	230	-
A J Soper	* 1,684	-	-	1,684	230	-

* *Savings Related Scheme*

In 1998, shareholders approved the introduction of a long-term incentive plan (the "plan"). The design of the plan took account of the provisions of Schedule A to the Combined Code.

In 2001, further shares were purchased in the market at 462.5p each and awards were made to directors on 19 April 2001, as determined by the remuneration committee.

AMEC Facilities Limited

The interests in restricted shares of the directors to whom awards were made under the plan are as follows:

	As at 1 January 2001	Vested 11 April 2001	Awarded 19 April 2001	As at 31 December 2001	Value of vested shares £000
M Straughen	111,322	34,292	19,638	96,668	159
G R Ling	32,311	7,500	8,081	32,892	35
A J Soper	36,219	11,408	4,494	29,305	53

Notes:

- i) The award of restricted shares will vest only if pre-determined performance conditions are met. These performance conditions, which are measured over three years, require the total return to ordinary shareholders (share price growth plus re-invested dividends) to be ranked in the top quartile of a group of engineering, construction and building material comparator companies for an award to vest in full. If the company's performance is at the median, 25% of the award will vest. Between those two levels, the award will vest on a sliding scale. No awards will vest if the company's performance is below the median at the end of the measured period.
- ii) The total value of awards cannot exceed 75% of a participant's base annual salary in any year.
- iii) Participants in the long-term incentive plan will not receive further grants of options under the Executive Share Option Scheme.
- iv) The shares which vested during the year were sold in the market by the Trustees of the plan, for the benefit of the directors concerned, at 462.5p per share

The closing price of the ordinary shares at 31 December 2001 was 395.0p (2000: 345.5p).


The range of the closing prices for the ordinary shares during the year was 340.0p to 531.5p.

The register of directors' interests, which is open to inspection at the company's registered office, contains full details of directors' shareholdings, share options and awards under the long-term incentive plan.

Ordinary Shares in AMEC plc held by directors:

	As at 1 January 2001	As at 31 December 2001
M Straughen	10,015	16,804
G R Ling	6,609	13,367
A J Soper	3,874	4,545

By Order of the Board


C L FIDLER
Secretary
24/5/02

AMEC plc
Sandiway House
Hartford
Northwich
Cheshire CW8 3YA

AMEC Facilities Limited

Profit and Loss Account for the year ended 31 December 2001

During the current and preceding financial years the company traded as an agency company of AMEC Services Limited. Consequently, during those years the company made neither a profit nor a loss.

Balance Sheet as at 31 December 2001

	Note	2001 £000	2000 £000
Debtors – amounts falling due after more than one year		<u>2,500</u>	<u>2,500</u>
CAPITAL AND RESERVES			
Called up share capital	3	<u>2,500</u>	<u>2,500</u>
Equity shareholders' funds		<u>2,500</u>	<u>2,500</u>

For the year ended 31 December 2001 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibilities for:

- (a) Ensuring the company keeps accounting records which comply with section 221;
- (b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the Board of Directors on 21/5/02
and were signed on its behalf by:



G G R LUDLOW
DIRECTOR

The notes on page 5 form part of these accounts.

AMEC Facilities Limited

Notes to the Accounts

1 ACCOUNTING POLICIES

Basis of the Preparation of the Accounts

The directors have taken advantage of the exemption in FRS8, paragraph 3(c) and have not disclosed related party transactions with parent and fellow subsidiary undertakings.

Accounting Convention

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards and the Companies Act 1985.

Cash Flow Statement

The company is exempt from the requirement of Financial Reporting Standard No. 1 that group.

2 DEBTORS: amounts falling due after more than one year

	2001 £000	2000 £000
Amounts owed by group undertakings	<u>2,500</u>	<u>2,500</u>

3 SHARE CAPITAL

	2001 number	2000 number	Authorised	Allotted, called up and fully paid
			2001 £	2000 £
Ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

4 CONTINGENT LIABILITIES

The company has given counter indemnities in respect of contract performance bonds issued in the normal course of business.

5 ULTIMATE PARENT COMPANY

The company regarded by the directors as the ultimate parent company is AMEC plc which is incorporated in England. Copies of the group accounts can be obtained from AMEC plc, Sandiway House, Hartford, Northwich, Cheshire, CW8 2YA.