

AMEC International Limited

Directors' report and accounts

31 December 2010

Registered number 3203966

WEDNESDAY



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AMEC International Limited

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AMEC International Limited

Directors

AMEC Nominees Limited
CL Fidler

Secretary

KA Hand

Registered Office

Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

AMEC International Limited

Directors' report

Principal activities

The company's principal activity is the provision of asset support services

Results and dividends

The company made a profit for the year of £1,196,000 (2009 loss of £202,000) The directors do not recommend the payment of a dividend (2009 £nil)

Directors

The current directors are listed on page 2

The directors who served during the year were as follows

AMEC Nominees Limited
CL Fidler

Principal risks and uncertainties

The principal risks faced by the company are as follows

- Implementation of effective health and safety management systems and working practices
- Volatility of energy prices
- Retention of senior management and skilled personnel
- Compliance with laws and regulations
- Changes in the regulatory environment

Key performance indicators

KPIs used to monitor the business include the following

Revenue
Gross margin by contract
Gross margin %
Health and safety
Staff utilisation
Employee headcount, turnover and absence
Orders received
Order book
Level of working capital

All financial KPIs are monitored compared to budget and previous years

Creditor payment policy

As a subsidiary of AMEC plc, the company is responsible for agreeing terms and conditions under which transactions with its suppliers are conducted. It is group policy that payments to suppliers are generally made in accordance with these terms and conditions, provided that the supplier complies with all of its obligations in this regard.

AMEC International Limited

Directors' report (*continued*)

Employees

AMEC gives high priority to the development of employees, to ensure that the company has the necessary skills and behaviours to deliver its strategic business objectives and to provide for management succession

Processes are in place across the group for the regular and consistent review of employee performance, development and management succession. Common training needs are delivered through the AMEC Academy

It is of key importance to AMEC that it engages with employees to ensure they understand the direction in which the company is going, are committed to AMEC's values, and are empowered to propose and make changes to improve how AMEC operates. AMEC employees embody its knowledge, brand and reputation and it is through their activities, day by day, that AMEC delivers on its business objectives and commitments to shareholders, customers and the wider community. An annual survey of employee opinion is conducted and AMEC is committed to sharing and acting on the outcomes. AMEC provides a wide range of mechanisms for employees to share knowledge, to be kept informed of developments within AMEC and to raise issues and discuss matters of concern, whether face to face or using electronic means

Respect for cultural diversity and commitment to equal opportunities are included amongst AMEC's Guiding Principles which are incorporated into management policies and processes worldwide. The company's policy is to recruit from the widest labour market to determine the careers of all employees solely on merit and to make judgements about employees free from the effects of bias and prejudice

As part of AMEC's equal opportunities policy, procedures are in place that are designed to provide for fair consideration and selection of disabled applicants to ensure they are properly trained to perform safely and effectively, and to provide career opportunities which allow them to fulfil their potential. When an employee becomes disabled in the course of their employment, AMEC will actively seek to retain them wherever possible by making adjustments to their work content and environment or by retraining them to undertake new roles

AMEC operates a savings related share option plan that allows employees to participate in AMEC plc's share price growth. This is open to employees in all major countries of operation who meet a minimum service qualification. Offers to participate are currently being made on an annual basis

Third party indemnity provisions

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

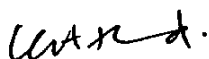
AMEC International Limited

Directors' report (*continued*)

Auditors

Pursuant to Section 485 of the Companies Act 2006, the shareholders have appointed Ernst & Young LLP as auditor, by ordinary resolution, to fill the vacancy following the resignation of KPMG Audit Plc

By order of the board



KA HAND
Secretary

Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

AMEC International Limited

Profit and loss account for the year ended 31 December 2010

	<i>Note</i>	2010 £000	2009 £000
Turnover	4	12,772	8,213
Cost of sales		(9,913)	(7,453)
Gross profit		2,859	760
Administrative expenses		(1,131)	(1,180)
Operating profit/(loss)		1,728	(420)
Net interest payable	7	-	(3)
Profit/(loss) on ordinary activities before taxation		1,728	(423)
Taxation on profit/(loss) on ordinary activities	8	(532)	221
Profit/(loss) for the financial year		1,196	(202)

Statement of total recognised gains and losses for the year ended 31 December 2010

	2010 £000	2009 £000
Profit/(loss) for the year	1,196	(202)
Exchange adjustments	(39)	(26)
Total gains and losses for the year	1,157	(228)

Reconciliation of movement in shareholders' funds for the year ended 31 December 2010

	2010 £000	2009 £000
Profit/(loss) for the year	1,196	(202)
Exchange adjustments	(39)	(26)
Net decrease/(increase) in shareholders' deficit	1,157	(228)
Shareholders' deficit at 1 January	(514)	(286)
Shareholders' funds/(deficit) at 31 December	643	(514)

AMEC International Limited

Registered number 3203966

Balance Sheet as at 31 December 2010

	Note	2010 £000	2009 £000
FIXED ASSETS			
Tangible assets	9	135	165
CURRENT ASSETS			
Debtors (including amounts falling due after more than one year of £22,000 (2009 £246,000))	10	4,367	2,487
Cash		1,069	1,419
		5,436	3,906
CREDITORS: amounts falling due within one year	11	(4,623)	(2,742)
Net current assets		813	1,164
Total assets less current liabilities		948	1,329
CREDITORS: amounts falling due after more than one year	12	(305)	(1,843)
Net assets/(liabilities)		643	(514)
CAPITAL AND RESERVES			
Called up share capital	13,14	100	100
Profit and loss account	14	543	(614)
Shareholders' funds/(deficit)		643	(514)

These accounts were approved by the board of directors on 20 January 2012
and were signed on its behalf by



CL FIDLER
DIRECTOR

The notes on pages 8 to 14 form part of these accounts

Notes to the accounts

AMEC International Limited

Notes to the accounts (*continued*)

1 ACCOUNTING POLICIES (*continued*)

Long term contracts (*continued*)

The amounts recoverable under contracts are stated at cost plus recognised profits, less provision for recognised losses and progress billings. These amounts are reported in debtors.

Payments on account in excess of the amounts recoverable under contracts are included in creditors.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19 "Deferred tax".

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Turnover

Turnover is measured at the fair value of consideration received or receivable, excluding value added tax, for goods and services supplied to external customers.

Turnover from services and construction contracts is recognised by reference to the stage of completion of the contract, as set out in the accounting policies for long term contracts.

2 DIRECTORS' REMUNERATION

None of the directors received any remuneration in respect of their services to the company during the current or preceding financial year.

3 AUDIT COSTS

The audit costs of £2,000 (2009: £2,000) have been borne by another group company.

AMEC International Limited

Notes to the accounts (*continued*)

4 TURNOVER

Turnover by geographical area

	2010 £000	2009 £000
UK	1,356	-
Africa	1,212	170
Asia	10,204	8,043
	<u>12,772</u>	<u>8,213</u>

5 OPERATING PROFIT/(LOSS)

	2010 £000	2009 £000
Operating profit/(loss) is stated after charging		
Depreciation	<u>42</u>	<u>37</u>

6 STAFF COSTS

Employees do not have contracts of service with this company as they are employees of AMEC Global Resources PTE Limited. Details of the recharged costs and average staff numbers (including executive directors) are disclosed in these accounts to provide a true and fair view of the company's affairs

	2010 £000	2009 £000
Wages and salaries	4,858	2,954
Social security costs	15	16
Pension	<u>76</u>	<u>74</u>
	<u>4,949</u>	<u>3,044</u>

	2010 Number	2009 Number
The average weekly number of employees during the year including directors was	<u>75</u>	<u>45</u>

7 NET INTEREST PAYABLE

	2010 £000	2009 £000
Foreign exchange losses on loans from group undertakings	<u>-</u>	<u>3</u>

AMEC International Limited

Notes to the accounts (*continued*)

8 TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2010 £000	2009 £000
Current tax		
UK corporation tax at 28% (2009 28%)		
- current year	483	(130)
- prior year	13	50
Overseas tax		-
- current year	3	8
- prior year	(12)	(118)
	<u>487</u>	<u>(190)</u>
Deferred Tax		
Deferred tax at 27% (2009 28%)		
Origination and reversal of timing differences		
- current year	4	9
- prior year	41	(40)
	<u>532</u>	<u>(221)</u>

The current tax charge for the year is higher than the standard rate of corporation tax in the UK, and is explained as follows

	2010 £000	2009 £000
Profit/(loss) on ordinary activities before taxation	<u>1,728</u>	<u>(423)</u>
Tax charge/(credit) at 28% (2009 28%)	484	(118)
Non deductible expenses	2	-
Short term timing differences	(3)	(9)
Overseas tax in excess of UK	3	5
Adjustments in respect of prior periods	1	(68)
Current tax charge/(credit) for the year	<u>487</u>	<u>(190)</u>

AMEC International Limited

Notes to the accounts (*continued*)

9 TANGIBLE ASSETS

	Plant and Equipment £000
Cost	
As at 1 January 2010	214
Exchange and other movements	7
Additions	13
Disposals	(7)
As at 31 December 2010	<u>227</u>
Depreciation	
As at 1 January 2010	49
Exchange and other movements	1
Charge for the year	42
As at 31 December 2010	<u>92</u>
Net book value	
As at 31 December 2010	<u>135</u>
As at 1 January 2010	<u>165</u>

10 DEBTORS

	2010 £000	2009 £000
Amounts falling due within one year		
Trade debtors	1,673	1,403
Amounts recoverable on contracts	2,016	450
Other debtors and prepayments	431	301
Amounts owed by group undertakings	225	87
	<u>4,345</u>	<u>2,241</u>
Amounts falling due after more than one year		
Deferred taxation	22	67
Amounts owed by group undertakings	-	179
	<u>22</u>	<u>246</u>
Total debtors	<u>4,367</u>	<u>2,487</u>

AMEC International Limited

Notes to the accounts (*continued*)

10 DEBTORS

The deferred tax asset is analysed as follows

	2010 £000	2009 £000
Accelerated capital allowances	22	31
Short term timing differences	-	36
	<u>22</u>	<u>67</u>
		Deferred taxation £000
As at 1 January 2010		67
Profit and loss account charge		(45)
As at 31 December 2010		<u>22</u>

11 CREDITORS: amounts falling due within one year

	2010 £000	2009 £000
Bank overdrafts	1,368	-
Trade creditors	308	767
Tax payable	3	-
Amounts owed to group undertakings	930	710
Other creditors and accruals	2,014	1,265
	<u>4,623</u>	<u>2,742</u>

12 CREDITORS: amounts falling due after more than one year

	2010 £000	2009 £000
Amounts owed to group undertakings	305	1,843
	<u>305</u>	<u>1,843</u>

13 SHARE CAPITAL

	2010 number	2009 number	Allotted, called up and fully paid 2010 £000	2009 £000
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100</u>	<u>100</u>

AMEC International Limited

Notes to the accounts (*continued*)

14 RESERVES

	Share capital £000	Profit and loss account £000	Total £000
As at 1 January 2010	100	(614)	(514)
Profit for the year	-	1,196	1,196
Exchange adjustments	-	(39)	(39)
As at 31 December 2010	<u>100</u>	<u>543</u>	<u>643</u>

15 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, Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ.

16 POST BALANCE SHEET EVENTS

As a result of the political unrest in Libya during the early part of 2011, the company exited its activities in Libya and made full provision of £650,000 against the carrying value of all assets held in Libya.

AMEC International Limited

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE DIRECTORS' REPORT AND THE ACCOUNTS

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law they have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 accounts, and
- prepare the accounts 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 accounts 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.

AMEC International Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMEC INTERNATIONAL LIMITED

We have audited the accounts of AMEC International Limited for the year ended 31 December 2010 which comprise the profit and loss accounts, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 15, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

AMEC International Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMEC INTERNATIONAL LIMITED (*continued*)

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 accounts 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

Ernst & Young LLP

Colin Brown (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

100 Barbirolli Square

Manchester

M2 3EY

23 January 2012