

AMEC International Limited

Directors' report and accounts

31 December 2012

Registered number 3203966

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AMEC International Limited

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AMEC International Limited

Directors

AMEC Nominees Limited
MN Plant

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

The directors present their report and accounts for the year ended 31 December 2012

Principal activities

The company's principal activity is the provision of project management services. This is expected to remain the case for the foreseeable future.

Business review

The company made a profit for the year of £1,966,000 (2011: £1,195,000). The directors do not recommend the payment of a dividend (2011: £nil).

The company made a return to its activities in Libya that were exited during 2011 and reinstated the carrying value of certain assets, including fixed assets held in Libya.

Branches outside the UK

The company has branches in Abu Dhabi, Sharjah and in Libya.

Directors

The current directors are listed on page 2.

The directors who served during the year were as follows:

AMEC Nominees Limited

CL Fidler (resigned 19 September 2012)

MN Plant (appointed 19 September 2012)

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 and compared to budget and previous years.

AMEC International Limited

Directors' report (*continued*)

Employees

The company employed on average 176 people in 2012 (2011 111)

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's 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. Surveys of employee opinion are regularly 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

Respect for cultural diversity and commitment to equal opportunities are included in AMEC's values and Code of Business Conduct. AMEC'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

Directors' indemnity arrangements

The company maintains directors' and officers' liability insurance cover. In addition, throughout the financial year and at the date of this report, qualifying third party indemnity provisions within the meaning of Sections 232-234 of the Companies Act 2006 were in place for all of the directors

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

The above statement is made in accordance with Section 418 of the Companies Act 2006

AMEC International Limited

Directors' report (*continued*)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office

By order of the board



KA HAND
Secretary

3 July 2013

Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

AMEC International Limited

Profit and loss account for the year ended 31 December 2012

	<i>Note</i>	2012 £000	2011 £000
Turnover	4	36,980	20,340
Cost of sales		(33,033)	(17,292)
Gross profit		3,947	3,048
Administrative expenses		(1,959)	(1,286)
Operating profit	5	1,988	1,762
Profit/(loss) on closure of operation		179	(649)
Interest payable	7	(17)	(58)
Profit on ordinary activities before taxation		2,150	1,055
Taxation on profit on ordinary activities	8	(184)	140
Profit for the year		1,966	1,195

All amounts relate to continuing operations

Statement of total recognised gains and losses for the year ended 31 December 2012

	2012 £000	2011 £000
Profit for the year	1,966	1,195
Exchange adjustments	(187)	133
Total gains and losses for the year	1,779	1,328

Reconciliation of movement in shareholders' funds for the year ended 31 December 2012

	2012 £000	2011 £000
Profit for the year	1,966	1,195
Exchange adjustments	(187)	133
Net increase in shareholders' funds	1,779	1,328
Shareholders' funds at 1 January	1,971	643
Shareholders' funds at 31 December	3,750	1,971

AMEC International Limited

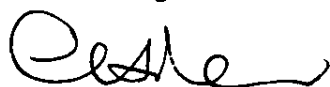
Registered number 3203966

Balance Sheet as at 31 December 2012

	Note	2012 £000	2011 £000
FIXED ASSETS			
Tangible assets	9	299	136
CURRENT ASSETS			
Debtors (including amounts falling due after more than one year of £95,000 (2011 £180,000))	10	13,179	5,554
Cash		2,611	1,882
		15,790	7,436
CREDITORS: amounts falling due within one year	11	(12,034)	(5,295)
Net current assets		3,756	2,141
Total assets less current liabilities		4,055	2,277
CREDITORS: amounts falling due after more than one year	12	(305)	(306)
NET ASSETS		3,750	1,971
CAPITAL AND RESERVES			
Called up share capital	13,14	100	100
Profit and loss account	14	3,650	1,871
EQUITY SHAREHOLDERS' FUNDS		3,750	1,971

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

3 July 2013



AMEC NOMINEES LIMITED
DIRECTOR

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.

Related party transactions

The directors have taken advantage of the exemption in FRS 8 'Related party disclosures', paragraph 3(c) and have not disclosed any related party transactions with parent and fellow wholly owned subsidiary undertakings.

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 (2011: £2,000) have been borne by another group company.

AMEC International Limited

Notes to the accounts (*continued*)

4 TURNOVER

	2012 £000	2011 £000
Turnover by geographical area		
UK	785	884
Asia	36,195	19,456
	<u>36,980</u>	<u>20,340</u>

5 OPERATING PROFIT

	2012 £000	2011 £000
Operating profit is stated after charging		
Depreciation	88	78
Loss on disposal of fixed assets	<u>34</u>	<u>-</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 are disclosed in these accounts to provide a true and fair view of the company's affairs.

	2012 £000	2011 £000
Wages and salaries	18,085	9,554
Social security costs	6	5
Pension costs	186	97
	<u>18,277</u>	<u>9,656</u>

	2012 Number	2011 Number
The average monthly number of employees during the year including directors was	<u>176</u>	<u>111</u>

7 INTEREST PAYABLE

	2012 £000	2011 £000
Group interest	15	40
Bank loans and overdrafts	<u>2</u>	<u>18</u>
	<u>17</u>	<u>58</u>

AMEC International Limited

Notes to the accounts (*continued*)

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2012 £000	2011 £000
Current tax		
Overseas tax		
- Current tax on profit for the year	72	(10)
- Adjustments in respect of prior years	(9)	(9)
	<u>63</u>	<u>(19)</u>
Deferred Tax		
Deferred tax at 23% (2011 25%)		
Origination and reversal of timing differences		
- Current year	98	162
- Adjustments in respect of prior years	23	(3)
	<u>184</u>	<u>140</u>

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

	2012 £000	2011 £000
Profit on ordinary activities before taxation	<u>2,150</u>	<u>1,055</u>
Tax charge at 24.5% (2011 26.5%)	527	280
Group relief for nil consideration	(379)	(449)
Non deductible expenses/non-taxable income	16	6
Short term timing differences	(70)	172
Capex and depreciation in excess of capital allowances	(22)	1
Overseas tax in excess of UK	-	9
Adjustments in respect of prior years	(9)	-
Current tax charge for the year	<u>63</u>	<u>19</u>

AMEC International Limited

Notes to the accounts (*continued*)

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (*continued*)

In his budget speeches on 21 March 2012 and 20 March 2013 the Chancellor of the Exchequer announced reductions in the corporation tax rate from 26 per cent to 24 per cent from 1 April 2012, 23 per cent from 1 April 2013, 21 per cent from 1 April 2014 and 20 per cent from 1 April 2015

As at 31 December 2012, the reduction in the rate to 23 per cent had been substantively enacted. However the remaining reductions in the rate were not substantively enacted before the year end and therefore the proposed changes are not reflected in the figures reported

The decrease in the rate from 23 per cent to 20 per cent is forecast to have an insignificant impact on the balance sheet deferred tax asset and future charges to the profit and loss account

9 TANGIBLE ASSETS

	Plant and equipment £000
Cost	
As at 1 January 2012	248
Exchange and other movements	(16)
Additions	156
Amounts reinstated	201
Disposals	(44)
As at 31 December 2012	<u>545</u>
Depreciation	
As at 1 January 2012	112
Exchange and other movements	(8)
Amounts reinstated	54
Charge for the year	98
Disposals	(10)
As at 31 December 2012	<u>246</u>
Net book value	
As at 31 December 2012	<u>299</u>
As at 1 January 2012	<u>136</u>

Plant and equipment with a net book value of £147,000 were reinstated during the year following the company's return to its activities in Libya

AMEC International Limited

Notes to the accounts (*continued*)

10 DEBTORS

	2012	2011
	£000	£000
Amounts falling due within one year		
Trade debtors	4,276	894
Amounts recoverable on contracts	7,380	3,514
Other debtors and prepayments	993	872
Amounts owed by group undertakings	435	94
	<u>13,084</u>	<u>5,374</u>
Amounts falling due after more than one year		
Trade debtors	36	-
Deferred taxation	59	180
	<u>95</u>	<u>180</u>
Total debtors	<u>13,179</u>	<u>5,554</u>

The deferred tax asset is analysed as follows

	2012	2011
	£000	£000
Accelerated capital allowances	10	18
Short term timing differences	49	162
	<u>59</u>	<u>180</u>

	Deferred taxation £000
As at 1 January 2012	180
Profit and loss account charge	(121)
As at 31 December 2012	<u>59</u>

11 CREDITORS: amounts falling due within one year

	2012	2011
	£000	£000
Bank overdrafts	-	1,318
Trade creditors	8,287	552
Tax payable	73	11
Amounts owed to group undertakings	309	931
Other taxation and social security costs	59	-
Other creditors and accruals	3,306	2,483
	<u>12,034</u>	<u>5,295</u>

AMEC International Limited

Notes to the accounts (*continued*)

12 CREDITORS: amounts falling due after more than one year

	2012 £000	2011 £000
Amounts owed to group undertakings	305	306

13 SHARE CAPITAL

	2012 number	2011 number	Authorised	Allotted, called up and fully paid
			2012 £000	2011 £000
Ordinary shares of £1 each	100,000	100,000	100	100

14 RESERVES

	Share capital £000	Profit and loss account £000	Total £000
As at 1 January 2012	100	1,871	1,971
Profit for the year	-	1,966	1,966
Exchange adjustments	-	(187)	(187)
As at 31 December 2012	100	3,650	3,750

15 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of AMEC Property and Overseas Investments Limited which is incorporated in England and Wales. The company regarded by the directors as the ultimate parent company is AMEC plc, which is incorporated in England and Wales. Copies of the group accounts can be obtained from AMEC plc, Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ.

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 the directors 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 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 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 2012 which comprise the profit and loss account, 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 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 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 auditor

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 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 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

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
Manchester

5 July 2013