

AMEC International Limited

Directors' report and financial statements

For the period 21 May 1996
to the year ended 31 December 1996

Registered number 3203966



AMEC International Limited

DIRECTORS

D ROBSON
S G BATEY
M J BARDSLEY

SECRETARY

C FELLOWES

REGISTERED OFFICE

SANDIWAY HOUSE
HARTFORD
NORTHWICH
CHESHIRE
CW8 2YA

AUDITORS

KPMG Audit Plc
CHARTERED ACCOUNTANTS

AMEC International Limited

Directors' Report

Business Review

The company was incorporated on 21st May 1996.

The company did not trade during the period.

Directors

The current directors are listed on page 1.

The directors who served during the period to 31 December 1996 were Messrs D Robson, S G Batey, and M J Bardsley.

Messrs D Robson and S G Batey were appointed as directors of the company on 21 May 1996. Mr Bardsley was appointed as a director of the company on 30 May 1996.

The interests in the ordinary share capital of AMEC p.l.c., the ultimate parent company of the group, of the directors holding office at December 31 1996 were as follows:

	<u>Executive</u>		<u>Ordinary shares of 50p each</u>			
	<u>Option</u>		<u>SAYE</u>	<u>Option</u>	<u>Beneficial</u>	
	<u>30.5.96</u>	<u>31.12.96</u>	<u>30.5.96</u>	<u>31.12.96</u>	<u>30.5.96</u>	<u>31.12.96</u>
M J Bardsley	273,795	269,392	8,736	13,796	-	-

During the year no options to subscribe for shares under the provisions of the Executive Share Scheme were granted.

M J Bardsley's option over 4,403 Executive shares lapsed during the year.

During the year options to subscribe for shares, at 90p per share, under the provisions of the Savings Related Scheme were granted to the undermentioned director.

M J Bardsley 5,060

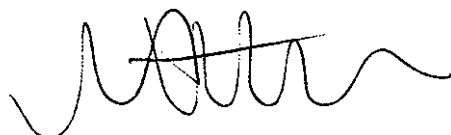
No options were exercised during the year.

Messrs D Robson and S G Batey are directors of the ultimate parent company AMEC p.l.c. and notify their interests in the capital of group undertakings to that company.

AMEC International Limited

Auditors

During the year KPMG Audit Plc were appointed as auditor of the company. A resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG Audit Plc as auditor of the company.



By Order of the Board
C FELLOWES
Secretary
15.10.97

AMEC plc
Sandiway House
Hartford
Northwich
Cheshire CW8 2YA

AMEC International Limited

Balance Sheet

As at 31 December 1996

	Note	1996 £
Current assets		
Debtors: due from fellow subsidiary undertakings		<u>1</u>
Capital and reserves		
Called up share capital	5	<u>1</u>

These financial statements were approved by the board of directors on 15 October 97 and were signed on its behalf by:



DIRECTOR - D ROBSON

AMEC International Limited

Notes on the accounts (forming an integral part of 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 and in accordance with applicable accounting standards.

Cashflow Statement

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of AMEC plc, and its cash flows are included within the consolidated cash flow of that company.

2 PROFIT AND LOSS ACCOUNT

During the financial period the company did not trade and received no income and incurred no expenditure. Consequently, during the period the company made neither a profit nor a loss.

3 DIRECTORS REMUNERATION

No director received any remuneration for their services to the company.

4 RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS

	£
At 27 May 1996	-
Shares issued in the period	<u>1</u>
Balance at 31 December 1996	<u>1</u>

The shares were issued on the incorporation.

5 SHARE CAPITAL

	Authorised 1996 number	Allotted, called up and fully paid 1996 £
Ordinary shares of £1 each	100	1

AMEC International Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AMEC International Limited

Auditors' report to the members of AMEC International Limited

We have audited the financial statements on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at December 31 1996 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
PRESTON

15 October 1997