

AMEC International Limited

Directors' report and financial statements

For year ended 31 December 1997

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 did not trade during the year.

Directors

The current directors are listed on page 1.

The directors who served during the year were Messrs D Robson, S G Batey, and M J Bardsley.

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 1997 were as follows:

	Executive Option		Ordinary shares of 50p each SAYE Option		Beneficial	
	01.01.97	31.12.97	01.01.97	31.12.97	01.01.97	31.12.97
M J Bardsley	269,392	252,338	13,796	13,796	-	-

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

M J Bardsley's option over 17,054 Executive shares lapsed during the year.

During the year no options to subscribe for shares, under the provisions of the Savings Related Scheme were granted.

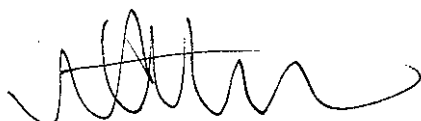
No options were exercised during the year.

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.

Auditors

Pursuant to Section 386 of the Companies Act 1985 the company is not required to reappoint its auditors annually. KPMG Audit Plc will therefore continue as the Company's auditors.

By Order of the Board



C FELLOWES
Secretary

18 August 1998

AMEC plc
Sandiway House
Hartford
Northwich
Cheshire CW8 2YA

AMEC International Limited

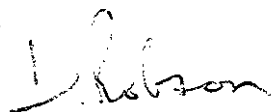
Profit and loss account for the year ended 31 December 1997

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

Balance Sheet as at 31 December 1997

	<i>Note</i>	1997 £	1996 £
Current assets			
Debtors :due from fellow subsidiary undertakings		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	2	<u>1</u>	<u>1</u>

These financial statements were approved by the board of directors on 18 August 1998
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 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1997	1996	1997	1996
	number	number	£	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>1</u>	<u>1</u>

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 3 and 4.

Respective responsibilities of directors and auditors

As described on page 5 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 1997 and of its result for the year 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
Date

26 August 1998