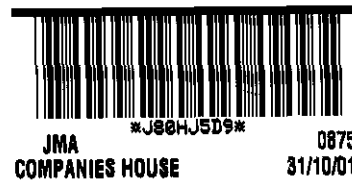


# AGRA European Holdings Limited

Directors' report and financial statements

31 December 2000

Registered number 3571109



# AGRA European Holdings Limited

**Directors**

P J Holland  
AMEC Nominees Limited

**Secretary**

S Taberner

**Registered Office**

Sandiway House  
Hartford  
Northwich  
Cheshire CW8 2YA

**Auditors**

KPMG Audit Plc  
Chartered Accountants  
St James' Square  
Manchester  
M2 6DS

# AGRA European Holdings Limited

## Directors' Report

### Business Review

The company has not traded during the period. With effect from 20 April 2000, AMEC plc became the ultimate holding company following its acquisition of AGRA Inc.

### Directors

The current directors are listed on page 1.

The following were directors during the period:

Messrs M J Bardsley, R Dittmer, D Galange, S James, P Janson, H W Pearson, A Taylor and AMEC Nominees Limited.

Messrs R Dittmer, H W Pearson and A Taylor resigned as directors on 10 April 2000. Messrs P Janson and D Galange were appointed directors on 10 April 2000, and resigned as directors on 28 August 2000.

On 28 April 2000, AMEC Nominees Limited was appointed a director.

Mr S James resigned as a director on 30 August 2000.

Mr M J Bardsley was appointed a director on 28 August 2000 and resigned as a director on 5 April 2001, on which date Mr P J Holland was appointed a director.

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 August † 1999	Exercised during the period	As at 31 December 2000	Option price (pence)	Market price on date of exercise (pence)
M J Bardsley	* 5,060	-	5,060	90.0	
M J Bardsley	* 1,308	1,308	-	58.0	280.0
M J Bardsley	* 342	-	342	181.0	

- *Savings Related Scheme*
- † *or on date of appointment*

# AGRA European Holdings Limited

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 2000, further shares were purchased in the market at 185p each and awards were made to directors on 3 April 2000, as determined by the remuneration committee.

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

	<b>As at</b>	<b>As at</b>
	<b>£ 1 August 1999</b>	<b>31 December 2000</b>
M J Bardsley	113,777	113,777

*£ or on date of appointment*

## 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.

The mid market price of the ordinary shares at 31 December 2000 was 345.5p ex-dividend (1999: 247p ex-dividend).

The range of the mid market quotations for the ordinary shares during the year was 144.5p to 345.5p ex-dividend.

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:

	<b>As at</b>	<b>As at</b>
	<b>£ 1 August 1999</b>	<b>31 December 2000</b>
M J Bardsley	18,028	18,028

*£ or on date of appointment*

# AGRA European Holdings Limited

## Auditors

Deloitte & Touche resigned as auditors following the change in ownership. KPMG Audit Plc were appointed as auditors during the period. In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



S TABERNER  
Secretary

24/10/01

AMEC plc  
Sandiway House  
Hartford  
Northwich  
Cheshire CW8 2YA

# AGRA European Holdings Limited

## Profit and Loss Account for the period ended 31 December 2000

	<i>Note</i>	17 month period ended 31 December 2000	Year ended 31 July 1999
		£000	£000
Amounts written off investments		<u>(8,000)</u>	<u>-</u>
Retained loss for the financial period		<u>(8,000)</u>	<u>-</u>

# AGRA European Holdings Limited

## Balance Sheet as at 31 December 2000

		31 December		31 July	
	Note	2000	2000	1999	1999
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Investments	2		2,500		10,500
<b>CURRENT ASSETS</b>					
Cash at bank and in hand		<u>11</u>		<u>11</u>	
Net current assets			<u>11</u>		<u>11</u>
Total assets less current liabilities			2,511		10,511
<b>CREDITORS:</b> Amounts falling due after more than one year	3		<u>(3,011)</u>		<u>(3,011)</u>
			<u>(500)</u>		<u>7,500</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	4,5		7,500		7,500
Profit and loss account	5		(8,326)		(326)
Other reserves	5		<u>326</u>		<u>326</u>
Shareholders' funds			<u>(500)</u>		<u>7,500</u>
Equity shareholders' funds			(7,000)		1,000
Non-equity shareholders' funds			<u>6,500</u>		<u>6,500</u>
			<u>(500)</u>		<u>7,500</u>

Approved by the Board of Directors on 24/10/01

*P. J. Holland*

DIRECTOR - P J HOLLAND

# AGRA European Holdings Limited

## 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 any 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. The accounts have been prepared on the going concern basis on the grounds that the company's ultimate parent company, AMEC plc, has confirmed to the directors that its present intention is to provide financial support to enable the company to continue its operations and to meet its financial obligations.

### Group Accounts

Group accounts have not been prepared since the company is a wholly owned subsidiary of AMEC plc which has itself prepared group accounts.

### Cash Flow 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 group.

## 2 INVESTMENTS

The company owns the entire issued share capital of AMEC Birwelco Limited (formerly AGRA Birwelco Limited) a company incorporated in Great Britain.

### Cost:

	£000
At 31 July 1999	
and 31 December 2000	<u>10,500</u>

### Provision:

At 31 July 1999	-
Amounts written off	<u>8,000</u>
At 31 December 2000	<u>8,000</u>

### Net book value

At 31 December 2000	<u>2,500</u>
At 31 July 1999	<u>10,500</u>

AMEC Birwelco Limited undertakes work in the project management, engineering design, construction and commissioning of process plant and equipment for the chemical, oil, pharmaceutical and waste processing industries.



# AGRA European Holdings Limited

## Notes (continued)

### 3 CREDITORS:

Amounts falling due after more than one year

	31 December 2000 £000	31 July 1999 £000
Amounts owed to group undertakings	<u>3,011</u>	<u>3,011</u>

### 4 SHARE CAPITAL

	Authorised		Allotted called up and fully paid	
	31 December 2000 number	31 July 1999 number	31 December 2000 £000	31 July 1999 £000
Ordinary shares of £1 each	1,000,000	1,000,000	1,000	1,000
Redeemable preference shares of £1 each	6,500,000	6,500,000	<u>6,500</u>	<u>6,500</u>
			<u>7,500</u>	<u>7,500</u>

### 5 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

				2000	1999
	Share capital £000	Profit and loss account £000	Other reserves £000	Total £000	Total £000
Balance at 1 August 1999 and 31 December 2000	<u>7,500</u>	<u>(8,326)</u>	<u>326</u>	<u>(500)</u>	<u>7,500</u>

### 6 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.

# AGRA European Holdings 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.

# AGRA European Holdings Limited

## **Auditors' report to the members of AGRA European Holdings Limited**

We have audited the financial statements on pages 5 to 8.

### *Respective responsibilities of directors and auditors*

The directors are responsible for preparing the directors' report and, as described on page 9, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### *Basis of audit 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 affairs of the company as at 31 December 2000 and of its loss 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  
MANCHESTER  
Date: 31/10/01