

# Primequota Limited

Directors' report and accounts

31 December 2004

Registered number 3897071



# Primequota Limited

## **Directors**

J D Early  
D Hoyle  
P Parry

## **Secretary**

C L Fidler

## **Registered Office**

Sandiway House  
Hartford  
Northwich  
Cheshire  
CW8 2YA

## **Auditors**

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

# Primequota Limited

## Directors' report

### Business review

The company is the holding company of Primequota (Dudley) Limited, which is a property development company.

### Directors

The current directors are listed on page 1.

The directors who served during the year were as follows:

JD Early  
D Hoyle (appointed 18 May 2005)  
DT O'Brien (resigned 18 May 2005)  
P Parry

The number of options in the ordinary share capital of AMEC plc, the ultimate parent company, held by directors under the Executive and Savings Related Share Option Schemes were as follows:

|            | As at 1<br>January<br>2004 | Exercised<br>during<br>the year | Granted<br>during<br>the year | As at 31<br>December<br>2004 | Option<br>price<br>(pence) | Market<br>price on<br>date of<br>exercise |
|------------|----------------------------|---------------------------------|-------------------------------|------------------------------|----------------------------|---|
| DT O'Brien | *4,231                     | -                               | -                             | 4,231                        | 218.00                     |   |
| DT O'Brien | *2,695                     | 2,695                           | -                             | -                            | 230.00                     | 263.00                                    |
| DT O'Brien | 1,349                      | -                               | -                             | 1,349                        | 219.75                     |   |
| DT O'Brien | 13,500                     | -                               | -                             | 13,500                       | 276.25                     |   |
| DT O'Brien | 13,651                     | -                               | -                             | 13,651                       | 219.75                     |   |
| P Parry    | *842                       | 842                             | -                             | -                            | 230.00                     | 292.00                                    |
| P Parry    | *2,962                     | -                               | -                             | 2,962                        | 218.00                     |   |
| P Parry    | 10,000                     | -                               | -                             | 10,000                       | 219.75                     |   |
| P Parry    | 9,000                      | -                               | -                             | 9,000                        | 276.25                     |   |
| P Parry    | -                          | -                               | 12,000                        | 12,000                       | 320.00                     |   |

\* *Savings Related Scheme*

The Performance Share Plan 2002 (the 'PSP') was approved by shareholders in 2002. The PSP replaced the Long-Term Incentive Plan (the 'Plan') which was introduced in 1998. The design of the PSP took account of the provisions of Schedule 'A' to the Combined Code.

In 2004, further shares were purchased in the market at 300.00p each and awards were made to directors on 14 April 2004, as determined by the remuneration committee.

# Primequota Limited

The awards made under the Plan in April 2001 failed to meet the relevant performance criteria and, therefore, the awards lapsed in April 2004.

The number of restricted shares held by the directors to whom awards have been made under the PSP and the Plan were as follows:

|            | <b>As at<br/>1 January<br/>2004</b> | <b>Awarded<br/>14 April<br/>2004</b> | <b>Lapsed<br/>14 April<br/>2004</b> | <b>As at<br/>31 December<br/>2004</b> |
|------------|-------------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|
| DT O'Brien | 21,870                              | 10,000                               | 4,581                               | 27,289                                |
| P Parry    | 28,870                              | 10,000                               | 8,081                               | 30,789                                |

## 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 closing price of the ordinary shares at 31 December 2004 was 297.75 pence (2003: 260.00 pence).

The range of the closing prices for the shares during the year was 252.25 pence to 342.00 pence.

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 were as follows:

|            | <b>As at<br/>1 January 2004</b> | <b>As at<br/>31 December 2004</b> |
|------------|---------------------------------|-----------------------------------|
| DT O'Brien | 3,151                           | 3,840                             |
| P Parry    | 4,920                           | 5,472                             |

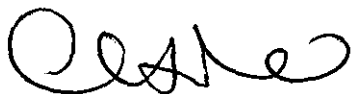
# Primequota Limited

Mr J D Early is a member of the ultimate parent company AMEC plc and notifies his interests in the share 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 L FIDLER  
Secretary

5 September 2005

AMEC plc  
Sandiway House  
Hartford  
Northwich  
Cheshire  
CW8 2YA

# Primequota Limited

## Profit and loss account for the year ended 31 December 2004

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

## Balance Sheet as at 31 December 2004

|                             | <i>Note</i> | <b>2004<br/>£000</b> | <b>2003<br/>£000</b> |
|-----------------------------|-------------|----------------------|----------------------|
| <b>FIXED ASSETS</b>         |             |                      |                      |
| Investments                 | 3           | <u>-</u>             | <u>-</u>             |
| <b>CURRENT ASSETS</b>       |             |                      |                      |
| Debtors                     | 4           | <u>757</u>           | <u>757</u>           |
| <b>NET ASSETS</b>           |             | <u><u>757</u></u>    | <u><u>757</u></u>    |
| <b>CAPITAL AND RESERVES</b> |             |                      |                      |
| Share capital               | 5,6         | 1                    | 1                    |
| Profit and loss account     | 6           | <u>756</u>           | <u>756</u>           |
|                             |             | <u><u>757</u></u>    | <u><u>757</u></u>    |

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

  
D HOYLE  
DIRECTOR

05 SEP 2005

The notes on pages 6 and 7 form part of these accounts.

# Primequota Limited

## Notes to the Accounts

### 1 ACCOUNTING POLICIES

#### Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985.

#### Basis of the preparation of the accounts

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

#### Cashflow statement

The company is exempt from the requirement of FRS 1 "Cash flow statements" to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of AMEC plc and its cashflows are included within the consolidated cashflow of that group.

#### Consolidated accounts

Group accounts have not been prepared since the company is a wholly owned subsidiary of a company which prepares consolidated accounts.

#### 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".

### 2 DIRECTORS' REMUNERATION

None of the directors received remuneration in respect of their services during the year (2003: £Nil).

### 3 INVESTMENTS (held as fixed assets)

|                                | Equity<br>Held<br>% | At 1 January and<br>31 December 2004<br>£000 |
|--------------------------------|---------------------|--|
| <b>COST</b>                    |                     |  |
| <b>Subsidiary undertakings</b> |                     |  |
| Primequota (Dudley) Limited    |                     |  |
| 100 £1 ordinary shares         | 100                 | <u>      </u>                                |

Primequota (Dudley) Limited is incorporated in England and has principal activities in property development.

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## Notes (continued)

### 4 DEBTORS

|                                      | 2004<br>£000 | 2003<br>£000 |
|--------------------------------------|--------------|--------------|
| Amounts falling due within one year: |              |              |
| Trade debtors                        | 1            | 1            |
| Amounts owed by group undertakings   | 756          | 756          |
|                                      | <u>757</u>   | <u>757</u>   |

### 5 SHARE CAPITAL

|                                | Authorised     |                | Allotted,<br>called up<br>and fully paid |              |
|--------------------------------|----------------|----------------|--|--------------|
|                                | 2004<br>number | 2003<br>Number | 2004<br>£                                | 2003<br>£    |
| Ordinary 'A' shares of £1 each | 500            | 500            | 500                                      | 500          |
| Ordinary 'B' shares of £1 each | 500            | 500            | 500                                      | 500          |
|                                |                |                | <u>1,000</u>                             | <u>1,000</u> |

### 6 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

|                              | Share<br>capital<br>£000 | Profit and<br>loss<br>account<br>£000 | Total<br>2004<br>£000 |
|------------------------------|--------------------------|---------------------------------------|-----------------------|
| Balance at 1 January 2004    | 1                        | 756                                   | 757                   |
| Retained profit for the year | -                        | -                                     | -                     |
| Balance at 31 December 2004  | <u>1</u>                 | <u>756</u>                            | <u>757</u>            |

### 7 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.



# Primequota Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgement 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 accounts;
- 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 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 accounts 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.

# Primequota Limited

## Independent Auditor's report to the members of Primequota Limited

We have audited the accounts on pages 5 to 7.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's 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**

The directors are responsible for preparing the directors' report and, as described on page 8, the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

15/09/ 2005