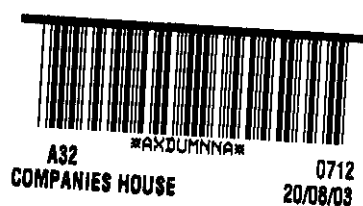


**AMS Holdings Limited**

**Directors' report and financial  
statements**

**Registered number 3912000**

**For the year ended 31 December 2002**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

### Principal activity and business review

AMS Holdings Limited is a wholly owned subsidiary of Keller Group plc. The company is the holding company of Allied Mechanical Services Limited.

### Dividends

The directors recommend the payment of a final ordinary dividend for the year of £461,000 (2001: £296,000).

### Directors and their interests

The directors who served during the year are as follows:

MWC Martin (resigned 31 December 2002)  
K Whitehouse  
RH King  
JR Atkinson

At 31 December 2002, the interests of Mr K Whitehouse in the ultimate holding company, Keller Group plc, were as follows:

	Ordinary shares		Deferred annual bonus scheme	Share options	
	31 December 2002	1 January 2002		1994 scheme	Unapproved plan
K Whitehouse	149,483	192,299	2,409	5,000	7,500

Share options under the Unapproved Plan were granted on 14 May 2001 at an option price of 231.5p and are normally exercisable within three to ten years of the date of grant.

Mr JR Atkinson is a director of the ultimate parent company, Keller Group plc, and his interests in that company are disclosed in its financial statements.

### Directors' responsibilities

Company law requires the director 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 of the company for that period. In preparing those financial statements, the director is 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 keeping 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. The directors 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.

## Directors' report *(continued)*

### Auditors

In accordance with Sections 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



**K Whitehouse**  
*Secretary*

Birmingham Road  
Coventry  
CV5 9AB

31 July 2003



KPMG Audit Plc

2 Cornwall Street  
Birmingham  
B3 2DL

## **Independent auditors' report to the members of AMS Holdings Limited**

We have audited the financial statements on pages 4 to 9.

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 1, 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 1985. We also report to you if, in our opinion, the director's 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 director's 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 company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

31 July 2003

**Profit and loss account**  
*for the year ended 31 December 2002*

	<i>Note</i>	<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b>
Income from shares in group undertakings	2	535	407
Interest payable and similar charges	3	(88)	(152)
<b>Profit on ordinary activities before taxation</b>		<b>447</b>	<b>255</b>
Taxation on profit on ordinary activities	4	23	46
<b>Profit after tax on ordinary activities being profit for the financial period</b>		<b>470</b>	<b>301</b>
Dividends paid and proposed	5	(466)	(301)
<b>Retained profit for the period</b>	11	<b>4</b>	<b>-</b>

The company has no recognised gains or losses other than those disclosed in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

**Balance sheet**  
*at 31 December 2002*

	<i>Note</i>	<b>2002</b>	<b>2001</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Investments	6	5,273	5,273
<b>Current assets</b>			
Debtors	7	622	486
Cash		102	-
		<u>724</u>	<u>486</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(5,893)</u>	<u>(1,559)</u>
<b>Net current liabilities</b>		<b>(5,169)</b>	<b>(1,073)</b>
<b>Total assets less current liabilities</b>		<b>104</b>	<b>4,200</b>
<b>Creditors: Amounts falling due after more than one year</b>	9	<u>-</u>	<u>(4,100)</u>
<b>Net assets</b>		<b>104</b>	<b>100</b>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account	11	4	-
<b>Shareholders' funds</b>	12	<b>104</b>	<b>100</b>

These financial statements were approved by the board of directors on 31 July 2003 and were signed on its behalf by:



**K Whitehouse**  
Director

## Notes

*(forming part of the financial statements)*

### 1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### *Basis of accounting*

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Under Financial Reporting Standard No 8, the company is exempt from the requirement to disclose transactions with entities that are part of the Keller group on the grounds that it is wholly owned by a parent undertaking which includes the company in its own published consolidated financial statements.

#### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made on an undiscounted basis on all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date.

### 2 Income from shares in group undertakings

	2002 £000	2001 £000
Dividend receivable from subsidiary undertaking	535	407

### 3 Interest payable and similar charges

	2002 £000	2001 £000
Interest payable on loan notes	88	152



## Notes (continued)

### 4 Taxation on profit on ordinary activities

The credit for taxation is as follows:

	2002 £000	2001 £000
UK corporation tax	(23)	(46)
Profit on ordinary activities before tax	447	255
Profit on ordinary activities multiplied by 30% (2001: 30%)	134	77
Income not subject to UK tax	(157)	(123)
Tax credit for the year	(23)	(46)

### 5 Dividends paid and proposed

	2002 £000	2001 £000
Preference dividend payable	5	5
Ordinary dividend proposed	461	296
	466	301

### 6 Investments

	2002 £000	2001 £000
Investments in subsidiary undertaking at 31 December	5,273	5,273

The company owns 100% of the share capital of Allied Mechanical Services Limited, a company registered in England and Wales, whose principal activity is the provision of contract services.

### 7 Debtors

	2002 £000	2001 £000
Amounts owed by group undertakings	6	-
Other debtors	2	1
Corporation tax recoverable	79	78
Dividends receivable	535	407
	622	486

## Notes (continued)

### 8 Creditors: Amounts falling due within one year

	2002 £000	2001 £000
Amounts owed to group companies	4,015	1,254
Other creditors	1,400	-
Accruals	12	-
Dividends payable	466	305
	<u>5,893</u>	<u>1,559</u>

### 9 Creditors: Amounts falling due after more than one year

	2002 £000	2001 £000
Loan notes	-	2,700
Other creditors	-	1,400
	<u>-</u>	<u>4,100</u>

The loan notes were redeemed on 22 January 2003.

### 10 Called up share capital

	2002 £000	2001 £000
<i>Authorised:</i>		
Ordinary shares of £1 each	400	400
5% Preference shares of £1 each	100	100
	<u>500</u>	<u>500</u>
<i>Called up, issued and fully paid:</i>		
2 ordinary shares of £1 each	-	-
5% Preference shares of £1 each	100	100
	<u>100</u>	<u>100</u>

The preference shares are held equally by Mr A Camplin and Mr K McGrillis, directors of a subsidiary undertaking. The shares rank pari passu with the ordinary shares in regard to voting rights and carry the right of a fixed cumulative preferential dividend at the rate of five per cent. This dividend will be paid by two equal instalments on 30 June and 31 December each year in respect of the 6 month periods ending on those dates.

### 11 Reserves

	Profit and loss account £000
At beginning of year	-
Retained profit for the year	4
	<u>4</u>
At 31 December 2002	<u>4</u>

**Notes (continued)**

**12 Reconciliation of movements in shareholders' funds**

	2002 £000	2001 £000
Profit for the financial period	470	301
Dividends	(466)	(301)
	<hr/>	<hr/>
Net movement in shareholders' funds	4	-
Opening shareholders' funds	100	100
	<hr/>	<hr/>
Closing shareholders' funds	104	100
	<hr/>	<hr/>

**13 Ultimate parent company**

The ultimate parent company is Keller Group plc, a company registered in England and Wales. Keller Group plc prepares group financial statements which include this company's financial statements. There are no other group financial statements which include the financial statements of this company. A copy of the group financial statements can be obtained from:

Aztec House  
 397-405 Archway Road  
 London  
 N6 4EY