

Flexit IF Limited

Directors' report and accounts

31 December 2001

Registered number 2752644



Flexit IF Limited

Directors

P J Holland
AMEC Nominees Limited

Secretary

C Fellowes

Registered Office

Sandiway House
Hartford
Northwich
Cheshire
CW8 2YA

Flexit IF Limited

Directors' Report

Business Review

The company has not traded during the year and consequently made neither a profit nor a loss.

During the year, the company paid a dividend amounting to £nil (2000 - £414,226).

Directors

The current directors are listed on page 1.

Directors who served during the year were:

AMEC Nominees Limited

MJ Cox (Resigned 30 September 2001)

PJ Holland (Appointed 30 September 2001)

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 Date of appointment	Exercised during the year	Granted during the year	As at 31 December 2001	Option price (pence)
PJ Holland	* 342	-	-	342	181.0
PJ Holland	* 842	-	-	842	230.0

* *Savings Related Scheme*

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 2001, further shares were purchased in the market at 462.5p each and awards were made to directors on 19 April 2001, 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:

	As at Date of appointment	As at 31 December 2001
PJ Holland	69,603	69,603

Flexit IF Limited

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 2001 was 395.0p (2000: 345.5p).

The range of the closing prices for the ordinary shares during the year was 340.0p to 531.5p.

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.

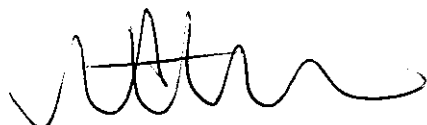
Ordinary Shares in AMEC plc held by directors:

	As at Date of appointment and 31 December 2001
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PJ Holland	10,947
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AMEC Nominees is the non-beneficial owner of one 'A' ordinary share in the company.

By Order of the Board



C FELLOWES
Secretary

29/04/02

AMEC plc
Sandiway House
Hartford
Northwich
Cheshire CW8 2YA

Flexit IF Limited

Profit and Loss Account for the year ended 31 December 2001

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

	Note	2001 £	2000 £
Result for the period		-	-
Dividend paid		-	(414,226)
Retained loss for the financial year		-	(414,226)

Balance Sheet as at 31 December 2001

	Note	2001 £	2000 £
DEBTORS:			
Amounts falling due in more than one year	2	<u>5,000,002</u>	<u>5,000,002</u>
CAPITAL AND RESERVES			
Called up share capital	3	2,500,002	2,500,002
Share premium account		2,500,000	2,500,000
Profit and loss account		-	-
EQUITY SHAREHOLDERS' FUNDS		<u>5,000,002</u>	<u>5,000,002</u>

For the year ended 31 December 2001 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibilities for:

- (a) Ensuring the company keeps accounting records which comply with section 221;
- (b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the board of directors on 29/04/02
and signed on its behalf by


P J HOLLAND
DIRECTOR

The notes on page 5 form part of these accounts.

Flexit IF Limited

Notes to the Accounts

1 ACCOUNTING POLICIES

Basis of the Preparation of the Accounts

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

Basis of Accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards and the Companies Act 1985.

Cash Flow Statement

The company is exempt from the requirements of FRS1 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 DEBTORS: Amounts falling due in more than one year

	2001	2000
	£	£
Loan to fellow subsidiary undertakings	<u>5,000,002</u>	<u>5,000,002</u>

3 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2001	2000	2001	2000
	number	number	£	£
Ordinary shares of 50p each	5,000,003	5,000,003	2,500,001.50	2,500,001.50
'A' ordinary shares of 50p	<u>1</u>	<u>1</u>	<u>0.50</u>	<u>0.50</u>
	<u>5,000,004</u>	<u>5,000,004</u>	<u>2,500,002.00</u>	<u>2,500,002.00</u>

4 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.