

AMEC Trustees Limited

Directors' report and financial statements

31 December 2000

Registered number 2830098



AMEC Trustees Limited

Directors

P J Holland
I A S Tipler
C L Fidler

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

AMEC Trustees Limited

Directors' Report

Business Review

The company has not traded during the year.

Directors

The current directors are listed on page 1.

The directors who served during the year were Messrs M J Bardsley and C L Fidler, and Mrs I A S Tipler.

Mr M J Bardsley resigned as a director on 1 June 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 January 2000 | Exercised during the year | Granted during the year | 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 | |
| I A S Tipler | *1,308 | 1,308 | - | - | 58.0 | 280.0 |
| I A S Tipler | *5,060 | - | - | *5,060 | 90.0 | |
| I A S Tipler | *342 | - | - | *342 | 181.0 | |
| I A S Tipler | - | - | *2,830 | 2,830 | 230.0 | |
| C L Fidler | *1,308 | 1,308 | - | - | 58.0 | 280.0 |
| C L Fidler | *3,833 | - | - | 3,833 | 90.0 | |
| C L Fidler | *596 | - | - | 596 | 181.0 | |
| C L Fidler | - | - | *1,684 | 1,684 | 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 2000, further shares were purchased in the market at 185p each and awards were made to directors on 03 April 2000, as determined by the remuneration committee.

AMEC Trustees Limited

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

| | As at 1 January 2000 | Awarded 03 April 2000 | As at 31 December 2000 |
|--------------|---------------------------------|----------------------------------|-----------------------------------|
| M J Bardsley | 70,985 | 42,792 | 113,777 |

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:

| | As at 1 January 2000 | As at 31 December 2000 |
|--------------|---------------------------------|-----------------------------------|
| M J Bardsley | 12,038 | 18,028 |
| C L Fidler | 1 | 1 |

AMEC Trustees Limited

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

9/7/01

AMEC plc
Sandiway House
Hartford
Northwich
Cheshire
CW8 2YA

AMEC Trustees Limited

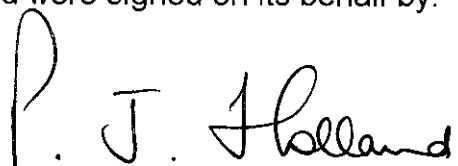
Profit and Loss Account for the year ended 31 December 2000

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.

Balance Sheet as at 31 December 2000

| | Note | 2000 £ | 1999 £ |
|----------------------------------|------|-----------|-----------|
| CURRENT ASSETS | | | |
| Debtors - loan to parent company | | <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 9/7/01 and were signed on its behalf by:



DIRECTOR - P J HOLLAND

AMEC Trustees 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 and the Companies Act 1985.

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 SHARE CAPITAL

| | 2000 number | Authorised 1999 number | Allotted, called up and fully paid | |
|----------------------------|----------------|------------------------------|---------------------------------------|-----------|
| | | | 2000 £ | 1999 £ |
| Ordinary shares of £1 each | 100 | 100 | 1 | 1 |

3 ULTIMATE PARENT COMPANY

The company considered by the directors to be the ultimate parent company is AMEC plc which is registered in England. Copies of the group accounts can be obtained from AMEC plc, Sandiway House, Hartford, Northwich, Cheshire, CW8 2YA.

AMEC Trustees 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 Trustees Limited

Auditors' report to the members of AMEC Trustees Limited

We have audited the financial statements on pages 5 and 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 7, 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 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

MANCHESTER

Date: 18 July 2001