AMEC Developments (Northwich) Limited

Directors' report and accounts

31 December 2002

Registered number 4042721

AVOL4L47
A25
COMPANIES HOUSE
0071
21/05/03

AMEC Developments (Northwich) Limited

Directors	R S Elliott D T O'Brien A D Radford
Secretaries	C L Fidler S Taberner
Registered Office	Sandiway House Hartford Northwich Cheshire CW8 2YA
Auditors	KPMG Audit Plc Chartered Accountants St James' Square Manchester M2 6DS

AMEC Developments (Northwich) Limited

Directors' Report

Business Review

The company has not traded since its incorporation on 28 July 2000. On 16 May 2002 the company changed its name from The Schools Partnership (Swanscombe) Limited to AMEC Developments (Northwich) Limited.

Directors

The current directors are listed on page 1.

The directors who served during the year were:

AMEC Nominees Limited (resigned 17 May 2002)
R S Elliott (appointed 17 May 2002)
P J Holland (resigned 17 May 2002)
D T O'Brien (appointed 17 May 2002)
A D Radford (appointed 17 May 2002)

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 2002	Option price (pence)	Market price on date of exercise (pence)
R S Elliott	-	-	10,000	10,000	219.75	
D T O'Brien	*2,695	-	-	2,695	230.00	
D T O'Brien	*342	342	-	-	181.00	412.00
D T O'Brien	-	-	13,651	13,651	219.75	
D T O'Brien	-	-	1,349	1,349	219.75	

* *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 2002, further shares were purchased in the market at 430.5p each and awards were made to directors on 11 April 2002, 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 2002
D T O'Brien	16,944	16,944

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 2002 was 143.25p (2001: 395.0p).

The range of the closing prices for the ordinary shares during the year was 137.25p to 487.00p.

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.

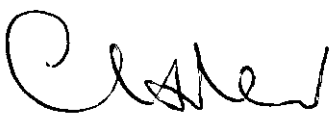
Ordinary Shares in AMEC plc held by directors were as follows:

	As at date of appointment	**As at 31 December 2002**
D T O'Brien	3,014	3,014

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 13 MAY 2003



C L Fidler
Secretary

AMEC plc
Sandiway House
Hartford
Northwich
Cheshire
CW8 2YA

AMEC Developments (Northwich) Limited

Profit and Loss Account
for the year ended 31 December 2002

The company did not trade in the year ended 31 December 2002 or in the preceding financial period and received no income and incurred no expenditure. Consequently, during those times the company made neither a profit nor a loss.

Balance Sheet
as at 31 December 2002

	Note	2002 £	2001 £
DEBTORS:			
Amounts falling due after more than one year			
Amounts owed by group undertakings		1	1
CAPITAL AND RESERVE			
Called up share capital	3	1	1

These accounts were approved by the board of directors on 13 MAY 2003
and were signed on its behalf by:

D T O'BRIEN
DIRECTOR

The notes on page 5 form part of these accounts.

Notes on the Accounts

1 ACCOUNTING POLICIES

Basis of the Preparation of the Accounts

The directors have taken advantage of the exemption of 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 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 DIRECTORS' REMUNERATION

None of the directors received remuneration in respect of their services to the company during the period.

3 SHARE CAPITAL

	Authorised		Allotted called up and fully paid	
	2002 Number	2001 Number	2002 £	2001 £
Ordinary shares of £1 each	100	100	1	1

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.

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 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 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.

AMEC Developments (Northwich) Limited

Independent Auditor's report to the members of AMEC Developments (Northwich) Limited

We have audited the accounts on pages 4 and 5.

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 6, 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 2002 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

14th May 2003