

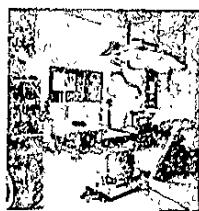
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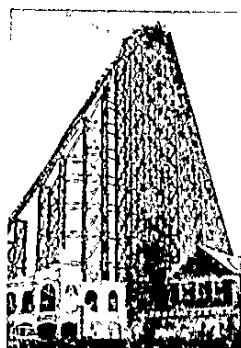
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About AMEC

AMEC is an international group with a comprehensive engineering, construction and development capability.

Employing over 21,000 people worldwide, our operation is committed to the highest standards of service and management, based on a sound foundation of financial prudence.

The breadth and depth of our integrated resources enables us to respond effectively to the ever changing requirements of the markets we serve. Our integrated resources also enhance our ability to target and develop new and profitable opportunities both in the United Kingdom and overseas.

Financial highlights

Strong financial position.

Resilient performance from core engineering and construction operations.

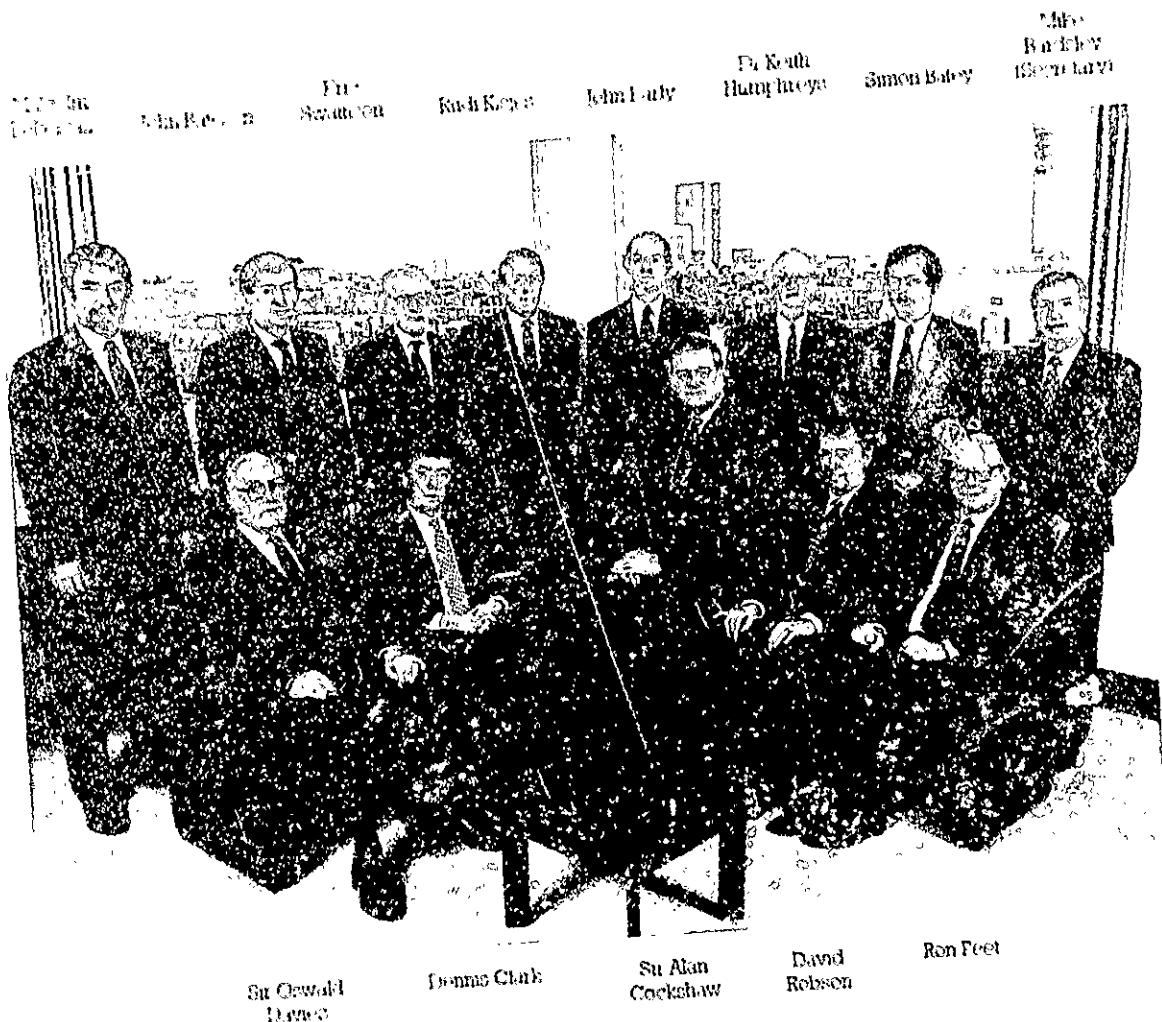
Return to profits in housing.

Order book improving.

Potential for substantial recovery.

	1993 £ million	1992 £ million
Turnover	2,184.2	2,121.7
Profit (loss) before goodwill write-off and interest:		
Engineering and construction	32.4	40.7
Housing and development	(7.6)	(17.1)
Exceptional items	-	(114.6)
	<hr/> 24.8	<hr/> (91.0)
Goodwill write-off	(2.2)	-
Profit (loss) before taxation	21.0	(88.2)
Profit (loss) available for distribution	18.5	(78.4)
Shareholders' funds	240.4	242.2
Earnings (loss) per ordinary share		
Undiluted	3.6p	(44.5p)
Diluted	6.6p	(25.4p)
Dividends per ordinary share	3.0p	3.0p

Board of directors



Chairman's statement

Whilst it is pleasing to report that AMEC has returned to profit in 1993, it is far more important to be able to say with confidence that we do expect a continuing improvement in our performance over the next few years.

The year produced another resilient performance, in difficult markets, from our core engineering and construction businesses.

Looking to the future we can now see the opportunity to improve margins back to their historic average. The year also saw a return to profitable trading in our housing business, where the market has started to recover. Based upon our trading in the first quarter of 1994, we expect a continuing improvement in the results from this activity.



Overall, the group's financial position is strong and the quality and balance of our order book are improving. There is good potential for substantial recovery from 1995 onwards.

Accordingly, the directors have decided to recommend a final dividend of 15p per ordinary share, giving a total for the year of 30p.

In my statement last year, I made it clear that we expected the market to remain difficult through 1993 and, although we can now

say that in the United Kingdom we have passed the bottom of the cycle, we cannot reasonably expect that the total volume of business available within the United Kingdom will increase significantly in the short to medium-term. Investment in capital projects in the private sector is inevitably late in any economic recovery and we must accept that public sector funding will remain under pressure for some time.

However, AMEC has continued to develop its broad range of skills to maximise penetration of the available markets, focusing on the development of our technology and quality standards in order to obtain new work earlier in the project development process. By working closer with our clients from the earliest opportunity we can give them value for money, better control of time and the kind of quality guarantees so necessary in today's world and, as a consequence, we get a better return for our efforts. In this way the group is reducing its dependence on conventional competitive bidding where margins will remain extremely competitive in most areas of United Kingdom markets. These conditions also prevail in

Chairman's statement

most parts of Europe, except perhaps in Germany, where our investment in Kitelberger has created significant opportunities for other group companies in a market which remains relatively strong

Our group has therefore established a position where it has the strength and flexibility to enter into a broad range of projects and continues to increase its penetration of the higher added value markets where margins are certainly higher than in the traditional "hard money" bid activities

Elsewhere in the world, the market for our group's skills is considerable and good opportunities are available

Good progress has been made during the year in accessing those opportunities particularly in the development of business alliances in Indonesia, China and Thailand

These are all focused on the higher added value projects in the oil, gas power and infrastructure markets. These initiatives have taken several years to progress and we believe they will make an increasing contribution to our group's profitable development

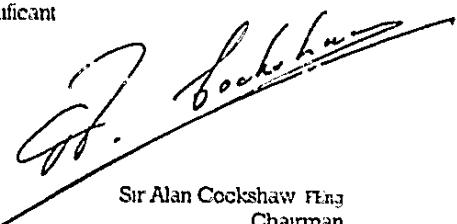
Our activities in Australia and the USA have been brought firmly under the control of our main operating sectors and I am pleased to report that, although their performance in 1993 was not yet at the level that we would wish, they are on course to improve further in the current year

The recovery in our housing business has been especially pleasing and we look forward to it making an increasing contribution to the profitability of our group in the future.

We have made good progress in developing AMEC during 1993 and although 1994 will be a demanding year, we can look forward to significant improvements from 1995 and beyond.

Our industry continues to change very quickly and we firmly believe that margin improvement will not simply come by waiting for traditional markets to return. Profit growth in the future will come through the development of the kind of initiatives which I referred to earlier

I have been greatly impressed by the way in which AMEC employees at all levels have responded to the management of change. This has been essential to our progress. There is no doubt that we are now well set for the future and our thanks go to all of them for the significant contribution they have made



Sir Alan Cockshaw FEng
Chairman

Financial review

Summary

The 1993 results show not only an overall return to profit, after the losses recorded in 1991 and 1992, but also a small increase in profit before interest and exceptional items (including goodwill write-off), principally due to improved performances within the housing and development and overseas businesses.

The accounts this year have been prepared in accordance with the accounting standard FRS No. 3 - 'Reporting Financial Performance' which has introduced significant changes to the required presentation and content of the accounts especially with regard to the profit and loss account.

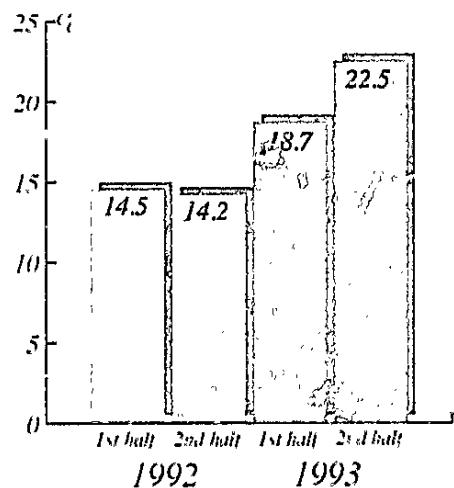
Review of operating results

Turnover increased by £62.5 million over 1992, reflecting the continued very high levels of activity within the mechanical and electrical engineering businesses particularly those serving the oil, gas and petrochemical industries. The group increased its turnover within the building and civil engineering businesses, despite a reduced level of activity in the United Kingdom, by increasing overseas activity primarily in Germany, following the acquisition of the outstanding interest in Kitelberger and in Hong Kong. Sales made by the housing and property businesses were higher in 1993 than 1992 principally due to the incidence of property development disposals and a general improvement in the housing market.

The group's operating result was £22.6 million from which net interest payable of £1.6 million has been deducted. Profit before taxation is £21.0 million, taking into account £2.2 million of goodwill written off following the disposal of fire protection businesses in the United States.

The tax charge for the year is £2.5 million which is substantially lower than the standard rate of corporation tax (33 per cent) due to the utilisation of prior years' tax losses.

Overseas turnover as percentage of total turnover



Financial review

Return to shareholders

After deduction of preference dividends, the amount available for distribution to ordinary shareholders is £7.2 million. This represents undiluted earnings per ordinary share of 3.6p, calculated in accordance with FRS 3. The final ordinary dividend recommended by the board of 1.5p, together with the interim ordinary dividend already paid, will absorb £5.7 million, and the remaining balance on the profit and loss account of £1.5 million has been added to group reserves.

Shareholders' funds have fallen marginally during the year, principally because of the goodwill write-off resulting from the Kittelberger transaction referred to above.

Review of financial resources

The group's profit before goodwill write-off and interest payable for the year covered its interest cost by a ratio of 15.5 times. The group continues to maintain a strong balance sheet, with cash balances of £136.2 million at the end of 1993 being £17.7 million higher than

Net cash position 31 December 1993

	£ million	£ million	
<i>Net short-term funds</i>			borrowings. Borrowings include £58.3 million in foreign currencies which are used to protect the group from the effect of currency fluctuations on overseas assets
Cash balances	136.2		Before taking into account the cash outflows resulting from the remedial costs incurred on the Trafalgar Place, Brighton
Short-term borrowings	(24.3)		development and the impact of the acquisition of the Kittelberger business in
		111.9	
<i>Medium-term borrowings</i>		(94.2)	
<i>Overall net cash position</i>		17.7	

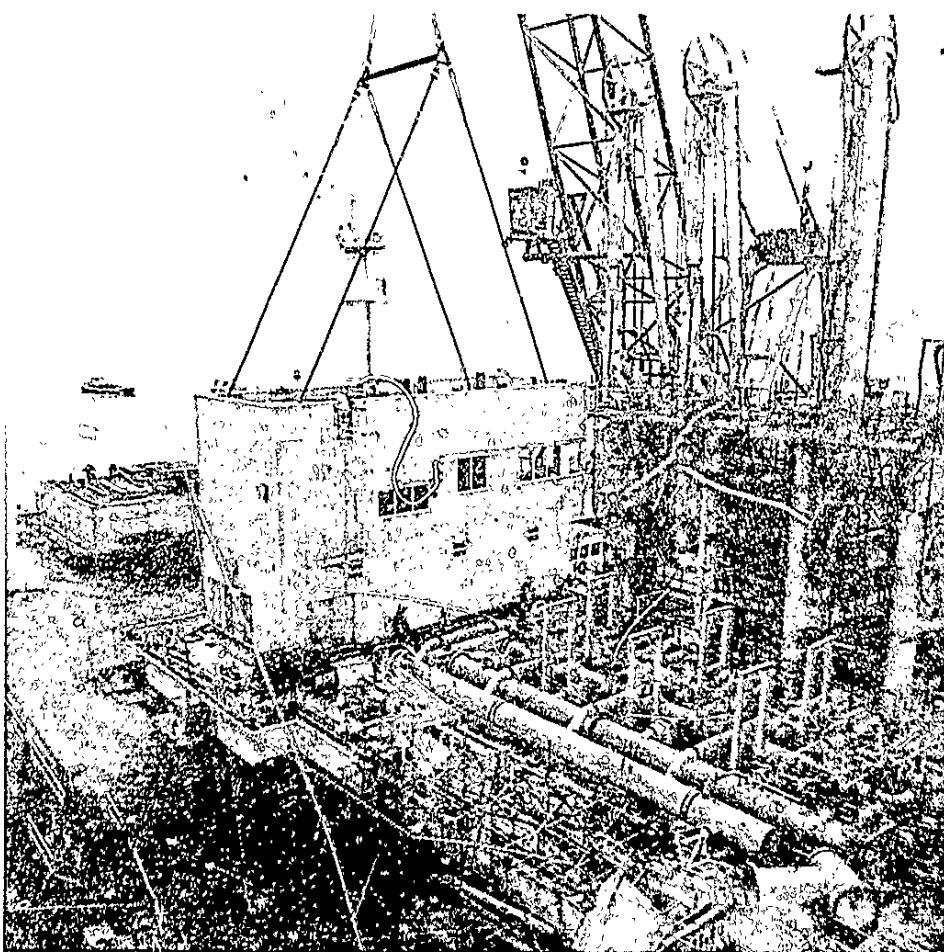
Germany, underlying cash flows from the group's principal business streams were positive, reversing the cash outflows which had occurred in 1992.

In November 1993, the group's principal medium-term banking facility was renewed. The amount of the renewed facility, which extends through to June 1997, is £117.5 million replacing the previous arrangement of £105 million. This renewal, together with other short-term facilities, will enhance the group's ability to take advantage of an upturn in activity as the United Kingdom economy comes out of recession.

S G Batey
Finance director

Review of operations

INTRODUCTION



A modular control building weighing 165 tonnes successfully landed on to a barge at Ho and Point, Dalmeny, Scotland. This contract involved several specialist contractors comprising 19 different work disciplines.

AMEC's engineering and construction businesses have maintained a strong overall performance. Continued decline in the demand for commercial building and building services has been counterbalanced by a surge in process engineering activity and the consolidation of market position in areas such as design and management.

Review of operations

INTRODUCTION

In many of AMEC's traditional markets, conditions have continued to be difficult, with tentative recovery in the United Kingdom and an overall weakening in demand in mainland Europe. In the United States economic uncertainties have persisted.

Against this background AMEC dealt positively with the difficulties which affected results in 1992 and has progressed towards re-establishing the quality of earnings by targeting markets where growth and investment prospects remain good.

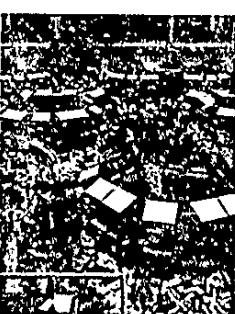
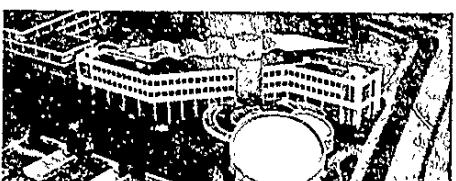
In all parts of the group, action has been taken to improve cost effectiveness, to enhance management and controls and to ensure that resources are tightly focused on target markets. Where conditions remain difficult,

companies continue to retain the ability to benefit from any upturn. Overseas activities now contribute nearly a quarter of AMEC's turnover and this proportion is expected to increase in 1994 and beyond

AMEC is achieving a broader international profile, targeting areas of strong growth where the group's specialist services can establish real competitive advantage.

Peripheral businesses in the United States have been sold and continuing activities in the United States and Australia have been absorbed into the main operational sectors

1993 saw expansion by the process and energy sector in South East Asia and by the construction sector in mainland Europe.



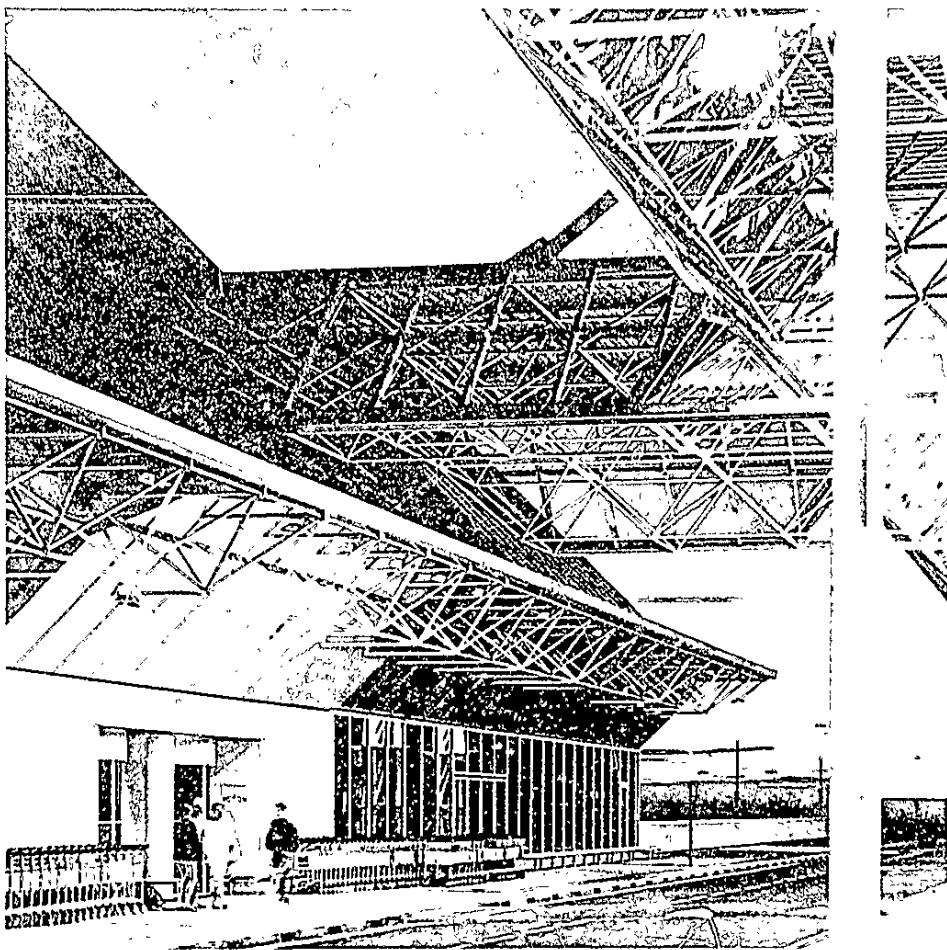
Above top: AMEC Process and Energy won a major contract from Phillips Petroleum for the maintenance of the Seal Sands oil terminal at Middlesbrough

Above: The University of Kaiserslautern was built by Kittelberger under a DM40 million contract from Land Rheinland Pfalz

Left: Morse Diesel International carried out a variety of renovation projects during 1993 at the New York Stock Exchange. Work was carried out without disruption to trading activities

Review of operations

CONSTRUCTION



This is the March 1991
up-to-date market report
and has been produced by
the Project Department
of AMEC Construction
and Consulting, a 27%
subsidiary of the AMEC Group.

"The construction sector has seen sustained workloads in its civil engineering and design and management activities with increasing success overseas."

Malcolm Eckersall
Sector chairman

Review of operations

CONSTRUCTION

Traditional building markets remain at no more than 40 per cent of the levels experienced at the peak of the market in 1990. AMEC Building has been restructured to reflect current levels of demand and there are indications that its focus on stronger markets such as healthcare is now being reflected in a better quality order book. Following the successful completion of the Limehouse Link in London's Docklands, AMEC Civil Engineering won, in joint venture, a £160 million contract for the Green Park to Waterloo section of the new Jubilee line. New road and rail construction has also been a prominent element of the work secured by this business, with recent awards totalling over £100 million in infrastructure projects in both the public and privately financed sectors.

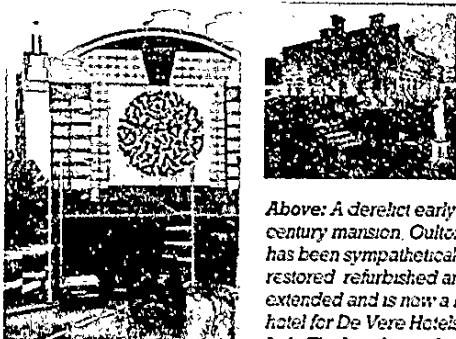
In AMEC Design and Management, despite delays in new project commencements, modest growth has been maintained by focusing on specific markets such as pharmaceuticals, food and fine chemicals.

Mainland Europe has produced increased opportunities, particularly in Germany where AMEC's presence has been strengthened by the purchase of Kittelberger.

Recent projects include a DM70 million development for Frukt of the Loem at Kaiserslautern for which AMEC has provided a complete service from feasibility study through site identification, procurement, to design and construction.

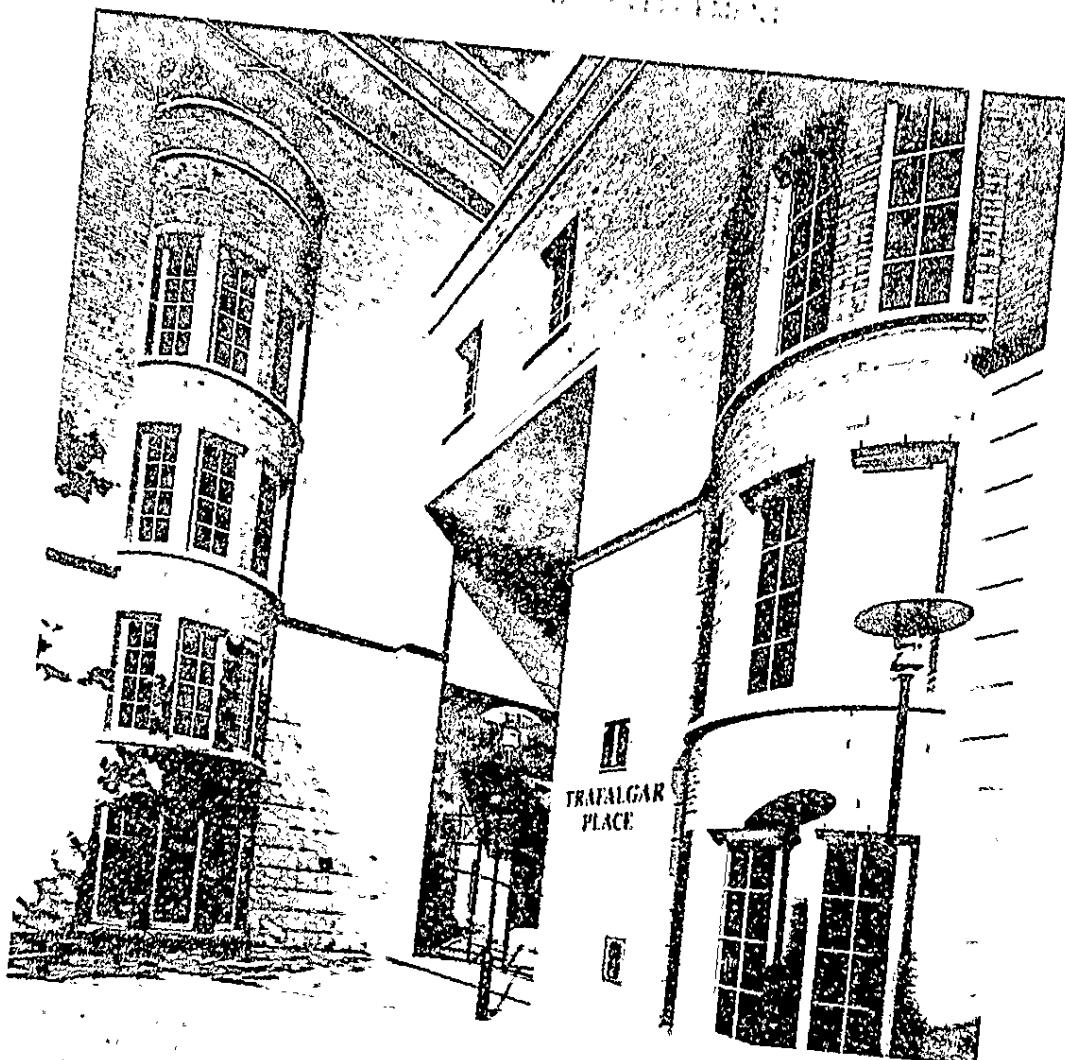
In the United States, Morse Diesel has been affected by low levels of investment within its principal markets though recent major contract awards provide a basis for confidence in 1994. There are also promising prospects in South East Asia where progress on the Tai Ho Expressway in Hong Kong has been good and further work is being sought.

AMEC Civil Engineering has benefited from stable United Kingdom transport investment, with particular success in major projects.



Above: A derelict early 19th century mansion, Oulton Hall, has been sympathetically restored, refurbished and extended and is now a luxury hotel for De Vere Hotels. Left: The Limehouse Link in London's Docklands was officially opened by the Prime Minister, 23 weeks ahead of schedule, in May 1993.

*Review of operations
for the year ended 31 March*



"AMEC's housing and development companies have been reorganised and, following the provisions taken in 1992, are well set to go forward and make a positive contribution to the group's future."

*M. J. S.
Chairman*

*Printed by **AMEC** at its offices*

Review of operations

HOUSING AND DEVELOPMENT

After several years of difficult trading conditions, markets showed signs of recovery in 1993 enabling AMEC's housing and development businesses to improve their trading performances. AMEC's housing business, which returned to profit in 1993, operates as Fairclough Homes in five regions — the south east, Hertfordshire, Midlands, Manchester and the north west.

The business in these areas is structured so that it has the capacity to increase volume as the market recovers. Land purchases during the year have concentrated on the first time buyer and mid-range segments of the market in order to give a better balance to the land bank.

The company achieved sales of 1,375 units during the year, a 25 per cent increase on 1992. This improvement was assisted by a range of innovative marketing schemes, particularly the Activator campaign financed by the £50 million Flexit business expansion scheme promoted by AMEC.

Following a marked upturn in the property investment market late in the year, AMEC Developments was able to dispose of a number of completed office schemes held individually or in partnership, including those at Marlow, Crewe and Middlesex Street in the City of London. The letting of vacant space has been a priority during the year with 112,000 square feet let.

AMEC is playing a prominent role in one of the most demanding urban regeneration initiatives, Hulme City Challenge in Manchester.

The strategy of building on the company's growing track record of working in partnership with landowners, both from the public and private sectors, has continued during the year. Several opportunities satisfying this criterion have been identified and progressed in 1993, including those at Avonmouth, Newcastle upon Tyne, Great Bridgewater Street and Trafford Park in Manchester, Mossend and Livingston in Scotland. AMEC has recently entered into a partnership with the London Borough of Havering for a major regeneration initiative on Rainham marshes.

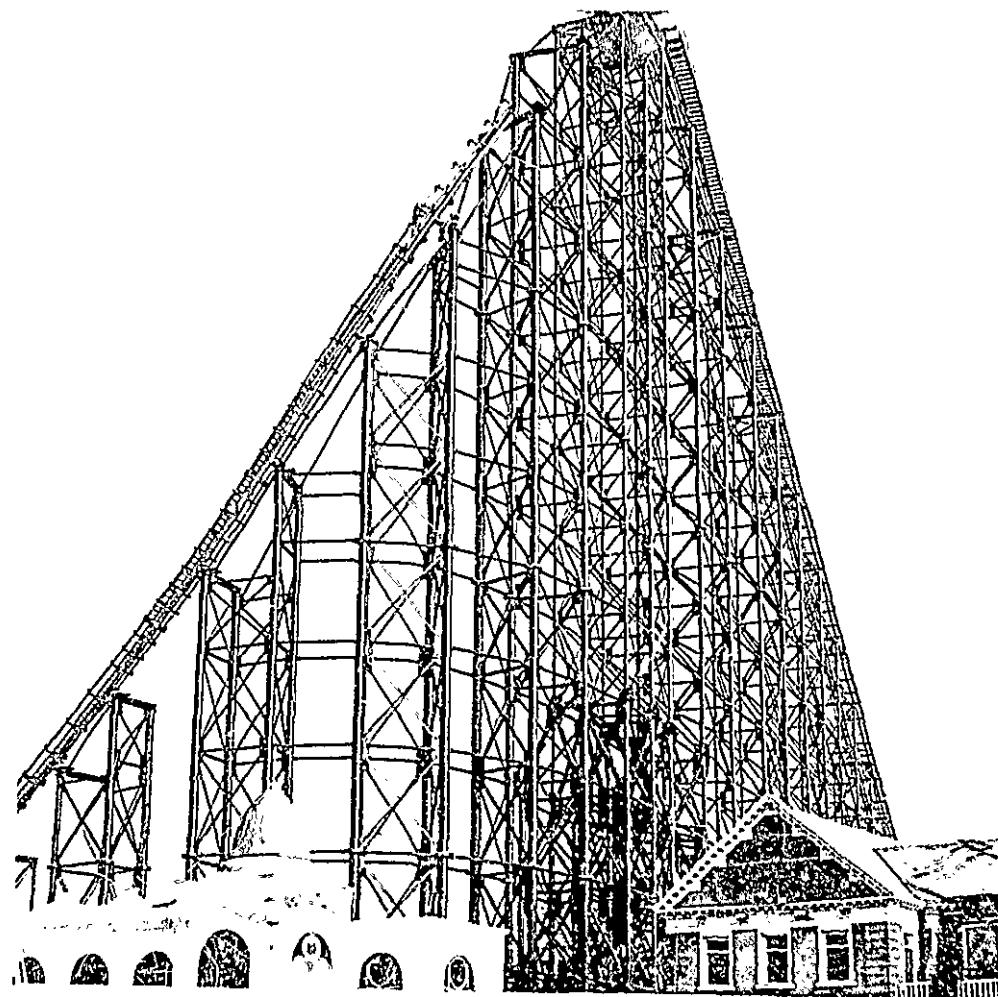
In the housing market, volumes have increased in recent months though as yet there has been little improvement in margins.



Above: Gainsforth - one of the three buildings which form Westmoor, a Crewe business park. This 28,000 square foot building was sold in December 1993 to Prudential Nominees Limited.

Left: The Ridings Paddock, Wood Ken. This development has attracted young families and first time buyers.

Review of operations
MANUFACTURING AND SERVICES



Steelwork for the world's highest rollercoaster at Blackpool Pleasure Beach. At its highest point the ride will stand 235 feet tall — higher than Nelson's Column in London.

"Companies in this sector performed well during 1993, countering the impact of weak United Kingdom markets through innovation and expansion of overseas activities."

David Robson
Sector chairman

Review of operations

MANUFACTURING AND SERVICES

CV Buchan had a satisfactory year despite delays involved in some contract awards such as the Jubilee line. As well as increasing its volume of above-ground work, the company has maintained its reputation for innovation through the development and first contracts for factory engineered, precast concrete rooms and the Super Y beam, a prestressed concrete beam for large bridge spans. Despite Watson Steel's home markets remaining depressed, the company's specialist engineering skills and project management capabilities have continued to find opportunities in the United Kingdom. These include the supply of structural steelwork for the highest rollercoaster in the world at Blackpool Pleasure Beach and for the new Thelwall viaduct over the Manchester Ship Canal. Watson Steel's main thrust has been in the further development of its export business with contracts in Germany and China, building on its successful airport work at Kansai, Japan, and Charles de Gaulle, France.

Recent efforts have been concentrated in China, where Watson is carrying out its second contract, supplying steelwork for the Shajiao 'C' coal-fired power station.

In the search for opportunities in stronger markets, Denco has also placed greater emphasis on its overseas activities. In Turkey, a major order for close-controlled air-conditioning systems for new telephone exchanges was completed during the year and further work is expected. The company has recently completed a distribution agreement with a consortium in South East Asia and with a premier distributor in Germany for the supply of air conditioning units. AMEC Services has also made a good contribution to the sector winning a number of external contracts for the maintenance and repair of vehicle fleets, setting a pattern which looks likely to continue.

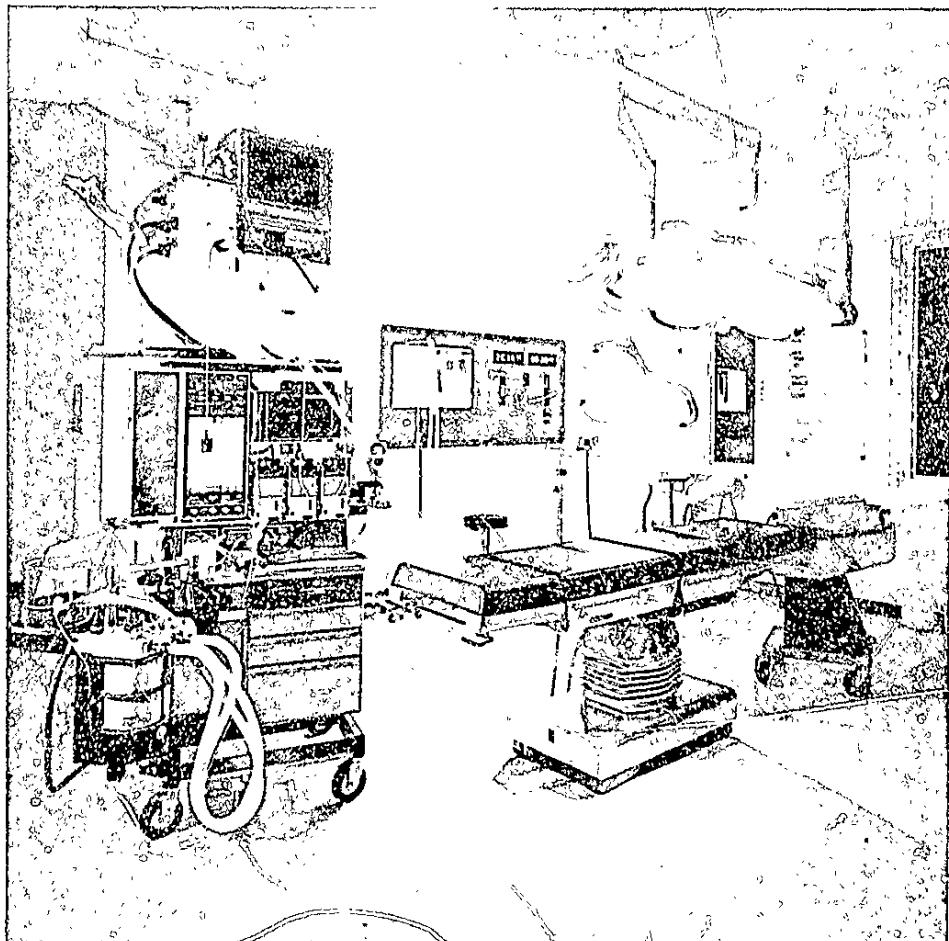
CV Buchan should now benefit from investment in the Jubilee line both in its mainstream business and through Stockton Foundry which specialises in cast-iron tunnel segments.



Above: A refurbishment project at Birmingham's new art gallery — The Gas Hall — included the installation of a new air-conditioning system

Left: Precast concrete segments line the River Avon tunnel, Bristol. The tunnel used 564 smoothbore rings and was built to carry a bulk handling conveyor belt under the River Avon

review of operations MANUFACTURED EQUIPMENT



"A good range of capabilities and the development of new opportunities has ensured that despite weak markets, particularly in building services, the sector has performed well over the last year."

Mark Renn
Chairman

Review of operations

MECHANICAL AND ELECTRICAL

International activities expanded markedly during 1993 with the introduction of AMEC Construction (Australia), AMEC Electrical and Mechanical Engineers (Hong Kong) and Fisk Electric (United States) into the management sector.

In the United Kingdom, gas and water markets provided good levels of work for AMEC Utilities, with several major long-term management contracts being won. The company's new epoxy lining system was launched and the first contract won in Scotland.

Significant duct work installation contracts were also won in Manchester, for BT, and Edinburgh, for television company Telewest.

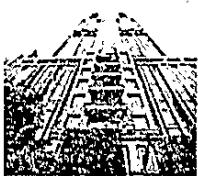
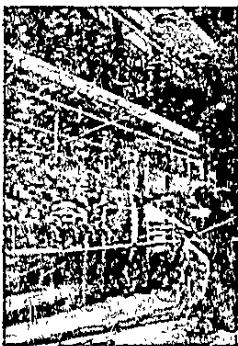
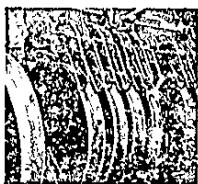
AMEC Power is now established as a market leader in electrical transmission and distribution, and heavy investment in power networks should contribute significantly to the company's growth.

Offshore, a high level of services and hook-up work ensured a sound performance by James Scott, also helped by the development of its shutdown, maintenance and refurbishment activities.

An important development towards the end of 1993 was the acquisition of two of the government's former building management businesses.

The new company, Building and Property Management Services, a joint venture with consulting engineer Pell Frischmann, will significantly increase AMEC's involvement in the expanding market for facilities management and broaden the scope of its design and management activities.

Matthew Hall also won work with Chase Farm Hospitals NHS Trust for the supply of a range of healthcare support services. The contract is a significant step forward in the facilities management industry and has identified Matthew Hall as a key player in the complex process of outsourcing in the National Health Service.



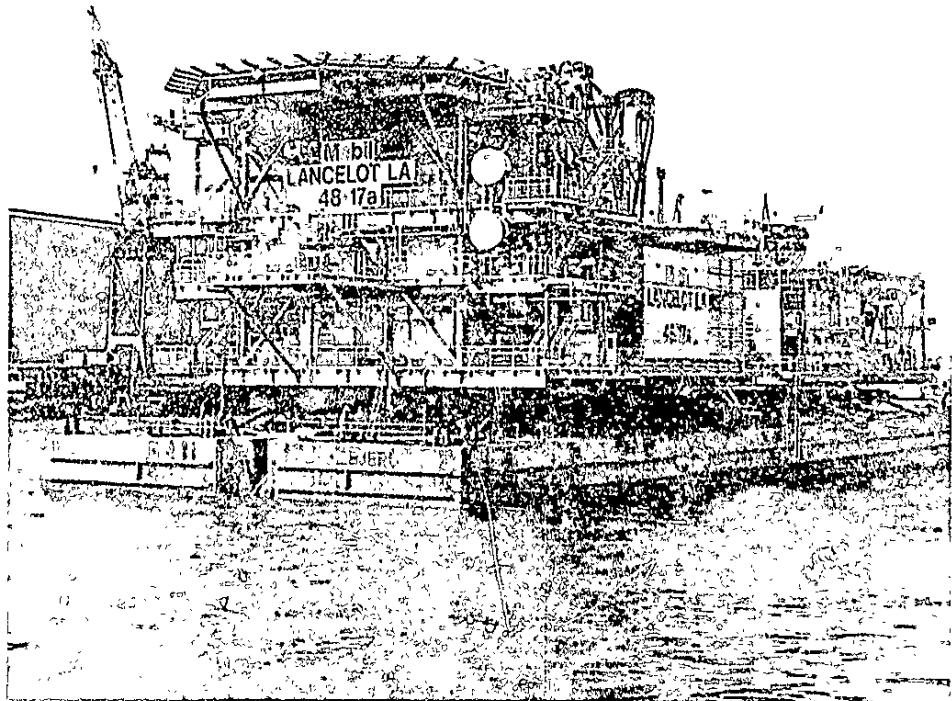
Top: Running blocks and cradles for use on the Sizewell to Brancaster contract in Suffolk for The National Grid Company.

Above: The ANZ building, Melbourne won the excellence award of the National Electrical Contractors Association (Victorian chapter).

Left: The new exco fuel centre (NOFC) at Salwick for Enich Nuclear Fuels.

Review of operations

PROCESSES AND ENERGY



"The sector enjoyed a successful 1993. As new offshore fabrication work in the United Kingdom declines, the emphasis has shifted to longer-term service and maintenance activity both on and offshore. Overseas operations are steadily being developed."

*Stuart Clark, OBE
Managing Director*

Review of operations

PROCESS AND ENERGY

Demand for EPIC (engineer, procure, install and commission) and other new contract approaches pioneered by AMEC continues to grow. AMEC companies are also working more closely with clients in alliance contracts. Recent examples include a £55 million fabrication contract for Phillips Petroleum UK and an agreement between Conoco and Press Construction for work at the Pickerill gas terminal in Lincolnshire.

1993 saw particularly strong growth in the hook-up and longer-term service and maintenance markets, with major awards for AMEC Offshore Developments, including a £50 million, five year contract from Mobil.

Onshore, AMEC Shutdowns and Maintenance was established, bringing together the skills of AMEC Engineering, James Scott and Press Construction.

The new venture has already carried out a number of successful maintenance contracts in refineries.

Hook-up and commissioning of the major Tiffany project was completed and the platform produced first oil in November 1993. Final account negotiations are well advanced.

Expansion overseas during 1993 included several major refinery studies undertaken in eastern Europe and, further afield, AMEC executed module fabrication work in China and established a base in Indonesia. In the Middle East, AMEC won design work for Jeddah Refinery, while in Africa a joint venture with two South African companies is to build two platforms for offshore Angola.

The sector's international network of engineering offices was reinforced during the year through a joint venture with a leading design company in India.



*Above: The fluid catalytic cracking unit for Noreco was revamped during 1993. During a five and a half week period over 20 000 man hours were devoted to the work.
Left: The Elf Enterprise Piper redevelopment. Designed whilst building was underway the project took 20 months from contract award to lead out.*

Review of operations and tail the chairman



1. *Business review*
2. *Financial review*
3. *Industrial relations*
4. *Training and development*
5. *Future planning*

In markets which continue to be difficult, AMI C has maintained its commitment to the welfare of employees. Inevitably, 1993 saw further redundancies in some companies. However, the group remains determined to enhance the quality of its skill base and to invest in training for the future.

Review of operations

AMEC AND THE COMMUNITY

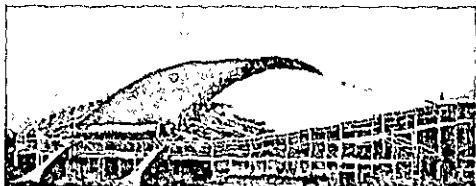
Internal training ranges from apprenticeship schemes to management courses at all levels and employees are also encouraged to undertake external training. Companies continue to sponsor both students and courses at institutions of higher education.

AMEC's reputation for safety was maintained in 1993, with several companies receiving special safety awards. These included RoSPA's health and safety gold award won by AMEC Engineering, a silver award for AMEC Design and Management and swords of honour from the British Safety Council for AMEC Offshore and AMEC Offshore Developments.

As a major engineering, construction and development group, AMEC has always recognised its special power to influence the environment and the responsibility this confers. Every company in the group has a formal environmental policy and these are co-ordinated at group level to ensure that all activities conform both to the letter and the spirit of environmental legislation.

AMEC's continued involvement in charitable initiatives is one mechanism through which the group meets its responsibility to the wider community.

The group's adopted charity for the year was the Cancer Relief Macmillan Fund and over £100,000 has been raised for this charity through a variety of group events. In addition, employees throughout the group have continued to support numerous charitable organisations, raising money through sporting, social and work-related efforts. During the year, AMEC was prominent as a supporter of the Manchester Olympic bid which, though ultimately unsuccessful, helped to instill a growing confidence in the future of the north west. This was demonstrated by the subsequent choice of Manchester as England's candidate to host the Commonwealth Games in 2002. The proposed stadium promoted by AMEC should provide a centre of sporting excellence in the north west.



Top: The Cancer Relief Macmillan Fund has benefited from group support during 1993. Fund raising efforts are continuing in 1994. Middle: AMEC's involvement with Manchester's Olympic bid included a contract for a velodrome where the world cycling championships will take place in 1996. Bottom: Denise lace working on Matthew Hall's Wallerth Road police station contract in London. During her first year of training, Denise became apprentice of the year again, in competition from students at five other colleges.

Corporate governance

In December 1992 the Committee on The Financial Aspects of Corporate Governance recommended that all listed companies should comply with its code of best practice. The Stock Exchange has endorsed the recommendation and requested that listed companies reporting in respect of financial years ending after 30 June 1993 state in their annual report and accounts their degree of compliance with the code.

I am pleased to report on behalf of the board that your company complies with all those recommendations for which guidance has been issued (17 of the 19 recommendations).

The remaining two recommendations dealing with the company's system of internal control and its status as a going concern, are subject to the guidelines currently being drafted by the accountancy profession.

Set out below are details of the committees of the board, their composition and terms of reference.



Eric Swainson CBE
Non-executive director

Audit committee

Chaired by Mr E Swainson and whose membership comprises all the non-executive directors and the chairman of the board, this board committee ensures that appropriate accounting and financial policies and controls are adhered to and that internal and external auditing procedures work efficiently and effectively.

Nominations committee

Chaired by one of the non-executive directors and whose membership comprises all the non-executive directors, the chairman of the board and the group chief executive, this board committee reviews any proposed appointments of directors and makes recommendations to the board in relation to such appointments.

Remuneration committee

Chaired by Mr R H Peet and whose membership comprises all the non-executive directors, this board committee determines the annual remuneration, performance related payments and other aspects of the terms and conditions of employment of the executive directors.

Directors, officers and company information

Directors

Sir Alan Cockshaw FRS (chairman)

J S Bateson (chief executive)

Sir Oswald Davies CBE FRCM

R H Peet CBE

R Kisjes

J D Early

E Swainson CBE

D Clark OBE

D Robecu

J G Batey

J K Eckersall

D K W Humphreys

Sir Alan Cockshaw, age 56, was appointed a director in December 1983 and chairman in May 1988

John Bateson, age 52, was appointed a director in November 1982 and chief executive in May 1988.

Sir Oswald Davies, age 73, was chairman of the company from its foundation until July 1984. He is a non-executive director

Ron Peet, age 68, was appointed a non-executive director in January 1984. He was previously chief executive of Legal and General Group plc

Rudi Kisjes, age 51, was appointed a director in January 1986

John Early, age 48, was appointed a director in March 1986. He is chairman of the housing and development sector

Eric Swainson, age 67, was appointed a non-executive director in July 1987. He was previously managing director of IMI plc

Dennis Clark, age 47, was appointed a director in April 1990. He is chairman of the process and energy sector

David Robson, age 48, was appointed a director in August 1991. He is chairman of the mechanical and electrical and manufacturing and services sectors

Simon Batey, age 40, was appointed finance director in June 1992.

Malcolm Eckersall, age 48, was appointed a director in July 1993. He is chairman of the construction sector

Dr Keith Humphreys, age 60, was appointed a non-executive director in September 1993. He is chairman and managing director of Rhône-Poulenc Limited, the United Kingdom subsidiary of Rhône-Poulenc S A, and is the current president of the Chemical Industries Association

Secretary

Mike Bardsley, age 49, was appointed secretary in September 1986

Auditors

KPMG Peat Marwick

Registrars

Barclays Bank PLC
Octagon House, Gadbrook Park, Northwich,
Cheshire CW9 7RD

Principal bankers

Barclays Bank PLC
National Westminster Bank PLC
The Royal Bank of Scotland plc

Registered office

Sandway House, Hartford, Northwich
Cheshire CW8 2YA

Registered in England No 1875285

Report of the directors

The directors have pleasure in presenting the 12th annual report and accounts being for the year ended 31 December 1993

Business review

The business of the group is building and civil engineering, mechanical and electrical engineering, housing and development. The group's activities are reviewed in the chairman's statement on pages 4 and 5 and in the review of operations on pages 8 to 21

The profit for the financial year available to shareholders amounting to £18.5 million is shown in the consolidated profit and loss account on page 27. The directors recommend that a final dividend of 1.5p per ordinary share be paid which, together with the interim dividend of 1.5p, makes a total ordinary dividend for the year of 3.0p. After ordinary dividends of £5.7 million and preference dividends of £11.3 million, £1.5 million has been transferred to reserves

The final dividend will be payable on 1 July 1994 to ordinary shareholders on the register at the close of business on 6 May 1994

In March 1993, the outstanding 50 per cent interest in German contractor Geb. uder Kittelberger GmbH & Co was acquired

During the year, the group sold three of its non-core businesses in the United States of America: Fire Protection Industries, Worsham Sprinkler and Sunland Fabricators

Also during the year, a joint venture company in which the group holds a 50 per cent interest acquired the south east and south and west regional operations of the government-owned FSA Building management business

An analysis of the group's activities is given in note 1 on page 33

Share capital

The present authorised and issued share capital of the company and movements during the year are set out in note 19 on page 43. A resolution will be proposed at the 1994 annual general meeting to renew limited powers for the directors to allot the unissued share capital of the company and to issue shares for cash other than to existing shareholders

The directors have no present intention of issuing any ordinary shares other than in respect of the conversion of preference shares, the exercise of share options and

in lieu of cash dividends. No issue will be made which will effectively alter the control of the company without the prior approval of shareholders in general meeting

Substantial interests

The directors have been notified of the undermentioned interests comprising three per cent or more of the ordinary share capital of the company as at 7 April 1994

BBC Pension Trust Limited	10,194,925 shares	5.04%
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A M P Asset Management plc	6,811,131 shares	3.37%
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No other interests of three per cent or more in either the ordinary or preference share capital have been notified as at 7 April 1994

Donations

Charitable donations for the year amounted to £127,000. Charitable donations amounting to £12,000 in the year were also made by the AMEC Charitable Trust

Status for taxation

As far as the directors are aware, the close company provisions of the Income and Corporation Taxes Act 1985 do not apply to the company

Directors' and officers' liability insurance

As permitted by the Companies Act 1985, the company has maintained insurance cover for the directors and officers of all group companies against certain liabilities which they may incur in carrying out their duties

Scrip dividends

The directors are once again proposing to offer to shareholders the opportunity to elect to receive additional ordinary shares, credited as fully paid in lieu of the final cash dividend of 1.5p per share for 1993 which is to be approved at the annual general meeting. Full details of the terms of the scrip dividend offer are set out in the circular enclosed with the annual report and accounts

Fixed assets

Changes in fixed assets are shown in notes 12 and 13 on pages 38 to 40

Report of the directors

Directors

The following were directors at 31 December 1993:

Sir Alan Cockshaw

J S Bateson

Sir Oswald Davies

R H Peet

R Kisjes

J D Early

E Swainson

D Clark

D Robson

S G Batey

M K Eckersall

Dr K W Humphreys

Mr C I Bateman retired from the board on 9 June 1993 and Sir John Nott resigned as a director on 30 September 1993.

Mr M K Eckersall was appointed a director on 7 July 1993 and Dr K W Humphreys was appointed a

director on 30 September 1993. In accordance with article 91 of the articles of association of the company, they will retire from office at the 1994 annual general meeting and, being eligible, offer themselves for re-election.

Mr Eckersall has a service contract with the company terminable by three years' notice. Dr Humphreys does not have a service contract.

In accordance with article 85 of the articles of association of the company, Sir Oswald Davies, age 73, retires by rotation and, being eligible, offers himself for re-election. Special notice has been received, as required by the Companies Act 1985, in respect of the appointment of a director who has attained the age of 70. Sir Oswald does not have a service contract. Other directors retiring by rotation are Mr E Swainson and Mr J D Early and, being eligible, they offer themselves for re-election. Mr Swainson does not have a service contract. Mr Early has a service contract with the company terminable by three years' notice.

The beneficial interests in the share capital of the company of the directors holding office at 31 December 1993 were as follows:

1 January 1993 or date of appointment if later	Ordinary shares	Preference shares	Executive options*	SAYE options*
Sir Alan Cockshaw	41,173	-	459,767	-
J S Bateson	12,695	1,600	409,514	-
Sir Oswald Davies	119,482	-	-	-
R H Peet	37,048	11,999	-	-
R Kisjes	1,472	600	195,460	-
J D Early	4,734	2,200	270,104	-
E Swainson	5,292	2,400	-	-
D Clark	1,416	-	318,707	2,282
D Robson	-	-	255,985	-
S G Batey	1,470	-	152,722	6,704
M K Eckersall	-	-	270,859	-
Dr K W Humphreys	-	-	-	-
31 December 1993	Ordinary shares	Preference shares	Executive options*	SAYE options*
Sir Alan Cockshaw	41,201	-	459,767	-
J S Bateson	12,695	1,600	409,514	-
Sir Oswald Davies	119,482	-	-	-
R H Peet	37,048	11,999	-	-
R Kisjes	1,491	600	195,460	-
J D Early	4,734	2,200	270,104	-
E Swainson	5,362	2,400	-	-
D Clark	1,449	-	318,707	2,282
D Robson	-	-	255,985	-
S G Batey	1,470	-	152,722	6,704
M K Eckersall	-	-	270,859	-
Dr K W Humphreys	-	-	-	-

* The executive options and the SAYE options relate to ordinary shares and were granted under the terms of the AMEC Executive Share Option Scheme and the AMEC Savings Related Share Option Scheme respectively which were approved at the extraordinary general meeting held on 16 May 1985. No options were either granted or exercised during the financial year.

Report of the directors

No director at 31 December 1993 had any other interests, beneficial or otherwise, in the share capital or the unsecured floating rate loan notes of the company.

There were no changes in the directors' interests in the share capital and loan notes of the company between 31 December 1993 and 7 April 1994.

During the year there were no contracts or arrangements of significance, other than directors' service contracts, between any director and the company or any subsidiary in which a director's interest was material.

Employees

In 1993 AMEC employed on average 25,681 people worldwide. Details are given in note 5 on page 35.

No share options were granted under the provisions of either the Savings Related or Executive Share Option Schemes. Details of share options are shown in note 19 on page 44.

The group's management policies seek to ensure that the careers of all employees are determined solely on merit. No employee will suffer because of his or her sex, race, ethnic origin or religious belief. These principles guide operations worldwide.

Communication with employees is regarded by the group as a vital ingredient in engendering the team spirit essential for success and employees are informed about group affairs through various channels including the group newspaper, *AMEC Times*. This publication is supplemented by various additional newsletters produced by subsidiary companies.

Consultative procedures enable employees to discuss matters of mutual interest with management. The pensions consultative committee of the AMEC Staff Pension Scheme meets regularly and its meetings are reported in *Pension News*, which is distributed to all scheme members and pensioners.

It is the group's policy to consider for employment suitably qualified disabled persons and to assist them in overcoming their handicaps at work. The group recognises that special arrangements are necessary in view of the nature of its main activities to ensure that disabled persons employed are properly trained for the tasks they perform.

Auditors

A resolution will be proposed at the annual general meeting to re-appoint KPMG Peat Marwick as auditors and to authorise the directors to fix their remuneration.

Post balance sheet event

In March 1994, the acquisition of the Norwegian offshore contracting and maintenance company, NE Norsk Electro A.S., was completed. This acquisition gives the group a presence in the expanding Norwegian contracting market.

By order of the board
M J Bardsley
Secretary
7 April 1994

M J Bardsley
[Signature]
Note: There were no changes in either the directors' interests or in the substantial interests in the share capital of the company between 8 April 1994 and 29 April 1994.

Consolidated profit and loss account
FOR THE YEAR ENDED 31 DECEMBER 1993

	Note	1993 £ million	1992 as restated for FRS 3 £ million
Turnover	2	2,184.2	2,121.7
Cost of sales		2,021.7	2,059.3
Gross profit		162.5	62.4
Other expenses	3	139.9	153.4
Operating profit (loss)	3	22.6	(91.0)
Net profit on disposal of fixed assets		2.2	-
Profit (loss) before goodwill write-off and interest		24.8	(91.0)
Loss on disposal of operations, being goodwill on acquisition		(2.2)	-
Net interest (payable) receivable	6	(1.6)	2.8
Profit (loss) on ordinary activities before taxation		21.0	(89.2)
Taxation on profit (loss) on ordinary activities	8	(2.5)	9.8
Profit (loss) on ordinary activities after taxation		18.5	(78.4)
Dividends	9	17.0	16.8
Transferred to (from) reserves	10	1.5	(95.2)
Earnings (loss) per ordinary share	11		
Undiluted		3.6p	(44.5p)
Diluted		6.6p	(25.4p)
Dividends per ordinary share	9	3.0p	3.0p

AMEC plc

Consolidated balance sheet

AT 31 DECEMBER 1993

Fixed assets	Note	1993 £ million	1993 £ million	1992 £ million	1992 £ million
Tangible assets					
Investments	12 13	156.0 14.6		156.6 18.0	
				170.6	
					174.6
Current assets					
Stocks	14	172.0		170.1	
Debtors - due within one year	15	480.1		528.8	
- due after one year	15	47.5		65.8	
Cash at bank and in hand		136.2		122.3	
				835.8	
					887.0
Creditors: due within one year	16	636.5		717.6	
Net current assets			199.3		169.4
Total assets less current liabilities			369.9		344.0
Creditors: due after one year	17		129.5		101.8
				240.4	
					242.2
Capital and reserves					
Called up share capital	19	187.5		187.3	
Reserves	20	52.9		54.9	
Shareholders' funds			240.4		242.2

The accounts on pages 27 to 47 were approved by the board of directors
on 7 April 1994 and were signed on its behalf by

Sir Alan Cockshaw director

S G Batey director

AMEC plc

Company balance sheet

AT 31 DECEMBER 1993

	Note	1993 £ million	1993 £ million	1992 £ million	1992 £ million
Fixed assets					
Tangible assets	12	5.9		6.2	
Investments in subsidiary undertakings	13	393.9		390.9	
Other investments	13	7.5		8.6	
		407.3		405.7	
Current assets					
Debtors - due within one year	15	9.9		14.5	
- due after one year	15	1.1		-	
Cash at bank and in hand		75.9		75.8	
		86.9		90.3	
Creditors: due within one year	16	49.2		44.1	
Net current assets		37.7		46.2	
Total assets less current liabilities		445.0		451.9	
Creditors: due after one year	17	50.5		67.2	
		394.5		384.7	
Capital and reserves					
Called up share capital	19	187.5		187.3	
Reserves	20	207.0		197.4	
Shareholders' funds		394.5		384.7	

The accounts on pages 27 to 47 were approved by the board of directors
on 7 April 1994 and were signed on its behalf by

Sir Alan Cockshaw, director

S G Batey, director

(A) 15
S. G. Batey

AMEC plc

Consolidated cash flow statement
FOR THE YEAR ENDED 31 DECEMBER 1993

	Note	1993 £ million	1993 £ million	1992 £ million	1992 £ million
Net cash inflow from operating activities	21		15.8		11.7
Returns on investments and servicing of finance					
Interest received		8.5		11.2	
Interest paid		(13.0)		(7.4)	
Dividends received from associated undertakings and investments					
Dividends paid		1.1		3.3	
Net cash outflow from returns on investments and servicing of finance		(16.0)		(27.3)	
Total tax refunded (paid)			(18.4)		(20.2)
Investing activities					
Purchase of tangible fixed assets		(13.5)		(33.1)	
Purchase of subsidiary undertakings		(8.3)		-	
Purchase of associated undertakings		(7.8)		(1.3)	
Purchase of short-term investments		(18.3)		(18.0)	
Disposal of tangible fixed assets		4.5		8.9	
Disposal of subsidiary undertakings		10.4		2.7	
Disposal of associated undertakings and fixed asset investments		9.8		0.1	
Disposal of short-term investments		16.4		14.0	
Net cash outflow from investing activities			(12.4)		(26.7)
Net cash outflow before financing			(10.1)		(36.6)
Financing					
Issue of ordinary share capital		-			
Proceeds of long-term borrowings		-	0.3		
Réparation of long-term borrowings		53.4		22.9	
		(35.6)		(20.2)	
Net cash inflow from financing	22		17.8		3.0
Increase (decrease) in cash and cash equivalents	23		7.7		(33.6)

AMEC plc

Statement of total recognised gains and losses
FOR THE YEAR ENDED 31 DECEMBER 1993

	1993 £ million	1992 £ million
Profit (loss) for the financial year		
Exchange adjustments	18.5 (0.3)	(78.4) (5.0)
Total recognised gains and losses for the financial year	<u>18.2</u>	<u>(83.4)</u>

Note of historical cost profits and losses
FOR THE YEAR ENDED 31 DECEMBER 1993

There is no material difference between the reported results and the results calculated on an unmodified historical cost basis

Reconciliation of movements in shareholders' funds
FOR THE YEAR ENDED 31 DECEMBER 1993

	1993 £ million	1992 £ million
Shareholders' funds at 1 January		
Profit (loss) for the financial year	242.2	350.5
Dividends	18.5	(78.4)
New share capital issued	(17.0)	(16.8)
Goodwill on acquisitions and disposals	0.2	0.3
Exchange adjustments	(3.2) (0.3)	(8.4) (5.0)
Shareholders' funds at 31 December	<u>240.4</u>	<u>242.2</u>

Notes to the accounts

1 Accounting policies

Basis of presentation

Accounting convention

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets. Except as stated in the depreciation policy note they have been prepared in accordance with applicable accounting standards.

The group has adopted Financial Reporting Standard No 3 - 'Reporting Financial Performance' in preparing the accounts. Comparative figures have been restated as appropriate.

Basis of consolidation

The group accounts include the accounts of AMEC plc and all of its subsidiary undertakings made up to 31 December each year and the group's share of the results and net assets of associated undertakings.

The company has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985.

Turnover

Turnover represents sales and value of work done excluding all internal transactions within the group.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Long-term contracts

Amounts recoverable on long-term contracts are stated at cost plus attributable profits less provision for any known or anticipated losses and payments on account and are included in debtors.

Payments on account in excess of amounts recoverable on long-term contracts are included in creditors.

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 for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Research and development

Research and development expenditure is written off as incurred.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Trading results are translated at average rates for the year. Exchange differences arising on the retranslation of foreign currency net investments are taken directly to reserves. Other exchange differences are taken to the profit and loss account in the year.

Goodwill

Goodwill, representing the excess of the purchase consideration over the fair value of net assets acquired, is charged to reserves on acquisition.

Where a business is sold, the profit or loss on disposal includes the attributable amount of goodwill previously charged to reserves.

Depreciation

Depreciation is provided on all tangible assets other than freehold land, investment properties and assets in the course of construction, at rates calculated to write off the cost or valuation less estimated residual value of each asset on a straight line basis over its anticipated useful life as follows:

Freehold buildings	50 years
Leasehold land and buildings	the shorter of the lease term or 50 years
Plant and equipment	mainly three to five years

Investment properties are included at directors' valuation. The treatment adopted in respect of investment properties may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation is only one of many factors reflected in periodic valuations and the amount which might otherwise have been shown cannot be separately identified or quantified.

Pensions

Contributions to pension schemes are allocated to the profit and loss account so as to maintain a substantially level percentage of relevant payroll costs over the normal expected service lives of employees.

Notes to the accounts

2 Analysis by class of business and geographical origin

	Turnover 1993 £ million	Turnover 1992 £ million	Profit (loss) 1993 £ million	Profit (loss) 1992 £ million	Assets employed 1993 £ million	Assets employed 1992 £ million
By class of business:						
Building and civil engineering	704.8	674.7	9.6	22.7	30.4	11.0
Mechanical and electrical engineering	1,361.1	1,361.9	22.8	18.0	62.7	83.9
Housing and development	138.1	109.1	(7.6)	(17.1)	150.0	176.2
	2,204.0	2,145.7	24.8	23.6	243.1	271.1
Internal trading	(19.8)	(24.0)	-	-	-	-
Exceptional items (note 7)	-	-	-	(114.6)	-	-
Loss on disposals of operations	-	-	(2.2)	-	-	-
Net interest	-	-	(1.6)	2.8	-	-
Unallocated net liabilities	-	-	-	-	(2.7)	(28.9)
	2,184.2	2,121.7	21.0	(88.2)	240.4	242.2
By geographical origin						
United Kingdom	1,751.4	1,838.4	28.0	37.3	196.0	220.8
Europe	201.4	106.0	3.7	3.2	24.2	17.8
Americas	132.0	117.6	(6.1)	(2.6)	21.6	31.3
Middle East, Asia and Australasia	119.2	83.7	(0.8)	(14.3)	1.3	1.2
	2,204.0	2,145.7	24.8	23.6	243.1	271.1
Internal trading	(19.8)	(24.0)	-	-	-	-
Exceptional items (note 7)	-	-	-	(114.6)	-	-
Loss on disposal of operations	-	-	(2.2)	-	-	-
Net interest	-	-	(1.6)	2.8	-	-
Unallocated net liabilities	-	-	-	-	(2.7)	(28.9)
	2,184.2	2,121.7	21.0	(88.2)	240.4	242.2

IFRS 3 has been adopted in preparing the consolidated profit and loss account.

Certain businesses have been disposed of or terminated during the year, none of which falls within the materiality definition of discontinued operations.

The results of businesses acquired during the year have not had a significant impact on the profit for the year.

Accordingly, information disclosed in the consolidated profit and loss account includes the results of business disposals and acquisitions during the year.

The analysis of turnover by geographical market is not materially different from that by geographical origin.

Notes to the accounts

3 Operating profit (loss)

	1993 £ million	1992 £ million
Operating profit (loss) is stated after charging		
Other expenses - administrative expenses	135.9	134.6
- share of losses of associated undertakings	4.0	18.8
	<hr/> 139.9	<hr/> 153.4
Depreciation	26.4	28.9
Hire of plant and equipment	51.9	46.7
Property lease rentals	14.8	16.5
Auditors' remuneration - audit fees	0.9	0.8
- other fees	0.5	0.6

4 Directors' remuneration

	1993 £	1992 £
Remuneration including contributions to pensions schemes		
Fees to non-executive directors	78,934	80,678
Executive directors - emoluments	1,340,552	1,166,813
- pension contributions	127,290	136,333
	<hr/> 1,546,776	<hr/> 1,383,824

The emoluments (excluding pension contributions) of all the directors fell within the following ranges

£	Number	Number
0 - 5,000	1	-
15,001 - 20,000	4	3
20,001 - 25,000	-	1
35,001 - 40,000	-	1
50,001 - 55,000	-	1
60,001 - 65,000	1	-
95,001 - 100,000	1	-
100,001 - 105,000	1	-
110,001 - 115,000	2	1
135,001 - 140,000	-	2
140,001 - 145,000	1	1
145,001 - 150,000	1	-
150,001 - 155,000	1	-
215,001 - 220,000	-	1
230,001 - 235,000	-	1
240,001 - 245,000	1	-
260,001 - 265,000	1	-

The salary of the chairman was £225,000 (1992 - £225,000). His total emoluments (excluding pension contributions) amounted to £261,411 (1992 - £231,104).

The emoluments of the executive directors are determined by the remuneration committee which comprises all of the non-executive directors under the chairmanship of Mr R H Peet. Bonus payments to executive directors are normally calculated by reference to AMEC's total shareholder return and earnings per ordinary share growth as defined under the rules of the executive directors' annual incentive scheme. However, those directors who are also sector chairmen receive 50 per cent of their entitlement through the group's senior management bonus scheme, which is related to the financial performance of individual sectors. Executive directors' emoluments shown above include bonus payments amounting to £186,226 (1992 - £46,187).

Notes to the accounts

5 Staff costs

	1993 £ million	1992 £ million
Wages and salaries	583.0	566.7
Social security costs	54.6	52.4
Other pension costs	21.1	17.3
	<hr/>	<hr/>
	658.7	636.4

The average number of persons employed during the year was:

	Number	Number
Building and civil engineering	6,224	6,429
Mechanical and electrical engineering	18,955	20,204
Housing and development	502	538
	<hr/>	<hr/>
	25,681	27,171

6 Net interest (payable) receivable

	1993 £ million	1992 £ million
Interest and similar income receivable:		
Bank and short-term deposits	4.8	6.6
Associated undertakings	2.4	2.1
Other	2.7	3.3
Interest payable:		
On loans wholly repayable within five years:		
- not by instalments	(11.3)	(9.0)
- by instalments	(0.2)	(0.2)
	<hr/>	<hr/>
	(1.6)	2.8

Notes to the accounts

7 Exceptional items

There were no exceptional items in 1993.

Exceptional items in 1992 are made up as follows:

	1992 £ million
Housing and development - write down of value of land and work in progress	63.0
Construction - Trafalgar Place, Brighton - contract loss	15.9
Losses relating to investment in Power Corporation Plc	18.0
Closure and reorganisation costs	17.7
	<hr/>
	114.6
Analysis by statutory profit and loss account format heading:	<hr/>
Cost of sales	85.1
Administrative expenses	11.5
Share of results of associated undertakings	18.0
	<hr/>
	114.6
Analysis by class of business:	<hr/>
Building and civil engineering	20.7
Mechanical and electrical engineering	12.7
Housing and development	81.2
	<hr/>
	114.6
Analysis by geographical area	<hr/>
United Kingdom	88.3
Rest of Europe	20.0
Americas	0.8
Middle East, Asia and Australasia	5.5
	<hr/>
	114.6

8 Taxation on profit (loss) on ordinary activities

	1993 £ million	1992 £ million
The taxation (charge) credit is made up as follows		
Based on the result for the year.		
Corporation tax	(2.3)	6.2
Double taxation relief	0.6	-
Associated undertakings	0.1	(0.8)
Overseas taxation	(1.1)	(0.7)
Surplus advance corporation tax written off	(0.9)	(1.6)
	<hr/>	<hr/>
Taxation over provided in previous years	(3.6)	3.1
	1.1	6.7
	<hr/>	<hr/>
Taxation for the year has been provided at the rate of 33.0% (1992 - 33.0%)	(2.5)	9.8

AMEC plc

Notes to the accounts

9 Dividends

	1993 pence per share	1992 pence per share	1993 £ million	1992 £ million
Ordinary shares:				
Interim paid	1.5	2.0	3.0	4.1
Final proposed	1.5	1.0	3.0	2.0
Adjustment for ordinary shares allotted in respect of scrip dividend alternative			(0.3)	(0.6)
	<u>3.0</u>	<u>3.0</u>	<u>5.7</u>	<u>5.5</u>
Convertible redeemable preference shares			11.3	11.3
			<u>17.0</u>	<u>16.8</u>

10 Transfer to (from) reserves

	1993 £ million	1992 £ million
Dealt with in the accounts of AMEC plc.	10.5	(42.9)
Dealt with in the accounts of subsidiary undertakings	(9.0)	(52.3)
	<u>1.5</u>	<u>(95.2)</u>

11 Earnings (loss) per ordinary share

The calculation of undiluted earnings per ordinary share is based on earnings of £7.2 million (1992 - £89.7 million loss) and on a weighted average of 201,974,576 (1992 - 201,628,191) ordinary shares.

The calculation of diluted earnings per ordinary share is based on earnings of £19.8 million (1992 - £76.7 million loss) and on a weighted average of 300,101,671 (1992 - 301,460,915) ordinary shares which allows for conversion of all the convertible redeemable preference shares in issue and the allotment of ordinary shares under employee share option schemes.

Notes to the accounts

12 Tangible assets

	Land and buildings £ million	Plant and equipment £ million	Total £ million
Group:			
Cost or valuation			
At 1 January 1993	98.5	201.5	300.0
Subsidiaries acquired	13.5	2.8	16.3
Additions and transfers	1.4	17.3	18.7
Disposals and transfers	(4.2)	(25.1)	(29.3)
Exchange and other movements	(0.6)	-	(0.6)
At 31 December 1993	108.6	196.5	305.1
Depreciation			
At 1 January 1993	7.7	135.7	143.4
Provided during the year	2.3	24.1	26.4
Disposals and transfers	(1.1)	(19.6)	(20.7)
At 31 December 1993	8.9	140.2	149.1
Net book value			
At 31 December 1993	99.7	56.3	156.0
At 31 December 1992	90.8	65.8	156.6

	Land and buildings £ million	Plant and equipment £ million	Total £ million
Company:			
Cost or valuation:			
At 1 January 1993	6.1	2.0	8.1
Disposals and transfers	-	(0.6)	(0.6)
At 31 December 1993	6.1	1.4	7.5
Depreciation			
At 1 January 1993	0.4	1.5	1.9
Provided during the year	0.1	0.2	0.3
Disposals and transfers	-	(0.6)	(0.6)
At 31 December 1993	0.5	1.1	1.6
Net book value			
At 31 December 1993	5.6	0.3	5.9
At 31 December 1992	5.7	0.5	6.2

Notes to the accounts

12 Tangible assets (continued)

	Group 1993 £ million	Group 1992 £ million	Company 1993 £ million	Company 1992 £ million
The net book value of land and buildings comprises:				
Freehold				
Long leasehold	91.6	82.5	5.0	5.0
Short leasehold	5.9	6.0	0.3	0.3
	2.2	2.3	0.3	0.4
	<u>99.7</u>	<u>90.8</u>	<u>5.6</u>	<u>5.7</u>
Land and buildings are stated at:				
Valuation 1988				
Valuation 1989	2.0	2.0	-	-
Cost	60.8	61.0	5.8	5.8
	45.8	35.5	0.3	0.3
	<u>108.6</u>	<u>98.5</u>	<u>6.1</u>	<u>6.1</u>

No provision has been made for the tax liability which may arise in the event that certain properties are disposed of at their revalued amounts

The amount of land and buildings, included above at open market valuation for existing use, determined according to the historical cost convention is as follows

	Group 1993 £ million	Group 1992 £ million	Company 1993 £ million	Company 1992 £ million
Cost				
Depreciation	54.0	54.0	5.7	5.7
	13.9	12.1	0.7	0.4
Net book value	<u>40.1</u>	<u>41.9</u>	<u>5.0</u>	<u>5.3</u>
Fixed assets not depreciated				
Land				
Investment properties	33.8	30.3	2.1	2.1
Assets in the course of construction	12.8	13.1	-	-
	0.4	1.1	-	-
	<u>47.0</u>	<u>44.5</u>	<u>2.1</u>	<u>2.1</u>

Notes to the accounts

13 Investments (held as fixed assets)

	Company 1993 £ million	Company 1992 £ million
Investments in subsidiary undertakings		
Shares at cost less amounts written off		
Amounts owed by subsidiary undertakings	456.4	422.7
Amounts owed to subsidiary undertakings	314.1	177
	(376.6)	
	<u>393.9</u>	<u>330.9</u>
Other investments		
Net book value at 1 January 1993		
Reclassification of investment in Power Corporation Plc	10.2	7.8
Additions and transfers	(6.4)	6.4
Disposals and transfers	7.5	0.1
Net movement in share of reserves	0.8	(7.6)
	(4.2)	
Net book value at 31 December 1993	<u>7.9</u>	<u>6.7</u>
Represented by:		
Shares at cost less amounts written off		
Share of post acquisition reserves	25.6	6.7
	(17.7)	
	<u>7.9</u>	<u>6.7</u>
Investments listed on a United Kingdom Stock Exchange		
Cost less amounts written off		
Market value		
	<u>6.4</u>	<u>6.4</u>
	<u>1.4</u>	<u>1.4</u>

The current financial position of Power Corporation Plc has reduced considerably the group's degree of influence exercisable in that company's affairs. It is therefore deemed appropriate to account for the shareholding as an investment rather than as an associated undertaking.

Principal group undertakings are listed on page 50

Notes to the accounts

14 Stocks

	Group 1993 £ million	Group 1992 £ million
Property development land and work in progress		
Raw materials and consumables	154.4	147.6
Other work in progress	9.6	12.3
Finished goods and goods for resale	1.7	3.3
	6.3	6.9
	<u>172.0</u>	<u>170.1</u>

15 Debtors

	Group 1993 £ million	Group 1992 £ million	Company 1993 £ million	Company 1992 £ million
Due within one year:				
Amounts recoverable on contracts				
Trade debtors	238.5	218.3	-	-
Amounts owed by subsidiary undertakings	178.1	236.8	-	-
Amounts owed by associated undertakings			8.3	4.9
Other debtors	39.1	15.9	0.2	-
Prepayments and accrued income	14.2	18.2	2.9	8.4
	10.2	9.6	1.5	1.2
	<u>480.1</u>	<u>528.8</u>	<u>9.9</u>	<u>14.5</u>
Due after one year:				
Amounts recoverable on contracts				
Trade debtors	3.3	8.3	-	-
Amounts owed by associated undertakings	36.9	39.1	-	-
Other debtors	4.5	18.0	0.6	-
Prepayments and accrued income	1.8	0.4	0.5	-
	1.0	-	-	-
	<u>47.5</u>	<u>65.8</u>	<u>1.1</u>	<u>-</u>

16 Creditors: due within one year

	Group 1993 £ million	Group 1992 £ million	Company 1993 £ million	Company 1992 £ million
Bank loans and overdrafts				
Trade creditors	24.3	16.6	3.4	0.1
Payments on account	422.2	484.8	35.7	35.0
Amounts owed to associated undertakings	51.3	53.6	-	-
Corporation tax	11.5	18.6	-	-
Other taxation and social security costs	1.2	0.6	0.8	-
Other creditors	31.4	29.3	0.7	0.7
Accruals and deferred income	33.4	42.2	0.4	1.0
Dividends	56.3	68.0	3.3	3.4
	4.9	3.9	4.9	3.9
	<u>636.5</u>	<u>717.6</u>	<u>49.2</u>	<u>44.1</u>

Notes to the accounts

17 Creditors: due after one year

	Group 1993 £ million	Group 1992 £ million	Company 1993 £ million	Company 1992 £ million
Loans repayable				
- between one and two years	94.1	63.8	50.5	63.1
- between two and five years	0.1	5.4	-	4.1
	<hr/>	<hr/>	<hr/>	<hr/>
	94.2	69.2	50.5	67.2
Trade creditors	34.7	31.1	-	-
Payments on account	0.6	1.5	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	129.5	101.8	50.5	67.2
Loans are denominated in				
Pounds sterling	57.3	24.7	14.9	24.7
US dollars	18.0	25.0	17.6	23.1
German marks	12.6	4.1	11.7	4.1
Australian dollars	1.1	10.0	1.1	10.0
French francs	5.2	5.4	5.2	5.3
	<hr/>	<hr/>	<hr/>	<hr/>
	94.2	69.2	50.5	67.2

Interest payments on all loans vary with market rates. At 31 December 1993 the average rate payable on all loans was 5.51% (1992 - 6.06%).

Loans amounting to £92.8 million (company - £50.5 million) mature within one year (1992 - group and company £67.1 million). They represent advances against facilities available to the group until at least February 1997 under which such loans may be refinanced on a continuing basis.

18 Provision for liabilities and charges

	Group 1993 £ million	Group 1992 £ million	Company 1993 £ million	Company 1992 £ million
Deferred taxation:				
Accelerated capital allowances	2.2	0.1	2.2	0.1
Other timing differences	(2.2)	(0.1)	(2.2)	(0.1)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-

There is no unprovided deferred taxation liability.

Notes to the accounts

19 Share capital

The authorised share capital of the company is £250.0 million (1992 - £250.0 million).

	1993 £ million	1992 £ million
Allotted, called up and fully paid:		
Ordinary shares of 50p each		
6 5p (net) cumulative convertible redeemable preference shares of 50p each	101.1 86.4	100.9 86.4
	<hr/>	<hr/>
	187.5	187.3
	<hr/>	<hr/>

	Ordinary shares number	Ordinary shares £ million	Preference shares number	Preference shares £ million
Movements in share capital during the year.				
At 1 January 1993	201,878,101	100.9	172,771,562	86.4
Conversion of preference shares to ordinary shares				
28 June 1993	169	-	(348)	-
6 December 1993	11,336	-	(23,240)	-
Scrip dividends				
14 June 1993	159,798	0.1	-	-
15 December 1993	180,068	0.1	-	-
At 31 December 1993	<hr/> <u>202,229,472</u>	<hr/> <u>101.1</u>	<hr/> <u>172,747,974</u>	<hr/> <u>86.4</u>

Conversion and redemption of preference shares

Preference shareholders may convert their holdings into ordinary shares on 31 May (or, if later, the date five weeks after despatch to the holders of the preference shares of the audited consolidated accounts of the company and its subsidiary undertakings for the most recently ended financial period) or 30 November in each of the years up to and including the year 2003 on the basis of 48.78 ordinary shares of 50p each for every 100 preference shares.

The company must redeem at 100p per share on 1 May 2009 any preference shares which remain in issue and are outstanding at that date.

Notes to the accounts

19 Share capital (continued)

Share options

During the year under review, no share options were granted in respect of either the AMEC Savings Related Share Option Scheme or the AMEC Executive Share Option Scheme.

At 31 December 1993 share options were outstanding as follows:	Option price per ordinary share	Number of shares
--	---------------------------------	------------------

Savings Related Share Option Schemes

Normally exercisable in the period between:

August 1993 and January 1994	165.71p	193,370
April 1994 and September 1994	136.53p	268,401
September 1994 and February 1995	200.19p	382,013
September 1995 and February 1996	173.37p	487,525
September 1996 and February 1997	188.00p	1,671,669
September 1997 and February 1998	139.00p	3,444,220

Executive Share Option Schemes

Normally exercisable in the period between:

September 1988 and September 1995	111.11p	136,898
April 1989 and April 1996	131.23p	266,832
July 1989 and July 1996	145.99p	172,713
April 1990 and April 1997	159.00p	725,117
October 1990 and October 1997	241.56p	171,375
April 1991 and April 1998	183.91p	934,624
May 1991 and May 1998	160.69p	37,608
August 1991 and August 1998	174.33p	90,828
May 1992 and May 1999	222.22p	422,820
May 1993 and May 2000	185.34p	83,520
May 1994 and May 2001	218.00p	2,400,000
May 1995 and May 2002	160.00p	1,971,100

Currently there are 2,275 participants in Savings Related Schemes and 153 participants in Executive Schemes.

No shares were allotted during the year under the provisions of either the Savings Related Schemes or the Executive Schemes.

The market value of the ordinary shares at 31 December 1993 was 124p

Notes to the accounts

20 Reserves

Group:	Share premium account £ million	Special reserve £ million	Revaluation reserve £ million	Goodwill reserve £ million	Profit and loss account £ million	Total reserves £ million
At 1 January 1993	128.9	-	16.9	(106.7)	15.8	54.9
Retained profit	-	-	-	-	1.5	1.5
Cancellation of share premium account	(128.9)	128.9	-	-	-	-
Transfer of goodwill reserve	-	(106.7)	-	106.7	-	-
Goodwill	-	(3.2)	-	-	-	(3.2)
Exchange and other movements	-	-	-	-	(0.3)	(0.3)
At 31 December 1993	-	19.0	16.9	-	17.0	53.9

Goodwill written off against the special reserve comprises £5.4 million on acquisitions less £2.2 million relating to goodwill transferred to the profit and loss account on the disposal of subsidiaries.

On 31 March 1993 the group acquired the outstanding interest in Kittelberger. Acquisition accounting was applied and no fair value adjustments were required. The book value of the net assets acquired was £3.5 million and the fair value consideration was £8.5 million.

During the year the group also disposed of three non-core businesses in the United States. The book value of assets disposed of amounted to £12.5 million and the goodwill previously written off amounted to £2.2 million.

Cumulative goodwill written off to group reserves, net of that attributed to disposals, amounted to £109.9 million (1992 - £106.7 million)

Company:	Share premium account £ million	Special reserve £ million	Revaluation reserve £ million	and loss account £ million	Total reserves £ million
At 1 January 1993	128.9	-	0.3	68.2	197.4
Retained profit	-	-	-	10.5	10.5
Cancellation of share premium account	(128.9)	128.9	-	-	-
Exchange and other movements	-	-	-	(0.9)	(0.9)
At 31 December 1993	-	128.9	0.3	77.8	207.0

The share premium account of £128.9 million was cancelled in accordance with a special resolution passed at the extraordinary general meeting of the company held on 9 June 1993 and confirmed by the High Court on 7 July 1993.

21 Reconciliation of operating profit (loss) to net cash inflow from operating activities

	1993 £ million	1992 £ million
Operating profit (loss)	22.6	(91.0)
Depreciation of fixed assets	26.4	28.9
Decrease in stocks	2.4	50.8
Decrease in debtors	70.7	3.2
(Decrease) increase in creditors	(111.6)	5.3
Other items	5.3	14.5
Net cash inflow from operating activities	15.8	11.7

AMEC plc

Notes to the accounts

22 Analysis of changes in financing during the year

	Share capital £ million	Borrowings £ million
At 1 January 1993		
Shares issued for cash	187.3	78.1
Cash inflow from financing	0.2	-
Subsidiaries acquired	-	17.8
Exchange and other movements	-	9.8
	-	0.8
At 31 December 1993	<u>187.5</u>	<u>106.5</u>
 Borrowings include		
	1993 £ million	1992 £ million
Loans repayable after more than one year	94.2	69.2
Loans repayable within one year where the original maturity date exceeded three months	10.7	7.5
Finance leases	1.6	1.4
	<u>106.5</u>	<u>78.1</u>

23 Analysis of changes in cash and cash equivalents

	Short-term investments £ million	Cash £ million	Overdrafts £ million	Net cash and cash equivalents £ million
At 1 January 1993	18.0	104.3	(9.1)	95.2
Net cash inflow (outflow)	1.9	12.1	(4.4)	7.7
Exchange and other movements	-	(0.1)	(0.1)	(0.2)
At 31 December 1993	<u>19.9</u>	<u>116.3</u>	<u>(13.6)</u>	<u>102.7</u>

24 Capital commitments

	Group 1993 £ million	Group 1992 £ million
Contracted but not provided in accounts	<u>2.5</u>	<u>0.9</u>
Authorised by the directors but not contracted	<u>3.0</u>	<u>2.0</u>

Notes to the accounts

25 Lease commitments

	Land and buildings 1993 £ million	Plant and equipment 1993 £ million	Land and buildings 1992 £ million	Plant and equipment 1992 £ million
Current annual commitments payable under non-cancellable leases expiring:				
Group:				
Within one year	0.9	0.6	0.9	0.3
Between two and five years	5.7	2.5	6.3	2.4
After five years	6.5	-	6.4	-
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	13.1	3.1	13.6	2.7
Company:				
Between two and five years	0.2	-	-	-
After five years	1.9	-	1.8	-
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	2.1	-	1.8	-

26 Contingent liabilities

	Group 1993 £ million	Group 1992 £ million	Company 1993 £ million	Company 1992 £ million
Guarantees given in respect of borrowings of group undertakings	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
	4.0	-	120.6	31.0

AMEC p.l.c. and certain subsidiary undertakings have given counter indemnities in respect of performance bonds issued on behalf of group undertakings in the normal course of business

27 Pension arrangements

The group operates a number of pension schemes for United Kingdom and overseas employees. All United Kingdom members are in defined benefit schemes. Contributions paid by employees and employers are held in funds that are separate from the group's finances and which are administered by trustees

Pension costs are assessed in accordance with the advice of independent qualified actuaries

The projected unit method is used to assess liabilities and future funding rates for the major scheme which covers 93 per cent of United Kingdom members. The latest actuarial valuation of this scheme was undertaken as at 1 April 1993. This showed that the market value of the assets was £357 million with the actuarial value of assets being sufficient to cover 110 per cent of the accrued benefits. Amortising the excess assets over the employees' working lives with the group results in the present employer contribution rate of 12 per cent of earnings. The valuation assumed that the investment returns would be two per cent higher than the rate of annual salary increases. The next actuarial valuation will be undertaken as at 1 April 1996.

Statement of directors' responsibilities for the preparation of accounts

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 group 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 group 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 group and to prevent and detect fraud and other irregularities.

Report of the auditors

KPMG Peat Marwick

To the members of AMEC p.l.c.

We have audited the accounts on pages 27 to 47

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of 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 group'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 affairs of the company and the group as at 31 December 1993 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick
Chartered accountants
Registered auditors

7 April 1994
Leeds

KPMG Peat Marwick

AMEC plc

Five year record
FOR THE FIVE YEARS ENDED 31 DECEMBER 1993

	1993 £ million	1992 £ million	1991 £ million	1990 £ million	1989 £ million
Consolidated results					
Turnover	2,184.2	2,121.7	2,338.2	2,218.3	1,992.6
Profit (loss) before taxation	21.0	(88.2)	(13.3)	61.3	83.4
Taxation	(2.5)	9.8	0.3	(20.9)	(28.1)
Attributable profit (loss)	18.5	(78.4)	(13.0)	40.4	55.3
Dividends	17.0	16.8	31.3	25.3	24.1
Transferred to (from) reserves	1.5	(95.2)	(44.3)	15.1	31.2
Earnings (loss) per ordinary share.					
Undiluted	3.6p	(44.5p)	(13.6p)	19.6p	30.2p
Diluted	6.6p	(25.4p)	(4.3p)	16.8p	22.6p
Dividends per ordinary share	3.0p	3.0p	10.25p	10.125p	9.5p
Summarised consolidated balance sheets					
Assets employed:					
Fixed assets	170.6	174.6	202.9	200.1	177.9
Net current assets	199.3	169.4	249.0	193.7	160.2
	369.9	344.0	451.9	393.8	338.1
Financed by:					
Share capital	187.5	197.3	186.9	157.9	122.3
Reserves	52.9	54.9	163.6	141.3	166.0
Shareholders' funds	240.4	242.2	350.5	299.2	288.3
Loan stock	-	-	-	6.5	6.5
Loans	94.2	69.2	52.8	64.0	24.6
Other creditors	35.3	32.6	48.6	23.8	18.7
Deferred taxation	-	-	-	0.3	-
	369.9	344.0	451.9	393.8	338.1

Notes

- 1 Dividends and earnings (loss) per ordinary share have been adjusted for capital issues.
- 2 The figures are stated in accordance with the accounting policies set out on page 32

Principal group undertakings

AT 31 DECEMBER 1993

Subsidiary undertakings

- * AMEC Building Limited
- AMEC Civil Engineering Limited
- AMEC Construction Limited
- * AMEC Construction Pty Limited, incorporated in Australia
- AMEC Construction Scotland Limited, incorporated in Scotland
- * AMEC Construction Singapore Pte Limited, incorporated in Singapore
- * AMEC Construction South East Asia Limited, incorporated in Hong Kong
- AMEC Design and Management Limited
- AMEC Developments Limited
- * AMEC Electrical and Mechanical Engineers Limited, incorporated in Hong Kong
- AMEC Engineering Limited
- * AMEC Engineering Group Inc., incorporated in the USA
- * AMEC Engineering Inc., incorporated in the USA
- * AMEC Engineering b.v., incorporated in the Netherlands
- * AMEC Engineering Nederland b.v., incorporated in the Netherlands
- * AMEC Holdings Inc., incorporated in the USA
- * AMEC Holland b.v., incorporated in the Netherlands
- AMEC International Construction Limited, operating outside the United Kingdom
- * AMEC Investments b.v., incorporated in the Netherlands
- * AMEC Mechanical and Electrical Engineers Pte Limited, incorporated in Singapore
- AMEC Mining Limited
- AMEC Offshore Limited
- AMEC Offshore Developments Limited, incorporated in Scotland
- AMEC Power Limited, incorporated in Scotland
- AMEC Process and Energy Limited
- AMEC Process and Energy Construction Limited
- AMEC Process and Energy International Limited, operating outside the United Kingdom
- AMEC Projects Limited
- AMEC Properties Limited
- AMEC Property and Overseas Investments Limited
- AMEC Regeneration Limited
- AMEC Services Limited
- AMEC Utilities Limited
- * Amrock A/S, incorporated in Norway
- Arden Computer Services Limited
- * Atlantic Services Limited, incorporated in Bermuda
- * AUST-AMEC Pty Limited, incorporated in Australia
- CV Buchan Limited
- Denco Limited
- * Denco SA, incorporated in France
- Fairclough Engineering Limited
- Fairclough Homes Limited
- * Fisk Electric Company, incorporated in the USA
- Franklin Hodge Industries Limited
- * Gebruder Kettlerberger GmbH & Co., a limited liability partnership established in Germany
- Matthew Hall Limited
- * Matthew Hall (Singapore) Pte Limited, incorporated in Singapore
- Matthew Hall Overseas Holdings Limited
- Metal and Pipeline Endurance Limited
- Press Construction Limited
- James Scott Limited, incorporated in Scotland
- Travel Places (International) Limited
- Watson Steel Limited

Associated undertakings

- * GERIL-AMEC S G P S . S A incorporated in Portugal (50%) (Note 4)
- * Gulliver Consolidated Limited, incorporated in Zimbabwe (35%) (Note 5)
- * Morse Diesel International, a partnership established in the USA (50%) Ringway Developments PLC (21% - B shares, partly paid 50p) (Note 6)
- * Sereis SA, incorporated in France (20%) (Note 7)
- The Combined Heat and Power Company Limited (50%) (Note 8)
- * Building and Property Management Services Limited (50%) (Note 9)
- AMEC Engineers India Limited (50%) (Note 10)
- * AMEC Saudi Arabia Limited (40%) (Note 11)

Investment

- Power Corporation Plc,
incorporated in the Republic of Ireland
(18.38% ordinary shares) (Note 13)

Notes

- 1 Subsidiary and associated undertakings shown above are, in the opinion of the directors, those principally affecting group trading results and net assets
- 2 Except where otherwise indicated, all of the undertakings are wholly owned, incorporated in England, operate principally in their countries of incorporation and their share capitals are in ordinary shares
- 3 Shares are held directly by AMEC plc except where marked with an asterisk where they are held by subsidiary undertakings
- 4 The issued share capital of GERIL-AMEC S G P S . S A is 1,626,000 shares of 1.000 escudos each
- 5 The issued share capital of Gulliver Consolidated Limited is 9,585,753 shares of 50 cents each
- 6 The issued share capital of Ringway Developments PLC is 50,000 fully paid A shares of £1 each 6,950,000 partly paid (50p) A shares of £1 each and 7,286,000 partly paid (50p) B shares of £1 each
- 7 The issued share capital of Se.ete SA is 82,000 shares of 210 francs each
- 8 The issued share capital of The Combined Heat and Power Company Limited is 125,000 A ordinary shares of £1 each and 125,000 B ordinary shares of £1 each
- 9 The issued share capital of Building and Property Management Services Limited is two shares of £1 each
- 10 The issued share capital of AMEC Engineers India Limited is 20,000 shares of £1 each
- 11 The issued share capital of AMEC Saudi Arabia Limited is 3,000 shares of 1,000 riyals each
- 12 AMEC plc has representation on the boards of each of the associated undertakings
- 13 The issued share capital of Power Corporation Plc is 116,273,491 ordinary shares of IR10p each, 2,016,843 Series A convertible redeemable deferred shares of IR10p each and 2,536,464 Series B convertible redeemable deferred shares of IR10p each

AMEC plc

Notice of annual general meeting

Notice is hereby given that the 12th annual general meeting of AMEC plc will be held at the Holiday Inn Crowne Plaza Midland Hotel, Peter Street, Manchester, on Wednesday 8 June 1994, at 12 noon for the following purposes

- 1 To consider the accounts and the reports of the directors and the auditors for the year ended 31 December 1993 and to approve a final dividend of 15p per ordinary share (Resolution 1).
- 2 To re-elect directors:
Resolutions 2 and 3 - Mr M K Eckersall and Dr K W Humphreys, who retire in accordance with article 91 of the articles of association of the company
Resolution 4 - Sir Oswald Davies, who has attained the age of 73 years and who also retires by rotation. Special notice to propose this resolution has been received
Resolutions 5 and 6 - Mr E Swanson and Mr J D Early, who retire by rotation
- 3 To re-appoint KPMG Peat Marwick as auditors and to authorise the directors to fix their remuneration (Resolution 7)
- 4 As special business to consider and if thought fit, pass the following resolution

As a special resolution (Resolution 8)

That the authority conferred on the directors by paragraph (i) and the power conferred on the directors by paragraph (ii) of article 12(B) of the company's articles of association be renewed for the period ending on the date of the annual general meeting in 1995 or on 8 September 1995, whichever is the earlier, and for such period

- (a) the section 80 amount should be £33,704,911, and
- (b) the section 89 amount should be £5,055,736

By order of the board
M J Burdsley
Secretary
12 May 1994

Notes

- 1 Resolution 8, which is a special resolution proposed in accordance with the provisions of sections 80 and 89 of the Companies Act 1985, renews the authority given to the directors at last year's annual general meeting to issue shares in the company, up to a nominal amount of £33,704,911, until the earlier of next year's annual general meeting or 8 September 1995 and also renews the power given to the directors at last year's annual general meeting to allot further shares for cash, other than by way of a rights issue, up to a nominal amount of £5,055,736.
- 2 A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member. Copies of the annual report and accounts are sent to loan note holders for information only. Loan note holders are not entitled to attend or vote at the annual general meeting.
- 3 There will be available for inspection at the registered office of the company during business hours on any weekday (excluding Saturdays and public holidays) from the date of this notice until the date of the annual general meeting and at the Holiday Inn Crowne Plaza Midland Hotel, Peter Street, Manchester, from 11.45am on 8 June 1994 until the conclusion of the meeting, copies of all service contracts of the directors with the company or any of its subsidiary undertakings not expiring or terminable within one year without payment of compensation.

Shareholder information

Financial calendar

Publication of results

The group's results will normally be published at the following times.

Interim report for half year to 30 June	early September
Preliminary profit announcement for year to 31 December	late March/early April
Report and accounts for year to 31 December	mid May
Annual general meeting	mid June
Dividends and interest payable	
Interim ordinary dividend	late December
Final ordinary dividend	early July
Convertible preference dividends	1 May and 1 November
Loan note interest	31 May and 30 November

Shareholder analysis

As at 7 April 1994

	Number of shareholders		Number of shares		Per cent of issued capital	
	Ordinary	Preference	Ordinary	Preference	Ordinary	Preference
1 - 500	2,805	799	657,608	184,151	0.33	0.11
501 - 1,000	2,287	588	1,742,738	452,556	0.86	0.26
1,001 - 5,000	6,585	3,753	15,204,207	11,493,068	7.52	6.65
5,001 - 10,000	1,004	1,730	7,083,126	12,495,761	3.55	7.23
10,001 - 50,000	585	732	11,753,934	13,782,804	5.81	7.98
50,001 - 100,000	93	65	6,568,294	4,996,081	3.25	2.89
100,001 - 500,000	143	96	32,978,017	25,655,041	16.31	14.85
500,001 and above	72	69	126,241,548	103,688,512	62.42	60.03
	13,574	7,832	202,229,472	172,747,974	100.00	100.00

Share dealing service

A share dealing service is provided by the company's stockbroker exclusively for the investment in and sale of AMEC plc ordinary shares and 6.5p (net) cumulative convertible redeemable preference shares. It is an execution only service and no financial or taxation advice is provided.

Stockbroking commission will be payable at the following rate
1.0 per cent on the first £3,000 consideration
0.5 per cent thereafter
Minimum commission £9.50

Further information may be obtained from

NatWest Stockbrokers Limited
AMEC Information
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