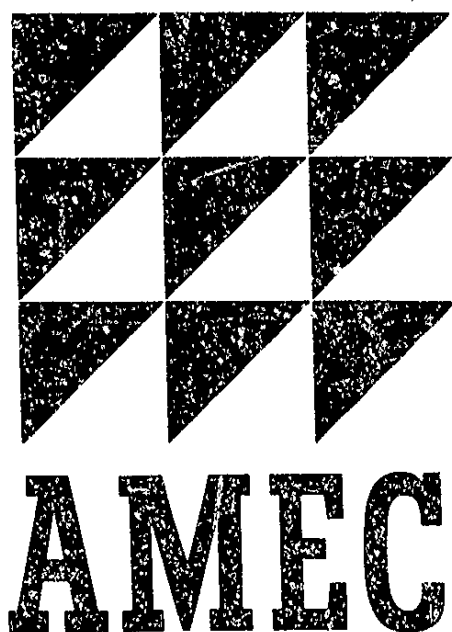


NOTICE OF ILLEGIBLE PAGES

Companies House regrets that documents in this company's record have pages which are illegible.

The poor quality has been noted, but unfortunately steps taken to improve them were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause





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Notice of Annual General Meeting

Notice is hereby given that the second annual general meeting of AMEC plc will be held at the Midland Hotel, Manchester, on Wednesday 30 May 1984 at 11.00 am for the following purposes:

- 1 To consider the accounts and the reports of the directors and the joint auditors for the year ended 31 December 1983 and to declare a final dividend.
- 2 To re-elect directors.
- 3 To re-appoint the joint auditors (the requisite special notice in respect of the re-appointment of Price Waterhouse having been received) and to authorise the directors to fix their remuneration.
- 4 To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

(a) that, pursuant to Section 18 of the Companies Act 1980, the directors are authorised and empowered during the period from the date of the passing of this resolution to the next following annual general meeting to allot equity securities pursuant to the authority conferred by paragraph (A) of Article 12 of the Articles of Association of the company as if Section 17(1) of the Companies Act 1980 did not apply to the allotment. Provided that this power shall be limited:

(i) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them; and

(ii) to the allotment (otherwise than pursuant to sub-paragraph (a)(i) of this paragraph) up to an aggregate nominal value of £2,150,000.

(b) that, for the purposes of this resolution, the company may before such authority expires make an offer or agreement which would or might require equity securities to be allotted after such authority expires and the directors may offer and allot equity securities pursuant to any such offer or agreement by the company (but not in excess of the limit imposed by sub-paragraph (a)(ii) of this paragraph).

By order of the board
CI Bateman
Secretary
3 May 1984

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 stock holders for information only. Loan stock holders are not entitled to attend or vote at the annual general meeting.

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 Midland Hotel, Manchester, from 10.45 am on 30 May 1984 until the conclusion of the meeting, copies of all service contracts of the directors with the company or any of its subsidiaries not expiring or terminable within one year without payment of compensation.



Chairman's Statement

At the end of the first full trading period of the enlarged group, I am very pleased to be reporting significantly improved profits. Profit before tax is £26.1 million, an advance of 58.2% on 1982. Earnings per share are 27.9p, again a significant increase of 13.4% over the preceding period.

Your board is recommending a final dividend of 6.5p per share, bringing the total for the year to 10.0p. The final dividend will be paid on 2 July 1984 to shareholders on the register at 4 June, 1984.

This is the 16th consecutive year that I have had the privilege of reporting to shareholders an increase in net assets, profits, earnings per share and dividends. I have every confidence that this progression will continue.

1983 was not without its difficulties, but the results before you indicate that these have been faced and successfully overcome by major reorganisation at operating level.

Mr Hawken, Mr Daniels and Mr Gravelius resigned their directorships and they left the group during the second half of the year. The termination payments reported in these accounts were settled by the employing companies, with the approval of your board, following detailed and extensive advice from its legal and financial advisers.

Since we last reported, Mr JWH Morgan and Mr RH Peet have joined the board in a non-executive capacity and their advice and guidance is proving helpful and most welcome. Additionally, Alan Cockshaw and Ossie Newell, who have senior executive responsibilities within the group, have been appointed directors. The operations of the group are controlled by the executive board, whose members are drawn from each major management sector of the group. Together, the board and the executive board are proving a powerful combination in the direction and management of this group. All the problem areas are now under effective control and we are structured to build on the sound foundations already laid.

The process of rationalising the group continues and, among the current programmes, we are co-ordinating the international capability of the group, an important move in the context of our overseas turnover which, at over £200 million, now approaches one third of the group's total business.

The property company has made big strides in bringing the group's properties under control and is now actively opening up development opportunities.

Fairclough reached a major landmark in 1983, when it celebrated its centenary. This has been marked by the establishment of a charitable trust, whose purpose is to direct in the most effective manner the group's support for appropriate charitable, social and educational purposes.

I am pleased to say that the group has maintained a healthy forward workload and recent awards of new work have further improved this position. The competitive markets in which we operate still yield adequate opportunities for efficient contractors.

The group's strong cash position has been maintained at the previous high level.

Your group is in capable hands and your board is appreciative of the efforts of everyone who has contributed to the considerable progress achieved in 1983.

Oswald Davies
Chairman

Report of the Directors

The directors have pleasure in presenting the second annual report and accounts being for the year ended 31 December 1983.

Business review

The business of the group is civil engineering, building and engineering contracting and manufacturing, specialising in the energy and process industries. There have been no significant changes in this business during the year although the group's structure itself has been simplified and streamlined to create a more effective operational base.

The profit for the year available to shareholders amounting to £16.6 million is shown in the consolidated profit and loss account on page 8. The directors recommend that a final dividend of 6.5p per ordinary share be paid which together with the interim dividend of 3.5p makes a total distribution of £6.4 million and a transfer to reserve of £7.8 million.

The final dividend will be paid on 2 July 1984 to members on the register at the close of business on 4 June 1984.

An analysis of the turnover by geographical area is given in note 2 on page 13.

Share capital

The present authorised and issued share capital of the company is set out in note 21 on page 20.

At the 1983 annual general meeting the shareholders, by special resolution, authorised the directors in accordance with the provisions of the Companies Act 1980 to issue, other than to existing shareholders, during the period up to the 1984 annual general meeting (a) such shares as may be necessary in connection with a rights issue to deal with fractional entitlements and specific circumstances which affect overseas shareholders, and (b) in addition, shares up to an aggregate nominal amount of £2,150,000 representing 5% of the authorised share capital. No shares have been issued by the directors pursuant to this authority. A special resolution to renew this authority until the next annual general meeting is set out in the notice of the second annual general meeting on page 4.

Directors

The following were directors at 31 December 1983.

Sir Oswald Davies	R Barber
E Garner	JWH Morgan
JS Bateson	A Cockshaw
Sir Robert Lawrence	O Newell
CI Bateman	

Messrs WA Hawken and RA Daniels resigned as directors with effect from 5 August 1983 and Mr AJ Gravelius resigned as a director with effect from 22 November 1983.

Mr JWH Morgan was appointed a director with effect from 3 October 1983, Messrs A Cockshaw and O Newell were appointed directors with effect from 20 December 1983 and Mr RH Peet was appointed a director with effect from 1 January 1984. In accordance with Article 91 of the Articles of Association of the company these directors retire from office and being eligible they offer themselves for re-election.

Mr Cockshaw and Mr Newell have service contracts with subsidiaries which expire on 30 June 1984 and 31 December 1986 respectively.

The director retiring by rotation in accordance with Article 84 of the Articles of Association of the company is Mr E Garner, and being eligible he offers himself for re-election.

The beneficial interests in the ordinary share capital of the company of the directors holding office at 31 December 1983 were as follows:

	1 January 1983	31 December 1983
	Ordinary shares	Ordinary shares
Sir Oswald Davies	150,233	150,233
E Garner	32,400	32,400
JS Bateson	400	500
Sir Robert Lawrence	—	500
CI Bateman	12,000†	12,000
R Barber	—†	1,000
JWH Morgan	—†	500
A Cockshaw	700†	700
O Newell	100†	500

† As at date of appointment

Mr RH Peet had a beneficial interest in 10,000 ordinary shares at the date of his appointment.

No directors had any other interests in the ordinary share capital or any interests in the 15% unsecured loan stock of the company. There were no changes in directors' interests in the share and loan capital of the company between 31 December 1983 and 18 April 1984.

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.



Report of the Directors

continued

Fixed assets

Movements in fixed assets during the year are set out in note 13 on page 16. In the opinion of the directors, the market value of the group's land and buildings at 31 December 1983 was in excess of book value but, in relation to the group's affairs as a whole, this difference is not significant.

Substantial interests

So far as the directors are aware the undermentioned are the only interests comprising 3% or more in the ordinary share capital of the company as at 18 April 1984.

Name of shareholder	Ordinary shares	% of issued share capital
Securities Management Trust Limited "AA" Account		
Prudential Corporation p.l.c.	3,625,000	5.63
Employees	3,346,546	5.19

It is the policy of the group to maintain and develop systems of communication designed to keep all employees informed of the progress of the group and of any changes which may be of direct concern. During the year employees were regularly provided with company newspapers and magazines keeping them apprised of developments within the group and new contracts obtained. In addition, notices are distributed throughout the group in respect of changes in the group structure and announcing the interim and annual results of the group. From the beginning of 1984, AMEC p.l.c. is publishing and will distribute regularly an 'in house' newspaper and magazine.

The group makes use of a wide range of consultation procedures including formal and informal discussions with trade union representatives, staff committees and arrangements through local management.

The policy of the group is to consider for employment, equally with all other applicants, suitable disabled persons with the necessary abilities and attitudes. In view of the nature of the group's main activities, however, special considerations are necessary to ensure that the disabled persons employed by the group are properly trained for the tasks they perform. The training, career development and promotion of the group's disabled persons is an integral part of the group's personnel and training policy recognising the contribution they can make to the group's success and to society as a whole.

Donations

Charitable donations for the year amounted to £156,000.

Status for taxation

As far as the directors are aware the close company provisions of the Income and Corporation Taxes Act 1970 do not apply to the company.

Current Cost Accounts

In view of the uncertainty surrounding the future of the present accounting practice on current cost accounts, and the board's belief that in any event these accounts have little relevance for the construction industry, the board has decided not to include current cost accounts within the annual report and accounts.

Auditors

During the year Arthur Andersen & Co. resigned as joint auditors of the company and the directors appointed Price Waterhouse as joint auditors in their place. The requisite special notice relating to the re-appointment of Price Waterhouse as joint auditors, as prescribed by Section 15(1)(c) of the Companies Act 1976, has been received and accordingly resolutions will be proposed at the annual general meeting to re-appoint Armitage & Norton and Price Waterhouse as joint auditors and to authorise the directors to fix their remuneration.

By order of the board
CI Bateman
Secretary
18 April 1984

Consolidated Profit and Loss Account

for the year ended 31 December 1983

	Note	1983 £million	1982 £million
Turnover	2	715.3	24.5
Cost of sales		617.9	23.4
Gross profit		97.4	2.1
Administrative expenses		73.2	21.2
Operating profit	3	24.2	10.9
Share of profits of related companies		0.3	0.2
Income from investments	6	0.8	0.7
Net interest receivable	7	0.8	4.7
Profit on ordinary activities before taxation		26.1	16.5
Taxation on profit on ordinary activities	8	8.1	5.7
Profit on ordinary activities after taxation		18.0	10.8
Extraordinary items	9	1.4	2.9
Profit for the financial year		16.6	7.9
Adjustment to deferred taxation arising from legislation proposed in the Budget Statement of 13 March 1984		2.4	—
Dividends	10	14.2	7.9
Transfer to reserve	11	6.4	5.3
Earnings per share	12	27.9p	24.6p
Dividends per share	10	10.0p	9.6p

The notes on pages 12 to 21 form part of these accounts.

Consolidated Balance Sheet

at 31 December 1983

	Note	1983 £ million	1983 £ million	1982 £ million	1981 £ million
Fixed assets					
Tangible assets	13		61.3		63.2
Investments	14		10.0		3.4
			<u>71.3</u>		<u>66.6</u>
Current assets					
Stocks and work in progress	15	69.0		31.6	
Debtors	16	87.4		77.4	
Investments	17	9.7		3.2	
Cash at bank and in hand		47.1		43.5	
		<u>213.2</u>		<u>155.7</u>	
Creditors: amounts falling due within one year	18	<u>178.7</u>		<u>191.8</u>	
				<u>167.5</u>	
Net current assets			34.5		24.3
Total assets less current liabilities			<u>105.8</u>		<u>97.4</u>
Creditors: amounts falling due after more than one year	19	23.6		22.1	
Provision for liabilities and charges	20	<u>7.1</u>		<u>7.5</u>	
			<u>30.7</u>		<u>29.6</u>
			<u>75.1</u>		<u>67.8</u>
Capital and reserve					
Called up share capital	21		32.2		32.2
Profit and loss account	22		41.3		33.8
			<u>73.5</u>		<u>66.0</u>
Shareholders' funds					
Minority interests			1.6		1.8
			<u>75.1</u>		<u>67.8</u>

Approved by the board of directors
on 18 April 1984.

Oswald Davies, director

Roy Barber, director

The notes on pages 12 to 21 form part of these accounts.



Company Balance Sheet

at 31 December 1983

	Note	1983 £ million	1983 £ million	1982 £ million	1982 £ million
Fixed assets					
Tangible assets	13		0.3		
Investments in subsidiary companies	14		69.0		77.3
Other investments	14		4.7		
			<u>74.0</u>		<u>77.3</u>
Current assets					
Debtors	16	1.4		9.2	
Cash at bank and in hand		34.6			
		<u>36.0</u>		<u>9.2</u>	
Creditors: amounts falling due within one year	18	<u>22.1</u>		<u>10.1</u>	
Net current assets			<u>13.9</u>		<u>(0.9)</u>
Total assets less current liabilities			<u>87.9</u>		<u>74.4</u>
Creditors: amounts falling due after more than one year	19	9.6		10.2	
Provision for liabilities and charges	20	<u>4.8</u>		<u>(1.8)</u>	
			<u>14.4</u>		<u>8.4</u>
			<u>73.5</u>		<u>66.0</u>
Capital and reserves					
Called up share capital	21		32.2		32.2
Profit and loss account	22		39.7		33.6
Revaluation reserve	22		1.6		
			<u>73.5</u>		<u>65.8</u>
Shareholders' funds			<u>73.5</u>		<u>66.0</u>

Approved by the board of directors
on 18 April 1984.

Oswald Davies, director

Roy Barber, director

The notes on pages 12 to 21 form part of these accounts.



Consolidated Statement of Source and Application of Funds

for the year ended 31 December 1983

	1983 £ million	1983 £ million	1982 £ million
Source of funds:			
Profit on ordinary activities before taxation		26.1	10.5
Extraordinary items (before taxation)		(6.2)	(1.1)
		<u>19.9</u>	<u>9.4</u>
Adjustment for items not involving the movement of funds:			
Depreciation	15.3		14.5
Retained in related companies	(0.2)		
		<u>15.1</u>	<u>14.5</u>
Total generated from operations		<u>35.0</u>	<u>23.9</u>
Funds from other sources:			
Share and loan stock issued in consideration for the acquisition of William Press Group p.l.c.		—	5.12
Disposal of tangible assets		5.9	2.0
Exchange and other adjustments		(0.9)	—
Total funds generated		<u>40.0</u>	<u>31.0</u>
Application of funds:			
Acquisition of William Press Group p.l.c.		—	6.0
Purchase of tangible assets		18.4	1.7
Purchase of investments		0.9	2.6
Cancellation of loan stock		0.6	—
Dividends paid		4.2	2.5
Taxation paid		3.3	1.2
Formation and acquisition expenses		—	1.1
		<u>27.4</u>	<u>14.1</u>
Changes in working capital:			
Stocks and work in progress	7.4		2.5
Debtors	10.0		10.1
Creditors	(4.5)		(11.2)
		<u>12.9</u>	<u>(1.8)</u>
Total funds applied		<u>40.3</u>	<u>12.3</u>
Excess of funds applied over funds generated		(0.3)	—
Excess of funds generated over funds applied		—	6.7
Net liquid funds at 1 January		40.9	34.2
Liquid funds acquired in William Press Group p.l.c.		—	—
Net liquid funds at 31 December		<u>40.6</u>	<u>34.2</u>

Notes to the Accounts

1. Accounting policies

Basis of presentation

The accounts have been prepared to conform with the reporting requirements of the Companies Act 1981.

Accounting convention

The accounts have been prepared under the historical cost convention, amended to include the revaluation of land and buildings.

Basis of consolidation

The group accounts include the accounts of AMEC p.l.c. and all its subsidiaries and the group's share of the results and net assets of related companies made up to 31 December each year. Certain overseas companies have been consolidated at original cost and profit recognition taken on a remittance basis.

Merger accounting

On 29 November 1982, AMEC p.l.c. made an offer of ordinary shares for the entire ordinary share capital of Fairclough Construction Group p.l.c. This offer became fully unconditional on 22 December 1982. The offer and acceptance was accounted for on the basis of a merger as at 31 December 1982 between AMEC p.l.c. and Fairclough Construction Group p.l.c. as permitted by S.37 Companies Act 1981. The operating results for 1982 are therefore only those of Fairclough Construction Group p.l.c.

Acquisition accounting

On 29 November 1982, AMEC p.l.c. made an offer for the issued ordinary share capital of William Press Group p.l.c. not already held by Fairclough Construction Group p.l.c.

The offer became fully unconditional on 22 December 1982. The offer and acceptance was accounted for as an acquisition by AMEC p.l.c. of William Press Group p.l.c. completed on the nearest accounting date to 22 December 1982, that is to say 31 December 1982. Goodwill, being the difference between the fair value of net tangible assets of William Press Group p.l.c. at 31 December 1982 acquired and the value of the consideration given, was offset against the reserves of AMEC p.l.c. in the consolidated accounts.

A separate profit and loss account of the company only has not been presented.

Turnover

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

Depreciation

Depreciation is provided on all tangible assets, other than freehold land, 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 lease term
Plant and equipment	- mainly 3 to 5 years

Stocks and work in progress

Stocks and work in progress, other than long term contract work in progress, are stated at the lower of cost including attributable overheads and net realisable value.

Long term contract work in progress is stated at cost plus attributable profits less provision for any known or anticipated losses and payments on account received and receivable. Claims income is recognised in the period in which it is formally agreed.

Research and development

Research and development expenditure is written off as incurred.

Deferred taxation

Provision is made at post 1984 Budget rates for taxation deferred in respect of all timing differences except where it is considered there is reasonable probability that such taxation will not be payable in the foreseeable future.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising on the retranslation of opening net assets of overseas companies are taken directly to reserves. All other translation differences are taken to the profit and loss account.



Notes to the Accounts

2. Turnover	1993	1992
The group activities are entirely within the construction industry and are regarded by the directors as a single class of business.	£ million	£ million
Turnover by geographical area:		
United Kingdom	512.3	515.4
Africa	55.0	82
Americas	82.4	
Asia	21.8	
Australasia	28.2	
Rest of Europe	15.6	
	<u>715.3</u>	<u>263.5</u>
3. Operating profit	1993	1992
Operating profit is stated after charging:	£ million	£ million
Depreciation	13.7	8.5
Hire of plant and equipment	11.8	6.3
Auditors' remuneration	0.9	0.2
4. Directors' remuneration	1993	1992
	£ million	£ million
Fees	—	—
Other emoluments (including pension contributions)	0.9	0.8
	<u>0.9</u>	<u>0.8</u>

The figures include £0.6 million (1992 £0.6 million) paid by William Press Group p.l.c. in respect of certain former directors of AMEC p.l.c.

The emoluments of the chairman amounted to £69,000 (1992 £28,000 in a non executive capacity).

The emoluments (excluding pension contributions) of the highest paid director amounted to £82,000 (1992 £100,000).

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

£	Number	Number
0 – 5,000	3	1
10,001 – 15,000	1	—
25,001 – 30,000	1	—
30,001 – 35,000	—	1
40,001 – 45,000	1	—
45,001 – 50,000	1	—
60,001 – 65,000	2	—
65,001 – 70,000	—	1
75,001 – 80,000	1	—
80,001 – 85,000	—	1
95,001 – 100,000	—	1

Two directors have waived fees totalling £1,000.

Payments for compensation for loss of office to certain directors have been included in extraordinary items - note 9.



Notes to the Accounts

5. Staff costs

	1983	1982
	£ million	£ million
Wages and salaries	211.9	197.2
Social security costs	18.5	17.9
Other pension costs	4.9	3.2
	<u>235.3</u>	<u>218.3</u>
	Number	Number
	21,850	21,710

The average weekly number of employees during the year was:

Senior employees

The number of senior employees of the group, who performed their duties mainly in the United Kingdom, and who received remuneration falling within the ranges below, were:

£	Number	Number (including William Hess Group)
30,001 - 35,000	16	2
35,001 - 40,000	4	1
40,001 - 45,000	3	1
45,001 - 50,000	2	1
50,001 - 55,000	1	1
60,001 - 65,000	-	1

6. Income from investments

	1983	1982
	£ million	£ million
Listed	0.6	0.7
Unlisted	0.2	-
	<u>0.8</u>	<u>0.7</u>

7. Net interest receivable

	1983	1982
	£ million	£ million
Interest receivable:		
Bank and short term deposits	4.3	4.8
Other	0.4	1.1
Interest payable:		
Loan stock 1992	(1.5)	-
Bank loans and overdrafts and other loans repayable within five years	(2.4)	-
	<u>0.8</u>	<u>5.9</u>



Notes to the Accounts

8. Taxation on profit on ordinary activities

The taxation charge is made up as follows:

Based on the profit for the year:

Corporation tax
Tax credits attributable to dividends received (excluding related companies)
Deferred taxation

Double taxation relief

Overseas taxation

Taxation over-provided in previous years
Related companies

1983 £ million	1982 £ million
11.2	5.9
0.5	0.7
(2.5)	0.2
9.2	6.4
(0.7)	—
8.5	6.4
1.8	—
10.3	6.4
(2.2)	(0.6)
—	(0.1)
8.1	5.7

Taxation for the year has been provided at the rate of 50.5% (1982 52%) to reflect the effect of the Budget Statement of 13 March 1984. The consequent effect of the proposals in the Budget Statement to provisions for deferred taxation is set out in note 20 on page 20.

The taxation charge for the year has been reduced by stock appreciation relief claimed as a permanent allowance

Approximate amount of losses available in subsidiary companies to carry forward against future taxable trading income subject to agreement of the Inland Revenue

1983 £ million	1982 £ million
2.6	0.9
2.1	2.6

9. Extraordinary items

Cost of reorganisation and rationalisation of the combination of the administration and operations of Fairclough Construction Group p.l.c. and William Press Group p.l.c. including £0.7 million (1982 £ nil) compensation to former directors paid by William Press Group p.l.c.
Related taxation credit

1983 £ million	1982 £ million
6.2	3.5
4.8	0.6
1.4	2.9

10. Dividends

	1983 Pence per share	1983 £ million	1982 Pence per share	1982 £ million
Interim paid	3.5	2.3	2.5	1.7
Special interim paid	—	—	6.0	4.2
Final proposed	6.5	4.1	—	—
	10.0	6.4	9.0	5.3

The interim dividend for 1982 was paid on the share capital of Fairclough Construction Group p.l.c. All other dividends are on the share capital of AMEC p.l.c.



Notes to the Accounts

11. Transfer to reserve

	1983	
	£ million	
Dealt with in the accounts of the holding company	5.9	
Retained by subsidiary companies	1.6	
Retained by related companies	0.3	
	<u>7.8</u>	

12. Earnings per share

The calculation of earnings per share is based on earnings of £18.0 million (1982 £16.0 million) and on 64,426,417 (1982 61,666,661) shares being the weighted average number of shares in issue during the year. The 1982 comparative has been adjusted to reflect the change in accounting treatment for related companies – note 22.

13. Tangible assets

	Group Land and buildings £ million	Group Plant and equipment £ million	Group Total £ million	Company Plant and equipment £ million
Cost or valuation:				
At 1 January 1983	29.8	95.1	124.9	—
Exchange adjustment	0.2	0.4	0.6	—
Additions and transfers	2.9	15.5	18.4	1.5
Disposals	(1.0)	(15.3)	(16.3)	(0.5)
At 31 December 1983	<u>31.9</u>	<u>95.7</u>	<u>127.6</u>	<u>1.0</u>
Depreciation:				
At 1 January 1983	3.9	57.3	61.2	—
Exchange adjustment	—	0.2	0.2	—
Provided during the year	0.9	12.8	13.7	0.1
Extraordinary items depreciation charge	—	1.6	1.6	—
Disposals and transfers	(0.2)	(10.2)	(10.4)	0.6
At 31 December 1983	<u>4.6</u>	<u>61.7</u>	<u>66.3</u>	<u>0.7</u>
Net book value:				
At 31 December 1983	<u>27.3</u>	<u>34.0</u>	<u>61.3</u>	<u>0.3</u>
At 31 December 1982	<u>25.9</u>	<u>79.4</u>	<u>105.3</u>	<u>0.5</u>



Notes to the Accounts

13. Tangible assets (continued)

	Group 1983 £ million	Company 1982 £ million
The net book value of land and buildings comprises:		
Freehold	20.8	21.9
Long leasehold	4.7	4.6
Short leasehold	1.8	2.2
	<u>27.3</u>	<u>28.7</u>

Land and buildings are stated at:

Valuation 1960	0.2	0.4
Valuation 1974	7.3	7.3
Valuation 1978	2.4	2.4
Cost	<u>22.0</u>	<u>19.7</u>
	<u>31.9</u>	<u>29.8</u>

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

Fixed assets include land which has not been depreciated	<u>4.8</u>	<u>4.8</u>
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The amount of land and buildings, included above at valuation, determined according to the historical cost accounting rules is as follows:

Cost	6.5	6.7
Depreciation	<u>0.7</u>	<u>0.7</u>
Net book value	<u>5.8</u>	<u>6.0</u>

14. Investments (held as fixed assets)

	Company 1983 £ million	Company 1982 £ million
Investments in subsidiary companies:		
Shares at valuation	89.5	84.2
Amounts owed by subsidiary companies	109.8	—
Amounts owed to subsidiary companies	<u>(130.3)</u>	<u>(8.9)</u>
	<u>69.0</u>	<u>75.3</u>



Notes to the Accounts

14. Investments (held as fixed assets) (continued)

	Group Related companies £ million	Group Unlisted investments £ million	Company Related companies £ million	Company Unlisted investments £ million
Other investments:				
Net book value at 1 January 1983	7.1	2.3	—	—
Additions	0.6	—	4.3	—
Disposals	(0.2)	—	—	—
Share of related companies results for year	0.2	—	0.4	—
	<u>7.7</u>	<u>2.3</u>	<u>4.7</u>	<u>—</u>
Net book value at 31 December 1983				
	<u>7.7</u>	<u>2.3</u>	<u>4.7</u>	<u>—</u>
Cost	<u>10.9</u>	<u>2.5</u>	<u>4.3</u>	<u>—</u>

Investments in subsidiary companies are stated at the net asset value attributable to the company.

Investments in related companies are stated at cost, less amounts written off, plus the group's proportion of post acquisition reserves.

Unlisted trade investments are stated at directors' valuation.

Principal subsidiary and related companies and investments are listed on page 22.

15. Stocks and work in progress

	Group 1983 £ million	Group 1982 £ million
Long term contract work in progress	48.7	39.3
Raw materials and consumables	6.1	7.6
Other work in progress	6.2	8.0
Finished goods and goods for resale	5.2	4.4
Development land	2.8	2.3
	<u>69.0</u>	<u>61.6</u>
Long term contract work in progress is stated after deduction of amounts received and receivable of	<u>1,067.9</u>	<u>1,162.2</u>

The inclusion of attributable profit on long term contract work in progress is in accordance with Statement of Standard Accounting Practice No. 9. This constitutes a departure from the statutory valuation rules for current assets but is required by S.149(3) Companies Act 1948 to enable the accounts to give a true and fair view. As progress payments cannot meaningfully be allocated between cost and profit, it is impracticable to determine the effect of the departure on the balance sheet carrying amount of long term contract work in progress.



Notes to the Accounts

16. Debtors

	Group 1983 £ million	Group 1982 £ million	Company 1983 £ million	Company 1982 £ million
Amounts falling due within one year:				
Trade debtors	71.0	11.3	—	1.4
Amounts owed by subsidiary companies	—	—	—	2.8
Amounts owed by related companies	3.9	2.6	—	—
Other debtors	8.7	11.8	1.4	—
Prepayments and accrued income	3.8	5.1	—	—
	<u>87.4</u>	<u>72.4</u>	<u>1.4</u>	<u>6.2</u>

17. Investments (held as current assets)

	Group 1983 £ million	Group 1982 £ million
Listed investments:		
Cost	9.7	9.2
Market value	<u>11.4</u>	<u>11.5</u>

18. Creditors: amounts falling due within one year

	Group 1983 £ million	Group 1982 £ million	Company 1983 £ million	Company 1982 £ million
Bank loans and overdrafts	6.5	2.7	—	—
Trade creditors	107.7	103.0	0.3	0.6
Amounts owed to subsidiary companies	—	—	0.5	0.7
Corporation tax	9.9	7.1	8.9	1.1
Other taxation and social security costs	8.2	8.0	—	—
Other creditors	17.0	8.9	3.5	3.5
Accruals and deferred income	23.0	33.6	2.5	—
Proposed dividend	6.4	4.2	6.4	4.2
	<u>178.7</u>	<u>167.5</u>	<u>22.1</u>	<u>10.1</u>

19. Creditors: amounts falling due after more than one year

	Group 1983 £ million	Group 1982 £ million	Company 1983 £ million	Company 1982 £ million
Loan stock 1992	9.6	10.2	9.6	10.2
US dollar bank loan	10.3	9.3	—	—
Other loans	0.8	1.3	—	—
Other creditors	2.9	1.3	—	—
	<u>23.6</u>	<u>22.1</u>	<u>9.6</u>	<u>10.2</u>

The 15% unsecured loan stock 1992 can be redeemed on 31 March 1988 and/or 31 March 1990 at par at the option of stockholders; any loan stock not so redeemed will be redeemed at par on 31 December 1992.

The US dollar bank loan is repayable in March 1987. Interest payments are variable with US bank rates.

Notes to the Accounts

20. Provision for liabilities and charges

	Group £million	Company £million
Deferred taxation		
Balance at 1 January 1983	7.5	(1.8)
Deferred taxation (credit) charge	(2.5)	0.4
Adjustment arising from legislation proposed in the Budget Statement of 13 March 1984	2.4	—
Transfers from subsidiary companies	—	6.2
Other movements	(0.3)	—
	<u>7.1</u>	<u>4.8</u>
Balance at 31 December 1983		

	Group 1983 £million	Company 1983 £million	Company 1983 £million
Accelerated capital allowances	9.1	9.1	—
Other timing differences	0.8	(1.5)	—
Recoverable advance corporation tax	(2.8)	(2.8)	(1.8)
	<u>7.1</u>	<u>4.8</u>	<u>(1.8)</u>
Provided in accounts			
Not provided in accounts:			
Accelerated capital allowances	1.9	—	—
	<u>9.0</u>	<u>4.8</u>	<u>(1.8)</u>

No provision has been made in these accounts for taxation on undistributed earnings of foreign subsidiaries.

21. Share capital

	Authorised 1983 Number	Authorised 1983 Number	Allotted, called up and fully paid 1983 £million	Allotted, called up and fully paid 1983 £million
Ordinary shares of 50p each	86,000,000	86,000,000	32.2	32.2

22. Reserves

	Group £million	Company £million
At 1 January 1983 – as previously stated	37.3	37.3
Prior year adjustment – note 22 on page 21	(3.5)	(3.5)
	<u>33.8</u>	<u>33.8</u>
At 1 January 1983 – as restated		
Retained profit for year	7.8	5.9
Exchange movements	(0.3)	—
Revaluation of investments in subsidiary companies	—	1.6
	<u>41.3</u>	<u>41.3</u>
At 31 December 1983		
Comprising:		
Distributable: Profit and loss account	41.3	39.7
Non distributable: Revaluation reserve	—	1.6
	<u>41.3</u>	<u>41.3</u>
Total reserves		



Notes to the Accounts

22. Reserves (continued)

Prior Year Adjustment.

The balances at 1 January 1983 have been restated to reflect the changes in accounting treatment for related companies. Prior to 1 January 1983 the group's share of the results and net assets were included in the consolidated accounts based on the latest available audited accounts of these companies. With effect from 1 January 1983, the accounting policy for related companies has been revised (a) to recognise on a remittance basis the results of overseas related companies which operate in countries where profits may suffer restriction for remittance, and (b) to give effect to adjustments to the reported results of related companies to bring the accounting policies of those related companies into line with the accounting policies of AMEC plc.

The effect of these changes in accounting policy has been to decrease the profits after taxation for the year by £1.2 million (1982 £0.8 million). 1982 comparative figures have been restated for the change in accounting policy.

23. Capital commitments

	Group 1983 £ million	Group 1982 £ million	Company 1983 £ million	Company 1982 £ million
Contracted for but not provided in accounts	1.0	1.2	—	—
Authorised by the directors but not contracted for	0.5	3.9	—	—

24. Contingent liabilities

	Group 1983 £ million	Group 1982 £ million	Company 1983 £ million	Company 1982 £ million
Guarantees given in respect of borrowings of subsidiary and related companies	9.7	5.5	1.2	—

The parent and certain subsidiary companies have given counter indemnities in respect of performance bonds in the normal course of business.

There is a contingent liability up to a maximum of US \$2 million payable to the vendors of Fisk Electric Company dependent on the profits of that company for the years ended 31 December 1982 to 31 December 1984.

25. Pension arrangements

The group operates pension schemes under which contributions paid by employees and employers are held in funds that are separate from the group's finances and which are administered by trustees. Actuarial reviews have been commissioned for all the principal schemes and are awaited. Preliminary reports indicate that all the schemes are satisfactorily funded on a discontinuance basis.



Principal Group Companies, Related Companies and Investments

at 31 December 1993

Subsidiaries

- AMEC Construction Services Limited
- AMEC International Construction Limited, operating outside the UK
- * AMEC Properties Limited
- CV Buchan (Concrete) Limited
- Denco Holdings Limited
- Fairclough Building Limited
- Fairclough Civil Engineering Limited
- * Fairclough Construction Group p.l.c.
- Fairclough Engineering Limited
- * Fairclough International Construction Limited, operating outside the UK
- Fairclough-Parkinson Mining Limited
- Fairclough Projects Limited
- Fairclough Scotland Limited, incorporated in Scotland
- Fisk Electric Company, incorporated in the USA
- General Descaling Company Limited
- Metal and Pipeline Endurance Limited
- Press Construction Limited (ordinary and preference shares)
- Press International Construction Limited, operating outside the UK
- Press Offshore Group Limited
- Press Overseas Trading Limited, operating outside the UK
- * William Press Group p.l.c. (ordinary and deferred shares)
- William Press Pty Limited, incorporated in Australia
- James Scott (Electrical Transmission) Limited, operating outside the UK
- James Scott Engineering Group Limited, incorporated in Scotland (ordinary and preference shares)
- Robert Watson & Co. (Constructional Engineers) Limited
- Robert Watson & Co. (Steelwork) Limited
- Wentworth Club Limited
- Worley International Engineering Group Limited (85%)

Principal related companies

- Culliver Consolidated Limited, incorporated in Zimbabwe (45%)
- John Howard & Co. Plc. (49.3%) (ordinary and preference shares)
- Howard Doris Limited, incorporated in Scotland (25%)

Principal investments

- French Kier Holdings p.l.c. (15.3%)
- Abaco Investments PLC (19.7%)
- Power Securities Limited, incorporated in the Republic of Ireland (19.9%)

Notes

- 1 The above companies together with their subsidiary and related companies are, in the opinion of the directors, those principally affecting group trading results and net assets.
- 2 Except where otherwise indicated, all of the companies are wholly owned, incorporated in England, operate principally in their countries of incorporation and their share capital is in ordinary shares.
- 3 Shares of those companies marked with an asterisk are held directly by AMEC p.l.c. Otherwise shares are held by subsidiary companies.



Report of the Auditors

to the members of AMEC plc

We have audited the financial statements on pages 8 to 21 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of certain properties, give under that convention a true and fair view of the state of affairs of the company and the group at 31 December 1983 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.

The financial statements do not contain the current cost accounts required by Statement of Standard Accounting Practice No. 16.

Armitage & Norton
Chartered Accountants
Leeds

Price Waterhouse
Chartered Accountants
London

18 April 1984



Statistics

for the ten years ended 31 December 1983

	1983 £m	1982 £m	1981 £m	1980 £m	1979 £m	1978 £m	1977 £m	1976 £m	1975 £m	1974 £m
Consolidated results										
Turnover	715.3	263.5	245.6	264.1	237.5	233.0	170.1	163.5	147.7	98.8
Profit before taxation	26.1	16.5	13.4	10.3	10.2	9.6	6.9	6.0	5.0	4.1
Taxation	(8.1)	(5.7)	(3.9)	8.3	(3.1)	(4.7)	(3.5)	(3.1)	(2.6)	(2.2)
Profit after taxation	18.0	10.8	9.5	18.6	7.1	4.9	3.4	2.9	2.4	1.9
Extraordinary items	(1.4)	(2.9)	0.8	(0.5)	—	(0.9)	—	(0.8)	—	—
Attributable profit	16.6	7.9	10.3	18.1	7.1	4.0	3.4	2.1	2.4	1.9
Dividends	(6.4)	(5.3)	(2.4)	(2.0)	(1.8)	(1.5)	(0.9)	(0.8)	(0.8)	(0.4)
Retained in business	10.2	2.6	7.9	16.1	5.3	2.5	2.5	1.3	1.6	1.5
Earnings per share	27.9p	24.0p	21.8p	18.8p	16.0p	11.0p	9.0p	7.7p	7.1p	7.0p
Dividends per share	10.0p	9.0p	5.5p	4.5p	4.0p	3.5p	2.5p	2.3p	2.1p	1.5p

Summarised consolidated balance sheets

Assets employed:										
Fixed assets	71.3	73.1	51.1	41.7	40.6	33.5	24.5	22.4	19.3	19.3
Net current assets	34.5	24.3	8.3	9.3	5.8	5.0	0.7	(1.7)	—	3.5
	105.8	97.4	59.4	51.0	46.4	38.5	25.2	20.7	19.3	22.8
Financed by:										
Share capital	32.2	32.2	11.0	11.0	11.0	11.0	9.4	2.3	2.3	1.8
Reserves	41.3	33.8	44.4	30.0	21.9	16.7	9.7	14.3	12.9	10.3
Minority interests	1.6	1.8	—	—	0.1	0.1	—	—	—	0.1
Loan stock	9.6	10.2	—	—	—	—	—	—	—	—
Loans	14.0	11.9	—	1.0	2.0	1.7	0.3	0.8	1.7	4.3
Deferred taxation	7.1	7.5	4.0	1.0	11.4	9.0	5.8	3.3	2.4	6.3
	105.8	97.4	59.4	51.0	46.4	38.5	25.2	20.7	19.3	22.8

Notes

- 1 Dividends and earnings per share have been adjusted for capital issues.
- 2 The figures are stated in accordance with the accounting policies set out on page 12.
- 3 Taxation for 1980 includes a credit of £10.3 million which has been excluded in computing the earnings per share for that year of 18.8p.
- 4 No restatement prior to 1978 has been made for the change in accounting policy on deferred taxation.
- 5 No restatement prior to 1982 has been made for the change in accounting policy on related companies.
- 6 Amount retained in business in 1983 is stated before the adjustment of £2.4 million to deferred taxation arising from proposed legislation.
- 7 William Press Group p.l.c. was acquired at the effective date of 31 December 1982. The consolidated results include the results of that group for the year ended 31 December 1983 only; the summarised consolidated balance sheets include the relevant figures as at 31 December 1982 and 1983.