

Primat Recruitment Limited

Directors' report and accounts

31 December 2007

Registered number 1535391

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COMPANIES HOUSE

Primat Recruitment Limited

Directors

CR Fleming
S Hope
A Johnstone

Secretary

CL Fidler

Registered Office

Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

Auditors

KPMG Audit Plc
Chartered Accountants
St James' Square
Manchester
M2 6DS

Primat Recruitment Limited

Directors' report

Principal activities and business review

For a number of years, the company had traded entirely for the benefit of its fellow subsidiary undertaking, AMEC Facilities Limited, under the provisions of an Agency Agreement. This agreement ceased on 1 January 2004 from which time the company has traded in its own right.

Primat's principal activities are the recruitment and engagement of candidates for

- Core business of Oil and Gas, Industrial and Nuclear
- Other business of Building Services, Design and Project Services and Rail [which ceased during the year following disposal of these operations]

Turnover increased by 4% from 2006 to £60.2 million

Profit before tax increased by 39% from 2006 to £2.7 million

The profit for the year on ordinary activities after taxation amounted to £1,905,000 (2006 £1,349,000). The Directors do not recommend the payment of a dividend (2006 £Nil).

Directors

The current directors are listed on page 2.

The directors who served during the year were as follows:

CR Fleming
S Hope
A Johnstone

Risk Management

Primat has a risk management programme in place that seeks to limit financial and execution risks (threats). There is a continual review of costs, prices, rates, and cash position, with provisions taken as applicable. There is stringent control on cost expenditure with focus on cost prevention.

Key Opportunities

- Development of business with new or existing clients in new markets
- Specific targets identified in Nuclear and Oil & Gas (NE of England)

Key Threats

- Changing Government Legislation
- Loss of turnover due to loss of clients or market share
- Competition from other agencies reducing margins

Key Performance indicators

- Safety performance
- Audit compliance
- Assignee, Client feedback
- Turnover and Net Profit

Political and charitable contributions

The company made no political or charitable contributions during the year (2006 £Nil).

Primat Recruitment Limited

Employees

Respect for cultural diversity and equal opportunities are included among AMEC's guiding principles which are incorporated into management policies and processes worldwide. The policy is to recruit from the widest labour market, determining the careers of all employees solely on merit and making judgments about employees, free from the effects of bias and prejudice.

It is the company's policy to consider for employment suitably qualified disabled people and to assist them in overcoming handicaps at work. The company recognises that special arrangements are necessary, in view of the nature of its main activities, to ensure that disabled employees are properly trained for the tasks they perform. The company endeavours to retrain any employee who develops a disability during employment, wherever practicable.

Corporate Governance

The company is committed to high standards. There is a comprehensive monthly report produced and the Board also meets quarterly.

A comprehensive delegation document is used for day to day commercial execution. There are regular audits as per a pre-determined schedule.

Creditor payment policy

Subsidiaries are responsible for agreeing terms and conditions under which transactions with their suppliers are conducted. It is group policy that payments to suppliers are made in accordance with these terms and conditions, provided that the supplier complies with all of its obligations in this regard.

The company had 8 days' purchases outstanding at 31 December 2007 based on the average daily amount invoiced by suppliers during the year (2006: 3 days).

Third party indemnity provisions

Certain directors benefited from qualifying third party indemnity provisions in place during 2007 and at 31 December 2007.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 386 of the Companies Act 1985 the company is not required to reappoint its auditors annually. KPMG Audit Plc will therefore continue as the company's auditor.

By Order of the Board



CL FIDLER
Secretary

AMEC plc
Booths Park
Chelford Road
Knutsford
Cheshire
WA6 8QZ

Primat Recruitment Limited

Profit and loss account for the year ended 31 December 2007

| | Note | 2007 £000 | 2006 £000 |
|---|------|--------------|--------------|
| Turnover | 2 | 60,227 | 57,915 |
| Cost of sales | | (56,785) | (55,004) |
| Gross profit | | 3,442 | 2,911 |
| Administrative expenses | | (663) | (883) |
| Operating profit | | 2,779 | 2,028 |
| Net interest payable | | (93) | (98) |
| Profit on ordinary activities before taxation | | 2,686 | 1,930 |
| Taxation on profit on ordinary activities | 6 | (781) | (581) |
| Retained profit for the year | | 1,905 | 1,349 |

All turnover and operating profit is derived from continuing operations

There is no difference between the retained profit for the current and prior years stated above, and its historical cost equivalent

Statement of total recognised gains and losses for the year ended 31 December 2007

There were no recognised gains or losses during the current or preceding financial years other than the retained profit for the year as stated above

Reconciliation of movements in shareholders' funds for the year ended 31 December 2007

| | 2007 £000 | 2006 £000 |
|---------------------------------------|--------------|--------------|
| Profit for the year | 1,905 | 1,349 |
| Shareholders' funds as at 1 January | 1,866 | 517 |
| Shareholders' funds as at 31 December | 3,771 | 1,866 |

Primat Recruitment Limited

Balance Sheet as at 31 December 2007

| | Note | 2007 £000 | 2006 £000 |
|---|------|--------------|--------------|
| CURRENT ASSETS | | | |
| Debtors – amounts falling due within one year | 7 | 9,603 | 7,223 |
| Debtors – amounts falling due after one year | 8 | 1 | 1 |
| CREDITORS amounts falling due within one year | 9 | (1,882) | (1,092) |
| Net current assets | | 7,722 | 6,132 |
| CREDITORS amounts falling due after more than one year | 10 | (3,951) | (4,266) |
| Net assets | | 3,771 | 1,866 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 11 | - | - |
| Profit and loss account | 12 | 3,771 | 1,866 |
| Shareholders' funds | | 3,771 | 1,866 |

These accounts were approved by the board of directors on 25 September 2008 and were signed on its behalf by


CR FLEMING
DIRECTOR

The notes on pages 7 to 10 form part of these accounts

Primat Recruitment Limited

Notes to the accounts

1 ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Companies Act 1985

Basis of the preparation of the accounts

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

Cash flow statement

The company is exempt from the requirement of FRS 1 "Cash flow statements" to prepare a cash flow as it is a wholly owned subsidiary undertaking of AMEC plc, and its cash flows are included within the consolidated cash flow of that group

Pension contributions

The company is part of the defined benefit scheme of AMEC plc. Contributions are charged to the profit and loss account in the year in which they are incurred

Taxation

The liability for corporation taxation has been assumed by AMEC plc

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred tax"

2 TURNOVER

Turnover represents the amounts charged for the principle activities of the recruitment and engagement of employees in the Oil & Gas, Industrial and Nuclear divisions, as well as to third parties

| | 2007 | 2006 |
|-------------------------------|---------------|---------------|
| | £000 | £000 |
| Turnover by geographical area | | |
| United Kingdom | <u>60,277</u> | <u>57,915</u> |

Primat Recruitment Limited

Notes to the accounts (*continued*)

3 DIRECTORS' REMUNERATION

None of the directors received any remuneration for their services to the company during either the current or prior year

4 OPERATING PROFIT

| | 2007 | 2006 |
|---|-------------|-------------|
| | £000 | £000 |
| Operating profit is stated after charging | | |
| <i>Auditor's remuneration</i> | | |
| Audit of these financial statements | <u>5</u> | <u>5</u> |

5 STAFF COSTS

| | 2007 | 2006 |
|-----------------------|-------------|--------------|
| | £000 | £000 |
| Wages and salaries | 856 | 1,233 |
| Social security costs | 55 | 89 |
| Other pension costs | 49 | 56 |
| | <u>960</u> | <u>1,378</u> |

| | 2007 | 2006 |
|--|---------------|---------------|
| | Number | Number |
| The average weekly number of employees during the year including directors was | <u>26</u> | <u>37</u> |

6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

| | 2007 | 2006 |
|--|-------------|-------------|
| | £000 | £000 |
| Current tax | | |
| UK corporation tax at 30% (2006 30%) | 781 | 579 |
| Deferred tax | | |
| Deferred tax at 28% (2006 30%) | 24 | - |
| Origination and reversal of timing differences | | |
| - Prior year | (24) | 2 |
| | <u>781</u> | <u>581</u> |

Primat Recruitment Limited

Notes to the accounts (*continued*)

The current tax charge for the year is in line (2006 greater) than the standard rate of corporation tax in the UK and is explained as follows

| | 2007 | 2006 |
|---|--------------|--------------|
| | £000 | £000 |
| Profit on ordinary activities before taxation | 2,686 | 1,930 |
| Tax charge at 30% | 806 | 579 |
| Non-deductible expenses/non-taxable income | (25) | - |
| Current tax charge for the year | <u>781</u> | <u>579</u> |
| 7 DEBTORS: amounts falling due within one year | | |
| | 2007 | 2006 |
| | £000 | £000 |
| Trade debtors | 4,634 | 1,187 |
| Amounts owed by group undertakings | 3,472 | 4,560 |
| Other debtors and prepayments | 1,497 | 1,476 |
| | <u>9,603</u> | <u>7,223</u> |
| 8 DEBTORS: amounts falling in more than one year | | |
| | 2007 | 2006 |
| | £000 | £000 |
| Deferred taxation | 1 | 1 |
| | <u>1</u> | <u>1</u> |
| 9 CREDITORS: amounts falling due within one year | | |
| | 2007 | 2006 |
| | £000 | £000 |
| Trade creditors | 1,305 | 441 |
| Other taxes and social security | 282 | 277 |
| Other creditors | 295 | 188 |
| Accruals and deferred income | - | 186 |
| | <u>1,882</u> | <u>1,092</u> |
| 10 CREDITORS: amounts falling due after more than one year | | |
| | 2007 | 2006 |
| | £000 | £000 |
| Amount owed to group undertakings | <u>3,951</u> | <u>4,266</u> |

Primat Recruitment Limited

Notes to the accounts (*continued*)

11 SHARE CAPITAL

| | Authorised | | Allotted called up and fully paid | |
|----------------------------|------------|------------|-----------------------------------|----------|
| | 2007 | 2006 | 2007 | 2006 |
| | number | number | £ | £ |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>2</u> | <u>2</u> |

12 RESERVES

| | Share capital | Profit and loss | Total |
|------------------------------|---------------|-----------------|--------------|
| | £000 | £000 | £000 |
| As at 1 January 2007 | - | 1,866 | 1,866 |
| Retained profit for the year | - | <u>1,905</u> | <u>1,905</u> |
| As at 31 December 2007 | - | <u>3,771</u> | <u>3,771</u> |

13 PENSION ARRANGEMENTS

FRS 17 "Retirement Benefits"

The company is part of a group defined benefit scheme operated by AMEC plc, but is unable to separately identify its share of the assets and liabilities of that scheme or any details of about the surplus or deficit in the scheme and the implications of that surplus or deficit for the company

Details of the disclosures required under FRS 17 can be found in the accounts of AMEC Group Limited

14 ULTIMATE PARENT COMPANY

The company regarded by the directors as the ultimate parent company is AMEC plc, which is incorporated in England. Copies of the group accounts can be obtained from AMEC plc, Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ

Primat Recruitment Limited

Statement of directors' responsibilities in respect of the directors' report and the accounts

The directors are responsible for preparing the directors' report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that year

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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Primat Recruitment Limited

Independent Auditor's report to the members of Primat Recruitment Limited

We have audited the accounts of Primat Recruitment Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Fund and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the accounts in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 11.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Primat Recruitment Limited

Independent auditors' report to the members of Primat Recruitment Limited (*continued*)

Opinion

In our opinion

- the accounts give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Manchester

2 October 2008