



Integrated solutions  
for tomorrow's world

**WS Atkins plc** Annual review 2001



**WS/Atkins**



WS Atkins' vision is to be the world's first choice supplier of technical services and integrated solutions.

WS Atkins plc is one of the world's leading providers of professional, technologically-based consultancy and support services. In recent years, it has expanded from its historical base in traditional engineering, management consultancy and property services into related technological consultancy and the management of outsourced facilities.

Atkins provides services for a wide range of public sector organisations and blue chip private sector companies.

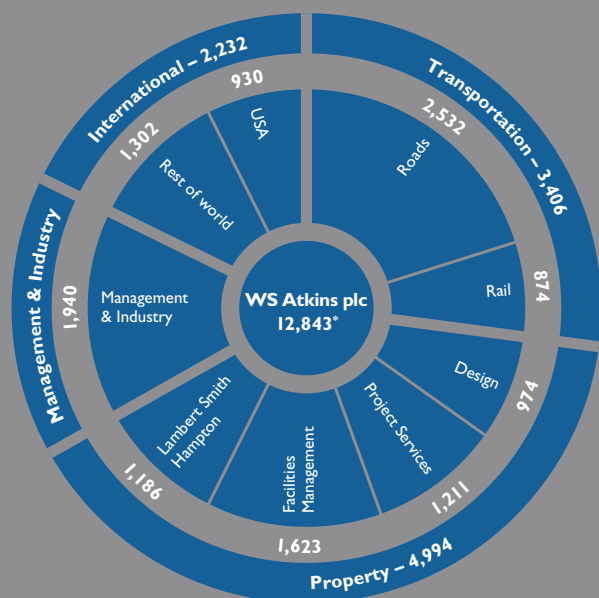
Atkins' operations are based in some 125 offices throughout the UK, and a further 48 offices providing consultancy services in Continental Europe, the Middle East, Asia Pacific and the Americas.

## Contents

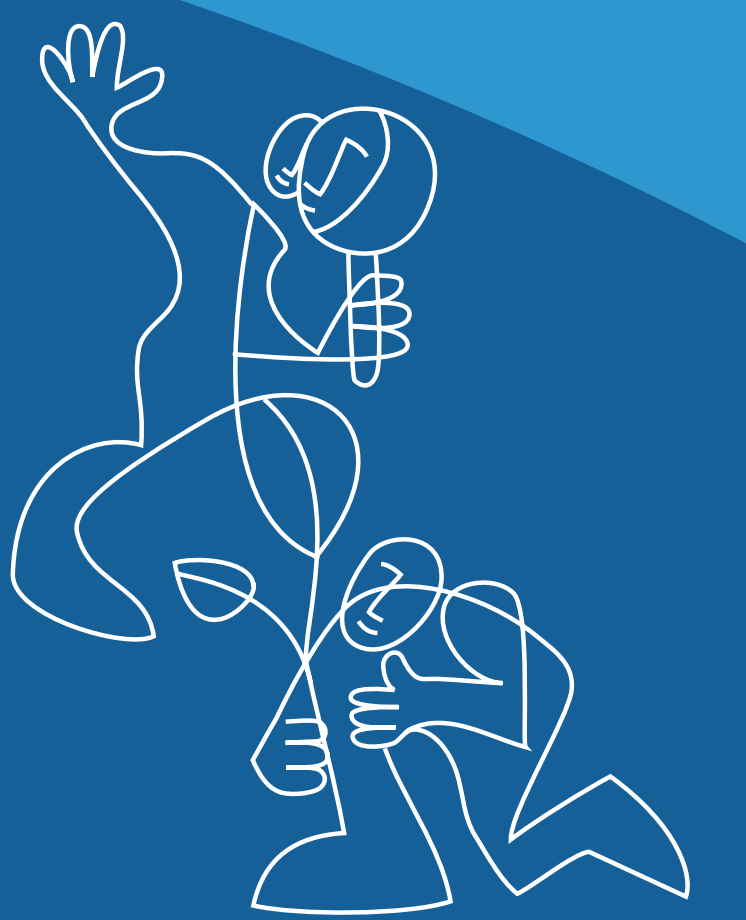
Chairman's statement	2
Chief Executive's introduction	4
Review of the year	5
Our projects	20
Directors and advisers	24
Summary report of the Directors	26
Statement of the Independent Auditors	27
Consolidated profit and loss account	28
Consolidated balance sheet	29
Summary cash flow statement	30
Summary Directors' emoluments	31
Five year summary	32
Investors' information	36

## Employees by segment

As at 31 March 2001, Atkins employed over 12,800 permanent staff providing services in more than 50 countries worldwide.



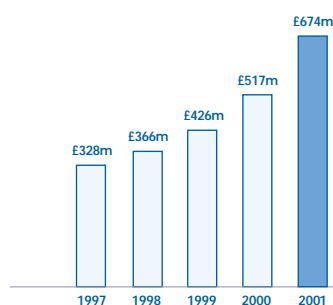
\* includes 271 corporate support staff



# Highlights

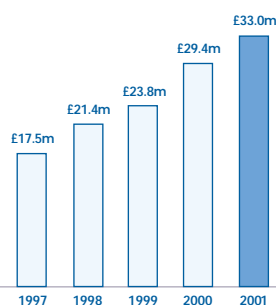
	2001	2000	
Turnover <sup>†</sup>	£674.0m	£516.8m	up 30%
Operating profit <sup>††</sup>	£33.0m	£29.4m	up 12%
Adjusted profit before tax <sup>†††</sup>	£44.0m	£38.5m	up 14%
Adjusted earnings per share <sup>†††</sup>	31.7p	26.1p	up 21%
Dividends per share	10.8p	10.0p	up 8%

2001 – up 30%



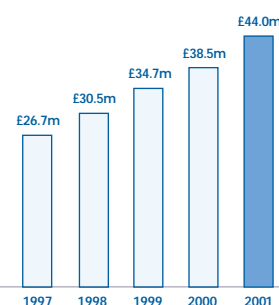
Group turnover<sup>†</sup>

2001 – up 12%



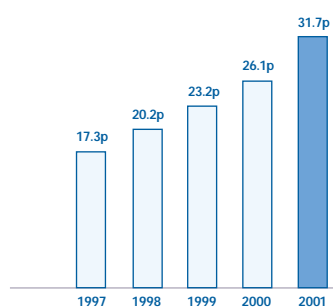
Operating profit<sup>††</sup>

2001 – up 14%



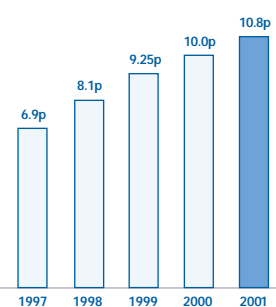
Adjusted Group profit before tax<sup>†††</sup>

2001 – up 21%



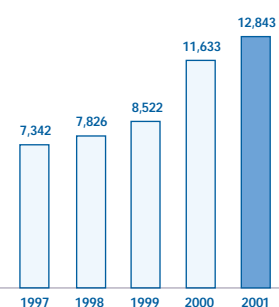
Adjusted earnings per share<sup>†††</sup>

2001 – up 8%



Dividends per share

2001 – up 10%



Employees

† Excluding share of Joint Ventures

†† Excluding Amortisation of Goodwill, Employee Benefit Trusts, Joint Ventures and Pension Credit

††† Excluding Amortisation of Goodwill and Employee Benefit Trusts

# Chairman's statement

## Performance – in-year

I am pleased to report that the Group has continued to make strong progress, achieving good in-year results. This has been achieved against a background of increased investment in business development and technology to give the Group greater competitive advantage in the future.

For the ninth consecutive year (including five since Admission to the London Stock Exchange in July 1996), the year to 31 March 2001 continued the Group's trend of record turnover and profit. Turnover increased by 30% to £674m (2000: £516.8m), including an increase of 16% in organic turnover. Adjusted profit before taxation rose by 14% to £44.0m (2000: £38.5m) and adjusted earnings per share were up 21% at 31.7p (2000: 26.1p).

The major acquisitions made in the year to March 2000 – Lambert Smith Hampton and Atkins Benham – have both performed well in their first full year with the Group.

Having financed both the fixed and working capital requirements of its organic growth, the Group continues to have a liquid balance sheet, with net cash funds at 31 March 2001 of £11.5m (2000: £7.1m) and committed borrowing facilities in place.

In terms of implementing our strategy and achieving in-year results, the period represents a further good performance by our management team and over 12,800 WS Atkins' people world-wide.

Our operations and performance are reviewed in detail in the Review of the Year.



Michael Jeffries  
Chairman

## Strategic progress

Customers in both the private and the public sectors continue to increase their demand for integrated solutions underpinned by strong technology and the effective management of change. This plays to Atkins' core strengths and we have broadened our service offerings to benefit from this demand. We have expanded into new areas such as Facilities Management for Telkom SA Limited, Education Services for the London Borough of Southwark and Programme Management for 5,000 Shell petrol stations in 12 European countries. In the private sector we have won asset backed services contracts, both for power generation in the UK and heating and ventilation for Ford in the United States.

In addition, as a 20% shareholder of the Metronet consortium, the Group was selected in May 2001 as the preferred bidder for the Bakerloo, Central and Victoria lines franchise for the London Underground Public Private Partnership. While negotiations towards Financial Close – expected to be in late 2001 – continue to be subject to political considerations, we are optimistic that Metronet will deliver significant benefits, both to the travelling public and to the Group.

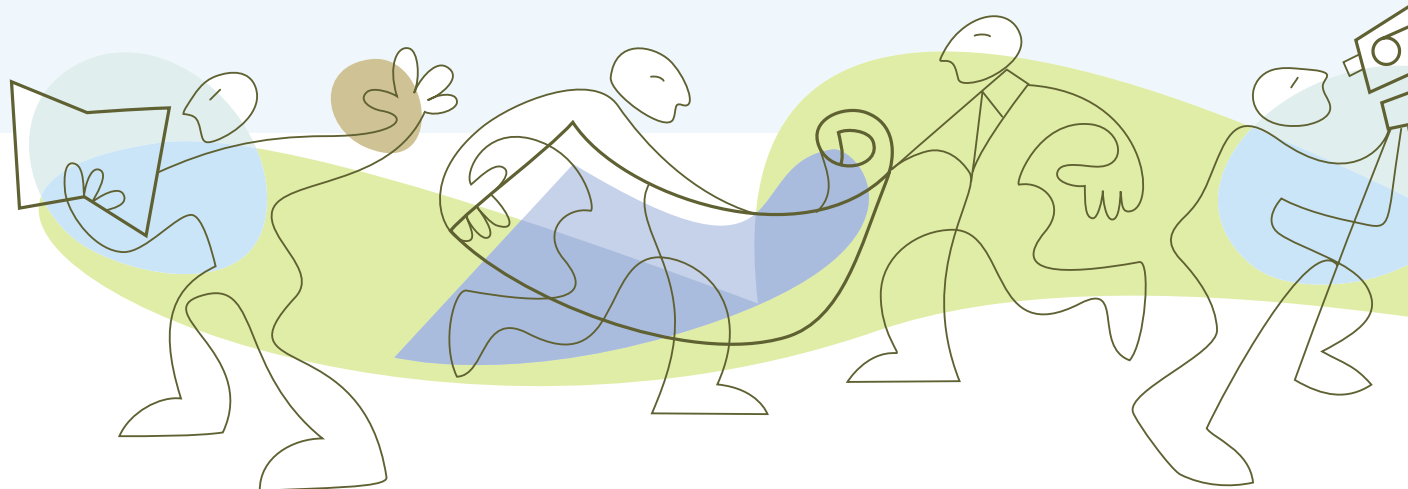
## Performance – five year record

Adjusted earnings per share have risen from 14.4p in 1996 to 31.7p in 2001, equivalent to a Cumulative Annual Growth Rate ('CAGR') of 17% over the five years. Total Shareholder Return ('TSR') of 33% per annum has been achieved.

## Dividends

The proposed final dividend of 7.20p per share, subject to shareholders' approval at the Annual General Meeting on 7 August 2001, will be paid on 10 August 2001 to shareholders on the register at the close of business on 15 June 2001. This brings total dividends for the year to 10.80p (2000: 10.00p), an increase of 8% on the previous year, reflecting the Board's confidence in the Group's continued growth.

As previously reported to shareholders, the Board is gradually increasing dividend cover. This year dividend cover is 2.9 times (2000: 2.6 times).



#### Board

At the end of March Sir Alan Rudge, our Chairman since 1997, and Sir William Ryrle, a non-executive director since 1994, retired from the Board. On behalf of the Board, I take this opportunity to thank them both for their significant contributions to the Group's development. I would particularly like to add my personal thanks to Sir Alan who played a significant part in securing the Group's re-organisation into market facing National Business Streams in 1999.

In January the Board announced that Robin Southwell would join the Group from BAe Systems plc as Chief Executive, and that I would be appointed as Chairman with effect from 1 April 2001. The Board also appointed two new non-executive directors: Struan Robertson and James Morley, in August 2000 and January 2001 respectively.

I welcome all three new directors to the Board and especially extend my good wishes to Robin Southwell in his role as CEO.

The changes provide a further impetus and strengthening to the Group's operations with continuity of strategic leadership.

#### People

The Group's success in the future remains wholly dependent upon the skills, quality and commitment of our people. Continuing to recruit and retain high quality people is ever more central to our success. Accordingly we have increased our investment in recruitment procedures and in training and personal development. Our policies and procedures take account of discussions and surveys with our staff.

On behalf of the Board I am glad of this annual opportunity to express our appreciation to everyone at WS Atkins for the enormous efforts they have made to meet the needs of both customers and shareholders.

#### Technology

We recognise that technology plays an increasing part in serving our customers and in deploying our staff with best-practice knowledge, wherever they are located.

During the year the Group commenced a major initiative to put in place a global knowledge management system. The core systems for Finance and Human Resources for the UK Operations will also be replaced in 2002.

#### Corporate Governance

The Group continues to strive to achieve corporate governance best practice. It has complied fully with the London Stock Exchange's Principles of Good Governance and Code of Best Practice ("the Combined Code").

The Board believes that dialogue with shareholders is important and continues to welcome their views. In this regard, I will be reporting on the response to our fourth shareholder annual survey with the 2001/2002 Interim Results.

#### Prospects

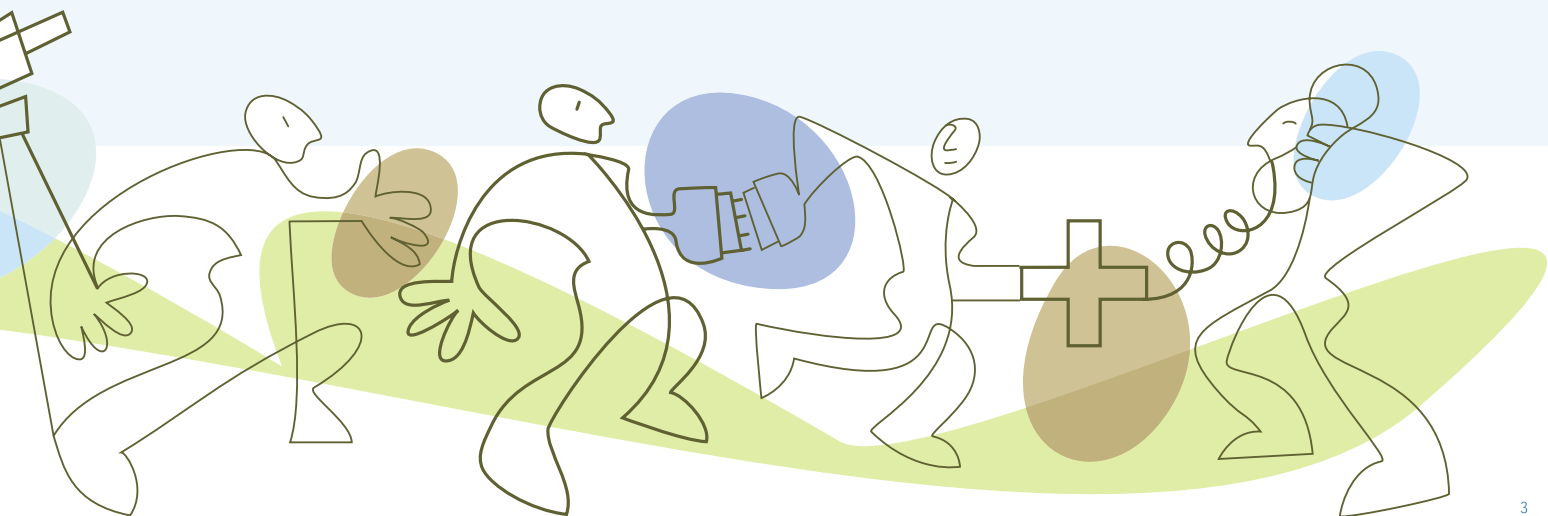
Over the last decade the Group has taken advantage of its markets to grow, both organically and by way of acquisition. We have proved adept at identifying and executing opportunities, adding value through our long-standing culture of embracing change.

Looking to the future, based on rising demand for effective infrastructure services from both the private and public sectors around the world, we continue to see increasing opportunities for our services, both in our traditional markets, such as property and transport, and in new areas, such as education and health.

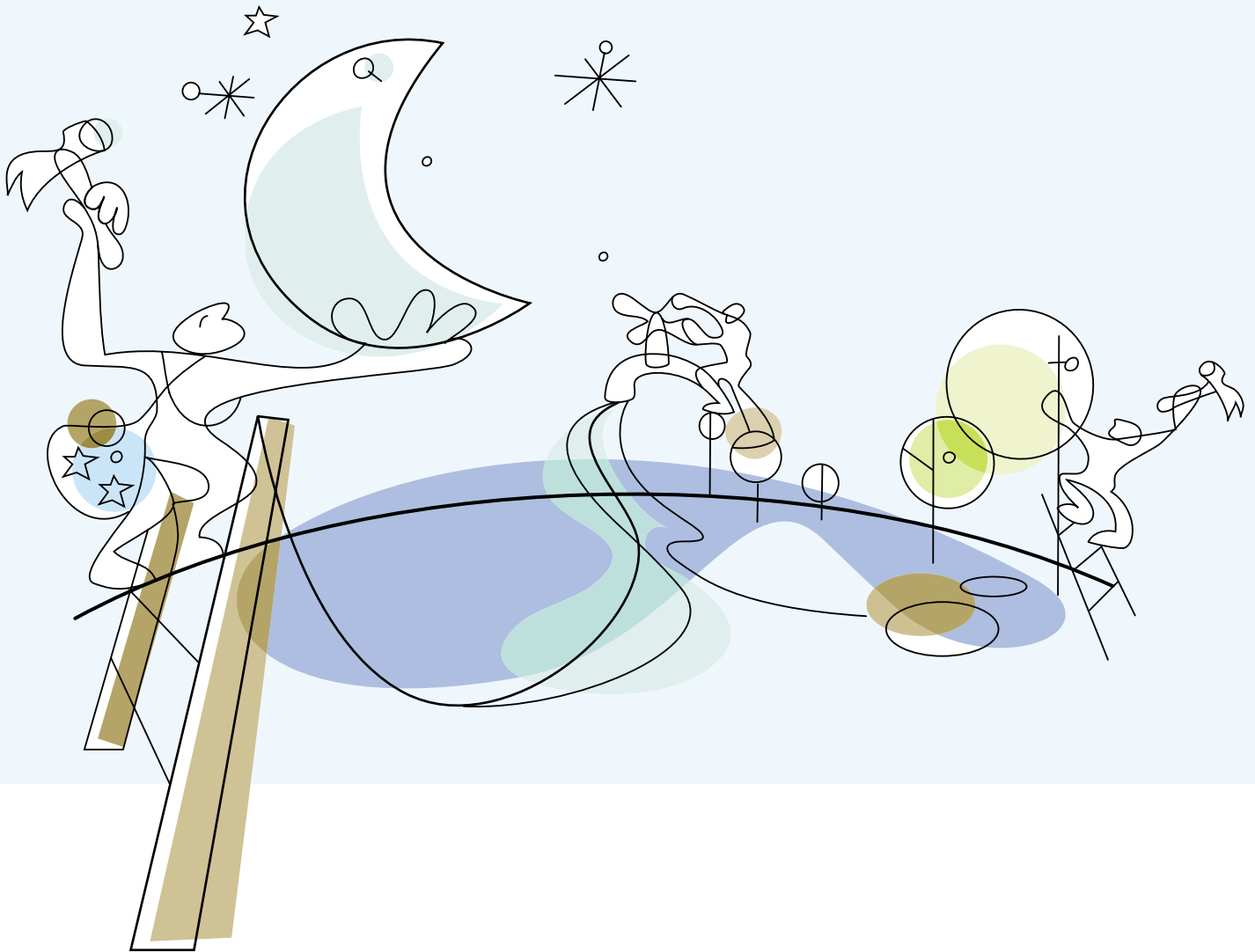
Robin Southwell, our new Chief Executive, is supported by an experienced Board and a talented and committed staff. With this in place, I have increasing confidence that the Group is well positioned to realise the opportunities for growth available to it and to continue to deliver sustainable good results.



Michael Jeffries  
Chairman  
7 June 2001



## Chief executive's introduction



The results for the year to 31 March 2001 are a credit to my predecessor as Chief Executive, Michael Jeffries, his management team and staff. Building upon the strong foundations I have inherited, I intend to continue to achieve optimal business performance and create additional shareholder value.

Since joining the Board and becoming Chief Executive on 1 April 2001, I have met with colleagues from across the Group. I am extremely impressed with their professional expertise, their enthusiasm and above all by the integrity they bring to delivering integrated solutions to our customers. We all take considerable pride in the Group's

achievements to date. We are more determined than ever to continue to deliver strong performance for our customers and shareholders.

As the Group moves to its next stage of growth, with significant new opportunities available, I will be seeking to develop and further improve our focus on those markets where we believe we can become the supplier of choice.

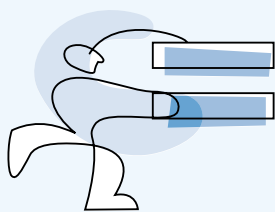
I believe the Group is well placed to meet and exceed the aspirations of customers and shareholders alike and I very much relish the challenge to drive off from this robust and impressive foundation.

I look forward to reporting regularly to shareholders on progress.



Robin Southwell  
Chief Executive

Robin Southwell  
Chief Executive  
7 June 2001



### Delivering state-of-the-art healthcare

**Wythenshawe Hospital:** In South Manchester, a major private finance initiative project is on target to deliver state of the art healthcare facilities. Opening in September 2001, new facilities at Wythenshawe Hospital – comprising a 320-bed acute unit and 77-bed mental health unit – will form the centrepiece of a new scheme that will create an 800-bed centre of excellence and transform the hospital into one of Europe's finest.

Under a 35 year concession to provide new facilities and services, our consortium established South Manchester Healthcare Limited to design, build, finance and operate this landmark scheme for South Manchester University Hospitals NHS Trust.

We are providing full design services including: architecture; healthcare planning; building services; structural engineering; landscape design; planning supervisor services; interior design & art; and facilities management.

### Improving the rail network

**Proof House Junction:** With over 800 train movements every day, Proof House Junction, was one of the worst bottlenecks on the West Coast Main Line. It lies east of Birmingham New Street Station, where the lines from London, the Virgin cross-country and local Birmingham cross-city services all converge.

Only a complete remodelling of the junction would allow it to cope with future capacity demands whilst providing safer and more reliable infrastructure. This £36m project was substantially completed within a 19 day blockade in August 2000.

Our key roles included: developing the scheme in the initial stages with Railtrack; undertaking the design work for all the inter-related disciplines; design management and co-ordination; main contractor for the signalling works; and engineering management for the whole project.

# integrated world

#### OPERATIONAL PERFORMANCE

The Group has produced a further strong overall performance. Within Transport, both Road and Rail performed well. Management & Industry also performed well, especially in the second half of the year. With a change in the mix of business towards longer term contracts, Property Services performed below our expectations, particularly in the second half, where the business was impacted by higher business development and restructuring costs. International performed well, with record results in Europe and North America, and Asia Pacific returning to profit in the second half. The contribution from the share of joint ventures rose significantly, benefiting from Connect, our PFI roads business, and from a first contribution from the facilities management contract for Telkom SA Limited, which commenced in August 2000.

In addition, we have benefited from the first full year results from the acquisition of Lambert Smith Hampton ('LSH') in July 1999 and the United States based Atkins Benham Group in January 2000, both of which performed above our expectations at the time of acquisition.

Further information on the Group's overall financial performance and that of each business stream is given in the Financial Review.

The year under review has seen the Group achieve a number of objectives:

- We have demonstrated a greater ability to win national contracts and leverage customers and services across the Group.
- The focus on strengthening and expanding our 'cerebral' position in the outsourcing and support services market is continuing to deliver results.
- We have delivered a range of solutions underpinned by technology and the management of change.

Contract wins include:

- A 10-year educational services partnership with the London Borough of Southwark.
- A 3-year contract at GCHQ in support of the New Accommodation Project.
- A 10-year outsourcing contract, in joint venture with Rebhold in Johannesburg, for Telkom SA Limited for over 8,000 properties, involving the transfer of some 1,460 staff.
- Since the year end we have secured a three-year partnering contract with Hampshire County Council for support to their Transport programme, a further Managing Agent contract with Highways Agency for trunk roads in East Anglia, and a five-year term highway maintenance contract for Bradford Metropolitan District Council.

Of our total staff, 62% (2000: 58%) are now involved in outsourcing and support services.

**PROPERTY**

(33% of Group turnover, 27% of Group operating profit<sup>†</sup>)

	2001 £m	2000 £m
Turnover	224.3	193.6
Pre-existing operations	164.0	153.6
Lambert Smith Hampton <sup>**</sup>	60.3	40.0
Operating Profit <sup>†</sup>	9.0	12.0
Pre-existing operations	4.2	8.2
Lambert Smith Hampton	4.8	3.8
Operating Margin % <sup>†</sup>	4.0%	6.2%
Pre-existing operations	2.6%	5.3%
Lambert Smith Hampton	8.0%	9.5%

<sup>†</sup> Excluding Share of Joint Ventures, Pension Credit, Amortisation of Goodwill and Employee Benefit Trusts.

<sup>\*\*</sup> Acquired July 1999.

**Overview**

Our Property business is involved in all aspects of the property life-cycle from acquisition, design, financing advice and

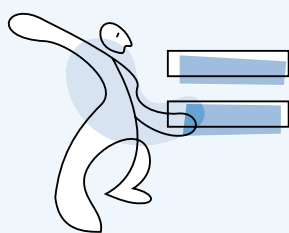
construction management to facilities maintenance. In addition, Property is able to benefit from expertise elsewhere in the Group to enhance its service offering; examples include contaminated land remediation and transport planning.

Cross-selling and integration of Group services continues to benefit our customers all over the world. Our design teams have collaborated on major hotel and leisure complexes in Saudi Arabia and Dubai and on a 13-barrack block facility for the British Army in Kosovo. We have advised on a global estate rationalisation programme following the merger of Glaxo Wellcome and SmithKline Beecham.

Maintaining and enhancing our professional capabilities underpins our ability to deliver effective solutions to our customers. We continue to receive professional recognition for the high quality of our work. The innovative design for the glass façade at the Coex Convention Center in Seoul secured a Structural Achievement Award from the Institution of Structural Engineers.

We are also involved in practical research which we believe will benefit our customers. Since 1998, we have managed a portfolio of over 230 property construction research projects, with a combined value of £47m, for the Department of

# around the world



## Using high technology in South Korea

**Coex Convention Center:** An outstanding feature of the Coex Convention Center, Seoul, South Korea, is its two large glass walls, which form the sides of open foyer spaces for the main north and east entrances.

Using the latest technology, our Structural engineers in the UK developed the design for the delicate structure, which supports most of the glass. These dramatic glass façades are suspended on stainless steel vertical hanger rods and twin stainless steel catenary cables.

The weather is often extreme in South Korea. The cables and rods, which are held in position by fabricated stainless steel struts to form vertical cable trusses, must remain in tension at all times.

Our innovative solution to deal with the thermal expansion was to use two springs, set under the floor, thereby reducing the variation in the tension over the design temperature range to around 10 per cent.

## Managing 8,000 properties in South Africa

**Telkom SA Limited:** In 2000, WS Atkins Facilities Management won a 10 year, £1.5bn contract to manage the huge property portfolio of Telkom SA Limited. It is one of the world's largest outsourcing contracts.

We are delivering operations from over 35 locations to manage some 8,000 properties. Over 1,460 staff, 686 vehicles and some 13,000 assets were transferred to Atkins; and we re-procured services covered by over 4,000 supply contracts. The total annual value of these services will be £150m.

The wide range of properties includes headquarters buildings, the main international satellite earth station, state of the art exchanges, the mast network and the national network operations centre.

We have set a benchmark for future service provision in the continent of Africa. This contract is the largest of its type we have ever won and it significantly strengthens our position in the facilities management global marketplace.

Environment Transport and the Regions (\*DETR\*). Since commencing this work, we have achieved a 63% reduction in the percentage of 'late' project milestones from 40% to 15%.

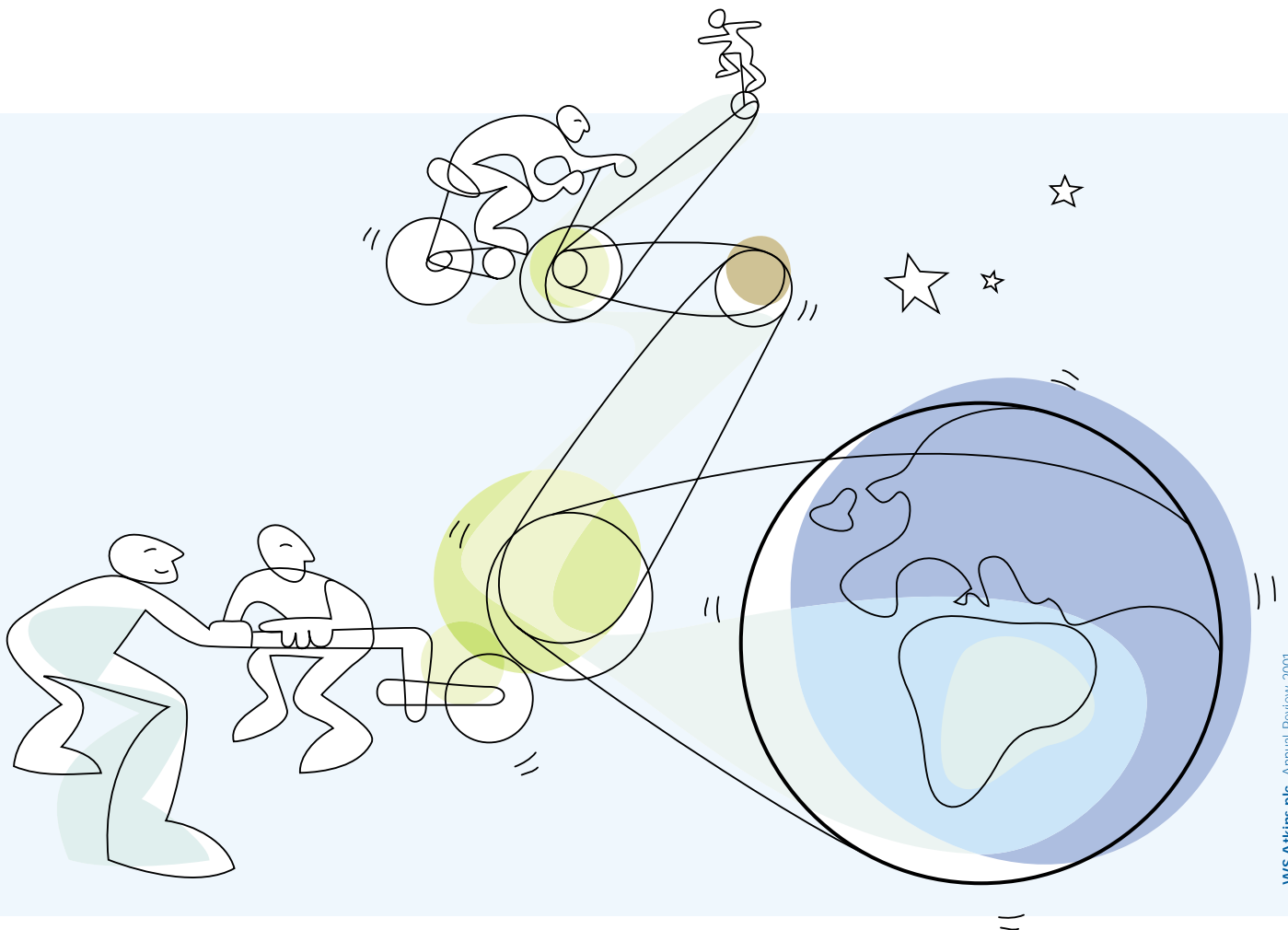
Our network of UK offices using our in-house project information system 'ProNET' also lends itself to major roll-out programmes where speed to market is our clear differentiator. Using leading edge technologies, we have been able to co-ordinate and deliver to British Telecom multi-site services, including technical advice to its tunnels network, and Mechanical & Electrical term consultancy under a separate, national framework partnering contract. We have also been commissioned by the Department for Education and Employment ('DfEE') to provide Design Advisory Services for capital project proposals submitted to the Department. This three-year commission further reinforces our involvement in partnering with central Government departments.

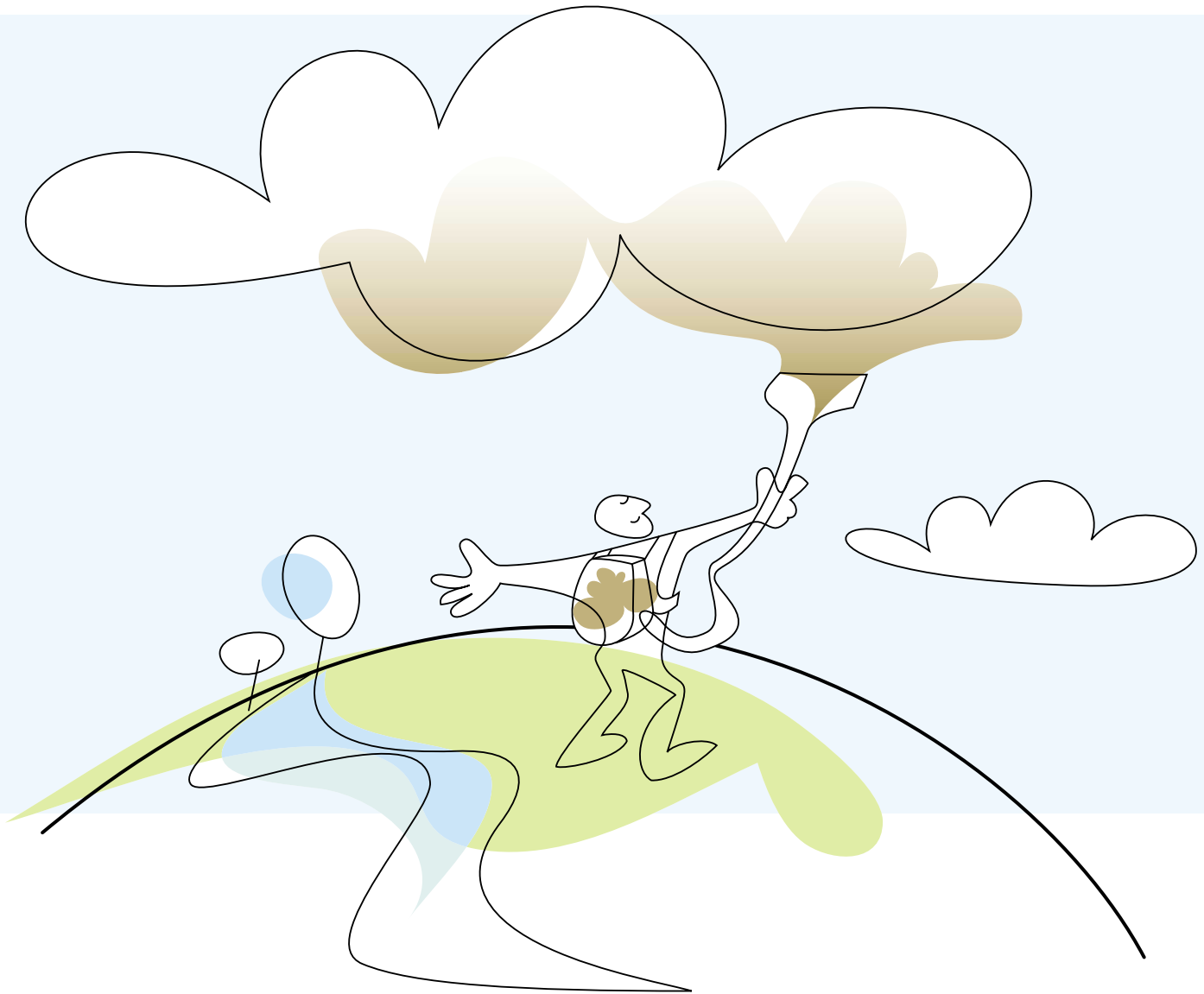
Over the past year we have continued to develop solutions to suit the specific needs of our customers, helping them to achieve best practice by continuous benchmarking of industry standards within the markets in which our customers operate. Examples include work by our project services business, which has played a significant role in Railtrack's objective of embracing partnership. Five-year framework agreements have been put

in place with the opportunity for five-year extensions, all promoting an improved supply chain open book culture.

In Facilities Management, during the year we have secured the three-year contract as managing agent to administer the maintenance and repair of some 300 properties for Littlewoods plc. This wide ranging commission includes a full review of the current contractor database and methods of operation and safety systems, together with the procurement of new maintenance contractors and utilities and capital works projects. The contract incorporates the expertise of specialists from across the Group in improving Littlewoods' property portfolio procurement methods, safe systems of work and supplier base.

Our Facilities Management portfolio continues to expand in the UK. New commissions from Bradford & Bingley, Somerfield, Kwiksave and the Land Registry have increased the number of properties we manage to over 175,000. We have also seen growth in the annual value of the supply chain business we manage, which is now around £575 million, an in-year increase of 14%. We have been progressing commercial schemes and initiatives under our 'High Street Solutions', where our customers now include Boots the Chemist, Marks & Spencer, Alliance & Leicester, Barclays, Halifax, BP, Esso, Q8 and Texaco.





Our Defence FM business currently has a total of 35 contracts with the Ministry of Defence, with a presence on 160 sites and involvement with a further 140 establishments. The High Wycombe contract was successfully mobilised at the start of the year and negotiations for additional two-year extensions on a number of other contracts have been negotiated.

The business continues to provide support to the Temporary Field Accommodation contract in Kosovo. As a 24.5% joint venture partner, we are involved in the Base Operating Support contract for the US Navy in Diego Garcia which is now in its third year of successful operation.

The procurement programme for the five One Stop Shop regional Prime contracts (which will replace the existing Works Service Management and Estates Works Consultancy contracts) was announced by Defence Estates in early 2001. The Group, in consortium with Balfour Beatty and Babcock, has been short-listed for the initial stage for Scotland, the first of the contracts to be tendered.

There are significant opportunities within the UK Defence sector over the next five years arising from the Strategic Defence Review and the manner in which contracts are procured. With a greater emphasis on Public Private Partnership, PFI and Prime,

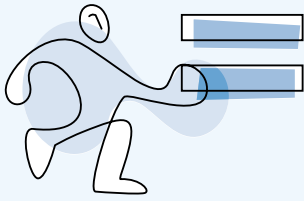
future contracts are becoming larger and more complex. As reported later under Atkins Investments, we are preferred bidder for a major new build PFI contract at Colchester Garrison and are also bidding for other PFI defence contracts.

Acquired in July 1999, LSH's turnover is approximately 55% consultancy and 45% from agency transactions. The business has exceeded the financial performance targets set at the time of acquisition.

LSH is a major driving force behind the creation of a Global Property Alliance, a platform offering high-quality property services internationally. This partnership includes major independent property advisers in the USA, United Kingdom, Ireland, France, Germany, the Netherlands, Belgium, Greece, Spain, Argentina and Chile.

The Alliance is owned and managed by its members. Launched in London in January 2001, the Global Property Alliance has already achieved significant success, winning new business from Gateway Computers, Symbol Technologies, PGA European Tour and Bookham Technologies.

In the UK, LSH has been re-awarded a three-year contract from the Thames Valley Police Authority, which occupies some



## Providing renewable energy

**Burra Dale wind farm:** Over the last 20 years, interest in renewable energy has increased significantly. The Government has targeted 10% of the UK's power generation to be supplied by renewable energy by 2010, and is to invest £100 million in an effort to achieve this goal.

WS Atkins has a wide range of experience in the renewable energy sector, from hydro-electric schemes to solar power. This expertise was called on in a technical audit we undertook on the Burra Dale wind farm in the Shetland Islands. Its three 660kW turbines have the potential to supply the equivalent of around 1000 homes with electricity.

We ensured the physical components on site (turbines, cabling, transformers and switchgear) met with certain contract requirements. Our team was given 2 days notice and within the tight time constraints completed the study, and delivered a draft report in just 11 days.

## Generating heat and power

### Total Solutions for Industry (TS4i):

Our joint venture with The Royal Bank of Scotland, launched in 2000, takes an innovative approach to financing and operating industrial assets. It offers a one-stop service that will design, build and finance a particular asset on behalf of a third party, administering the service via a single performance contract.

Early in 2001, TS4i acquired the shares of Viridian Group's GB power generation business, Viridian Cogeneration Limited. The new company will trade under the name of TS4i Power Resources. The deal is the first for the Joint Venture in what is forecast to be a developing market for asset backed services in the years ahead.

Via TS4i Power Solutions – a vehicle set up to service the cogeneration market – WS Atkins will offer not only combined heat and power (CHP) solutions to commercial clients but also flexible, innovative solutions to industry's broader energy needs.

# cleaner world

300 properties across Oxfordshire, Buckinghamshire and Berkshire. The contract involves the provision of landlord and tenant advice, development, disposal and acquisition work, in addition to rating and valuation services.

Taking advantage of the skills and customer relationships in the Group's Rail business, we have provided consultancy advice to Stagecoach in its successful bid to renew its franchise for South West Trains. This work included the development of innovative solutions for passenger management and retailing at Waterloo and Clapham Junction stations. LSH is also working with GOVIA in the development of station upgrades for the South Central rail franchise, for which GOVIA is the preferred bidder.

In Autumn 2000, LSH took over the management of the British Rail Residuary Board's remaining property portfolio in Scotland and the South West. This role has now expanded with LSH's appointment as preferred bidder for the management of remaining portfolios in the South East, North East and North West.

In a landmark transaction, LSH acted in the £300m purchase of the freehold and long leasehold interest in the Cutlers Garden Estate, in the heart of the City of London. The distinctive 10 building managed office scheme was acquired on behalf of the Peabody Fund and asset managed by Dawnay Day Structured Finance. This represents one of the largest central London single property transactions recorded.

There are an increasing number of opportunities that require skills from across all our businesses to provide effective solutions to our customers' needs. As part of our response to this, we have formed a Major Projects Unit to manage and co-ordinate major projects and certain long-term capital outsourcing projects.

Examples of our work include a series of hotel projects covering Europe and the Middle East and managing the extension and refurbishment of the Hyde Park Intercontinental in London for Bass. This year has also seen us appointed as Project Managers and Designers for the £70 million Swiss Cottage regeneration scheme by Dawnay Day and Barratts as part of their existing PPP scheme with the London Borough of Camden.

A major win is the assignment with Level 3 for the maintenance and emergency restoration of some 5,500 kilometres of their fibre optic cable network covering the UK, Holland, Belgium, France and Germany. Other initiatives in the Telecommunications market are reported later in Management & Industry.

The Group's relationship with Shell's European Oil Products business has now matured so that our umbrella contract covers the programme management, the project management and design for the capital works on some 5,000 petrol stations across 12 European Countries. We also continue to be actively involved in Rail projects, working with the Group's industry specialists.

**TRANSPORT**

(28% of Group turnover, 32% of Group operating profit\*)

	2001 £m	2000 £m
Turnover	188.3	150.4
Operating Profit*	10.6	8.5
Operating Margin %*	5.6%	5.7%

\* Excluding Share of Joint Ventures, Pension Credit, Amortisation of Goodwill and Employee Benefit Trusts.

This business stream's turnover is split approximately two thirds/one third between Road and Rail. Our transport planning and systems capabilities, which are reported within Roads, operate jointly across road and rail. The business reported a very strong performance, benefiting from increasing levels of investment in UK transport.

**Roads**

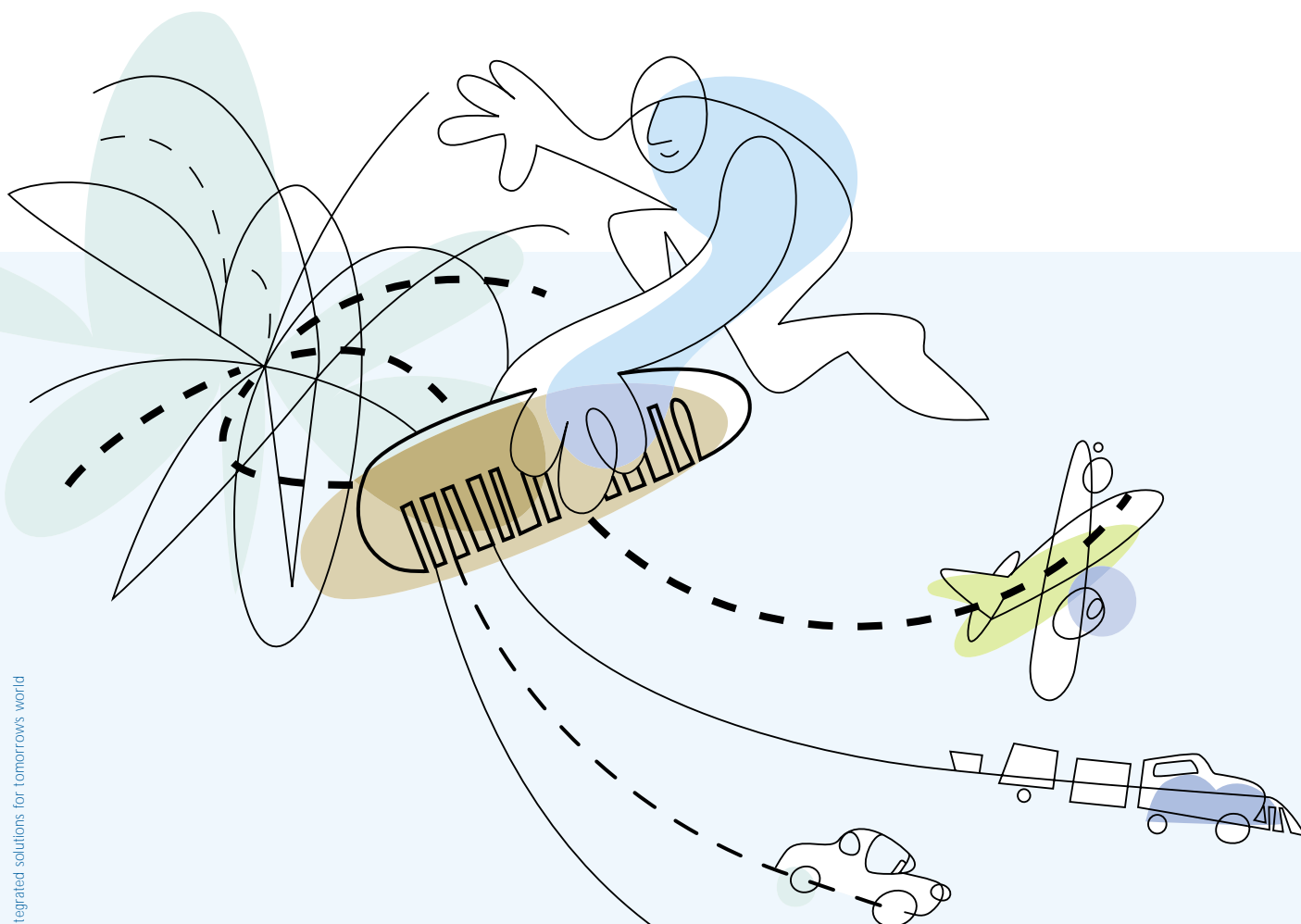
The year has seen significant growth in our Roads business, with turnover up by 18%. We continue to provide the whole

range of services from transport planning, through design, to construction management, maintenance and operations.

**Industry overview**

The financial year started positively with the publication of the UK Government's 10-Year Plan for Transport, which identified additional committed expenditure in this sector over both the short and medium term. In-year our staff numbers increased organically by some 390 (18%). This included the results of a major recruitment campaign, including internationally in Australia.

Local Transport Plan funding settlements for Local Authorities have been much increased, some even doubling. This provides a significant additional volume of work for the County Council term contracts, as well as providing further outsourcing and partnering opportunities with Local Authorities in the highways sector. We have secured the first of these partnering contracts with Hampshire County Council for support to their Transport programme for the next three years. In London the Group is providing significant technical support to Transport for London on bus priorities and bus-lane enforcement, facilities for cycling and walking, and best value and performance indicators.



We are providing advice and best practice guidelines on transport planning and policy implementation to central Government, local Government and the Regional Development agencies. As a result of the DETR's requirement to examine alternative transport schemes, we have undertaken multi-modal transport studies for a number of different areas, including Manchester, East Midlands and Hastings.

#### Design

We are designing some of the largest new-build projects in the UK. During the year we won, in joint venture, the design contract for the privately financed Birmingham Northern Relief Road, which is the UK's first motorway toll road and the largest motorway construction project, including 43 kilometres of new road to be designed and built in only three years. We have also been appointed by the Highways Agency to act as its Agent for widening the M25 near Heathrow and we continued to work on the A2/M2 widening.

During the year we have formed the ErinRoute consortium, as a 15% member with Carillion, Balfour Beatty and Egis to pursue PPP opportunities for roads in Ireland.

In the Highways Maintenance sector we have increased our leading market share still further, with the addition in the year of a three-year term contract for the Highways Agency for the

design of major improvement schemes in Area 16 (South Yorkshire and Humberside). We have received extensions to two of our other existing Super Agency contracts in Area 2 (Bristol) and Area 4 (Kent), and are now developing our strategy to address future operator-led opportunities.

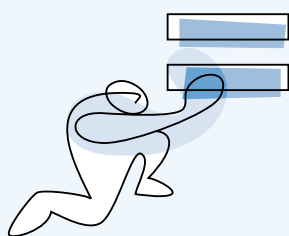
Atmos, our highway maintenance and transport operator, has also had a good year, particularly with the seven-year transport services contract for Surrey County Council which commenced in February 2000. By introducing new methods of operation, we have been able to demonstrate considerable savings for Surrey in the first year. Since the year-end Atmos has been awarded a five-year maintenance contract for Bradford Metropolitan District Council.

#### Transport Systems

In Essex our joint venture with Siemens to provide the complete range of services for traffic control is the first of its type, with the potential to develop into other geographic areas.

Our advanced transport systems and communications team secured two contracts, in East Midlands and East Anglia, for National Public Transport Information Services, which will extend into the development of high quality, real time public transport and road traffic information as part of the Government's Transport Direct programme.

# moving world



## Reducing road congestion

**Highways Agency:** Our Roads business manages several key areas of the UK's trunk road and motorway network on behalf of the Highways Agency. In total WS Atkins is responsible for some 2,100km of primary roads, including more than 4,000 structures.

We bring a variety of innovative techniques in order to minimise disruption and maximise the capacity and safety of the network. Recently on the M5, for example, our engineers employed a revolutionary heat treatment to straighten, and avoid replacement of, a bridge girder that had been struck by a heavy goods vehicle.

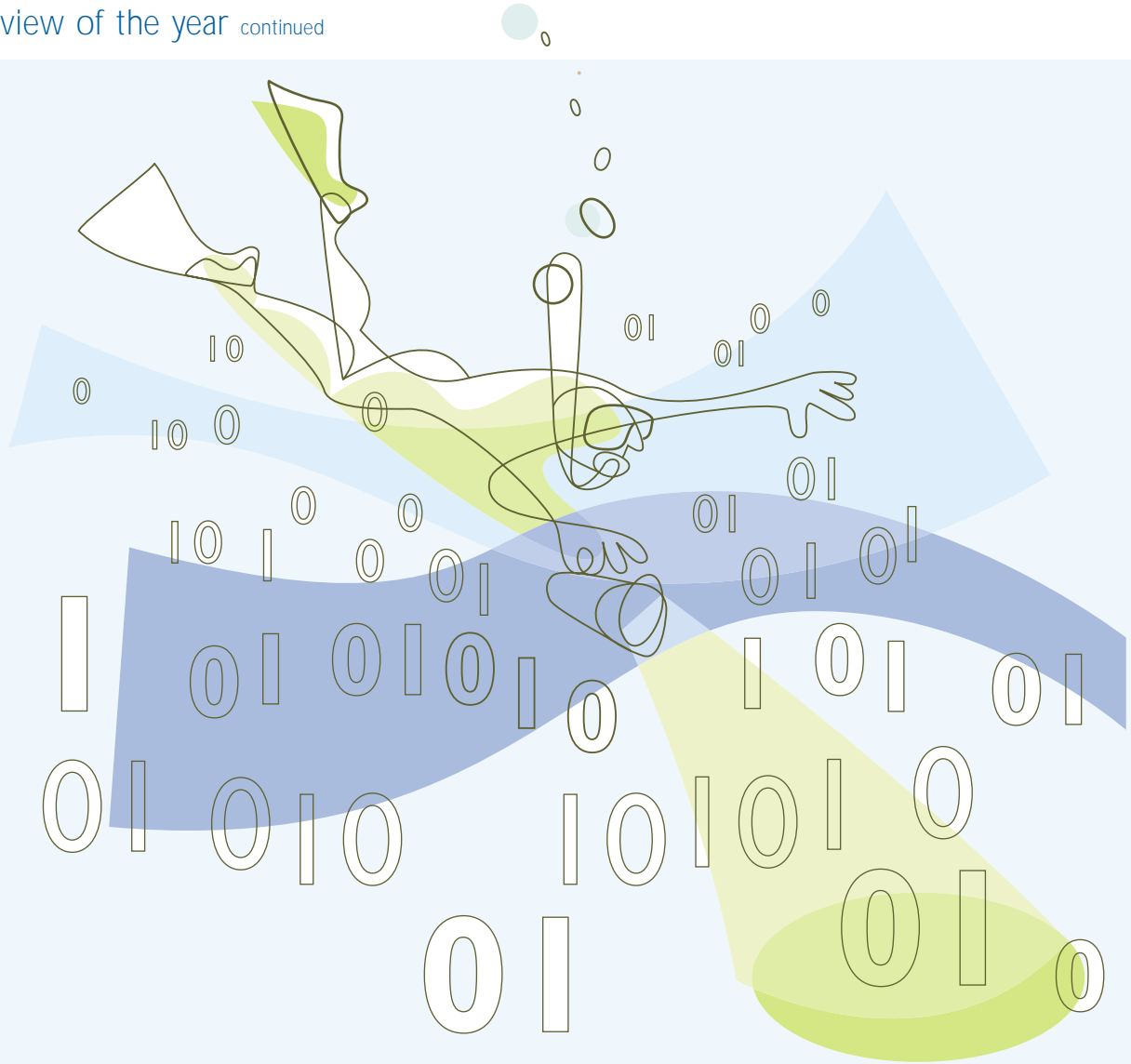
The benefits to both road goers and taxpayers are easy to appreciate. The work was completed in record time, causing 70% less traffic disruption than a conventional repair at less than half the cost.

## Making trains safer

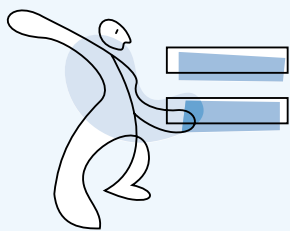
**Rail structures examination:** To meet the demands of an ever increasing number of safety regulations, particularly on track operations, rail companies are using the benefits of innovative technological developments; structures also play a key role.

WS Atkins has begun work on a 2 year, £12m contract for Railtrack to examine more than 50,000 bridges, stations and other Railtrack structures throughout Scotland and Southern England. These include the 110 year old, 1.5 mile long Forth Rail Bridge, where teams of abseilers will get close to record its condition and any defects.

In southern England, WS Atkins Rail is now responsible for checking the condition of structures from Dover in the East to Exeter in the West and from North London to Southampton.



# brave new world



## Upgrading U.S. industry

**3D laser scanning:** When industrial process plants and facilities require an upgrade or retrofit, the "as-built" structures can differ from the original specifications. Until now, to gather accurate information about what actually exists involved walking and clambering around the site taking measurements and making sketches, or using photogrammetry, requiring close range pictures.

Now, Atkins Benham has transformed visual reality into accurate engineering information for its industrial clients in the United States by using a 3D laser scanning and imaging system to automate the task.

This award-winning technology enables rapid input of the information into CAD programmes for engineering applications. A digital camera targets the scanner, and a pulsed, time-of-flight radar laser system uses rotating mirrors to direct the laser beam. Atkins Benham has used 3D laser scanning for a variety of clients, including 3M and Rohm and Haas.

## Making yachts go faster

**Kingfisher and General Electric:** Round-the-world yachtswoman Ellen MacArthur's achievement in completing her single-handed, non-stop race in the Vendee Globe in 2001 was helped by our expertise in computational fluid dynamics.

We were part of the design team that undertook the hydrodynamic analysis of her Open 60 yacht, Kingfisher. Our challenge was to analyse and help optimise the hydrodynamics of the boat, taking in the performance of the keel, dagger boards and rudders, to improve control and reduce drag.

Using advanced technologies, we seek to add value by providing a technical edge at all levels of the business. General Electric, market leaders in the supply of gas turbine Combined Heat and Power plant, has been using these capabilities at WS Atkins for over five years.

## Rail

### Industry Overview

Our Rail business has experienced another record year, with turnover growing by over 41%.

The Strategic Rail Authority has published its Agenda for the rail network and we are set for a decade of real investment in the system, with significant funding coming from both public and private sectors. Our skills in engineering, management, safety and project finance make this a time of exciting opportunity in rail; although watchful of short term changes in the funding and operating structure of the UK rail industry, we are confident about longer term opportunities.

Resourcing of skills for the UK Rail Industry remains a challenge. We have responded by signing co-operation agreements with the professional arm of Indian Railways; over 100 electrification and signalling specialists now support our UK design activity from our offices in Sharjah, demonstrating the benefits – as elsewhere in the Group – of applying IT to allow global working arrangements. We have also mounted successful recruitment campaigns in Australia and South Africa.

### Industry Partnerships

We continue to be engaged on significant alliances with Railtrack and others on the West Coast Route Modernisation, with new signalling contracts awarded. We are also part of the Alliance responsible for the resignalling of the Dorset Coast Route. These new commitments exceed £50 million in fee value.

On other major routes, we were appointed to engineer the remodelling of Peterborough, a major bottleneck on the East Coast Main Line, and have been commissioned to undertake a feasibility study of the Felixstowe – Nuneaton Freight Route.

Proof House Junction at Birmingham was completed on time and within budget, and the project team has won a number of awards. Our independent review of the Channel Tunnel Rail Link was completed successfully this year, contributing to allowing Phase 2 of this important infrastructure project to proceed.

Our recent appointment to undertake structures examination contracts for Railtrack covering the Southern Region and Scotland, further consolidates our position as a market leader in the management of rail infrastructure.

Our Rolling Stock business has given significant support to the manufacturers and leasing companies for their new trains. Independent Safety Assessments have been undertaken for Siemens, Adtranz and Alstom, plus Vehicle Acceptance for the new Bombardier Virgin Voyager.

### International

Our rail business continues to support major projects in Hong Kong, Ireland and Portugal, together with our appointment to provide system safety certification for the Singapore MRL North East line.

In June 2001 we announced the acquisition of ScanRail, the transport and engineering consultancy division of the Danish

National Railway Agency. ScanRail, which has some 330 highly skilled consultants, is expected to become part of the Group in July 2001. With the majority of its work in Denmark, ScanRail is also renowned for its transport consultancy and software products in the areas of timetable modelling, signal control and informatics. The acquisition provides a strategic presence in the growing Scandinavian and north European rail market. It also provides the Group with the opportunity to develop its Property and Management & Industry businesses in these territories.

## MANAGEMENT & INDUSTRY

(18% of Group turnover, 17% of Group operating profit<sup>1</sup>)

	2001 £m	2000 £m
Turnover	119.1	101.7
Operating Profit <sup>1</sup>	5.7	5.5
Operating Margin % <sup>1</sup>	4.8%	5.4%

<sup>1</sup> Excluding Share of Joint Ventures, Pension Credit, Amortisation of Goodwill and Employee Benefit Trusts.

### Overview

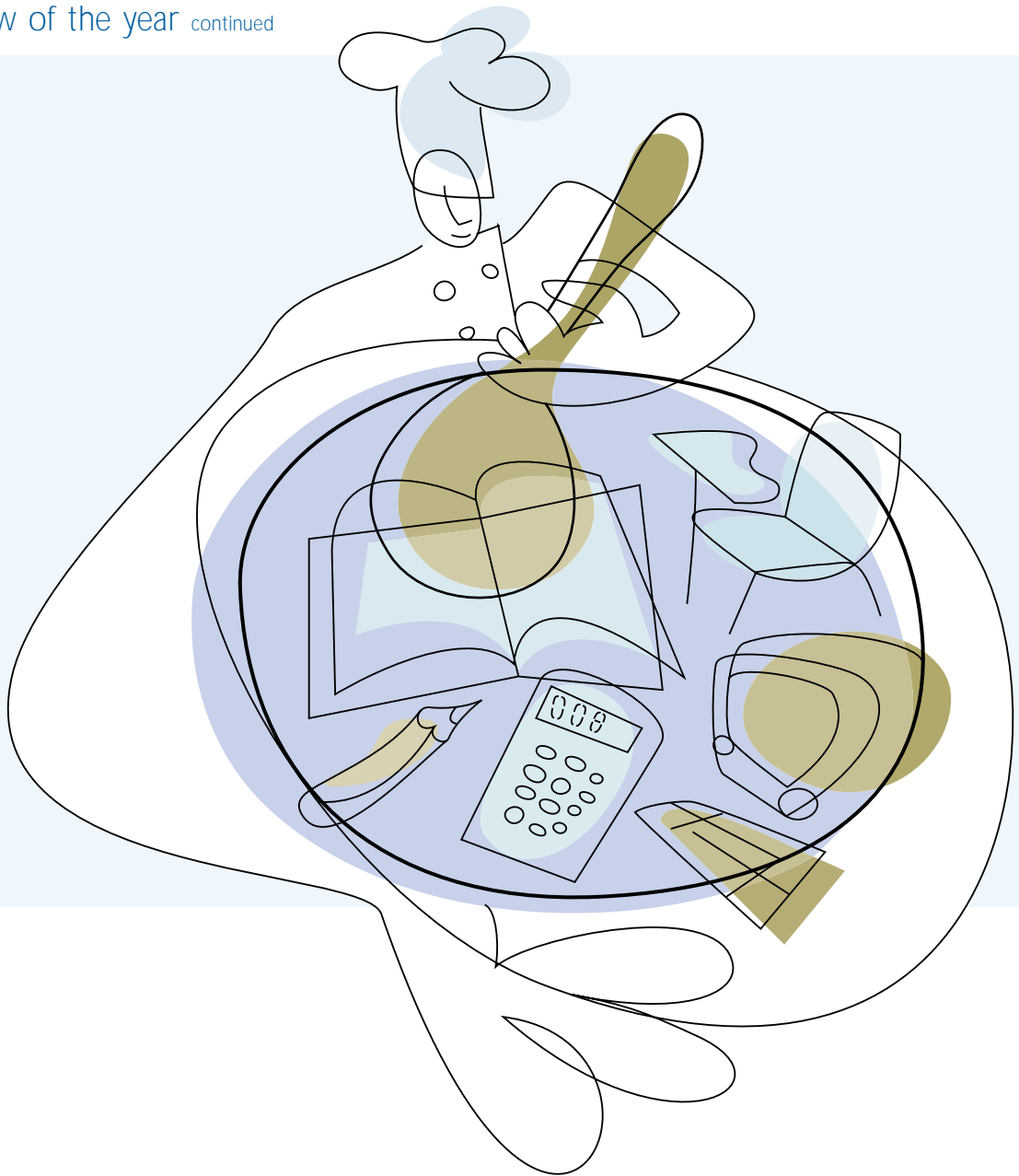
Our Management & Industry ('M&I') business serves the Government and Industry sectors, all with a strong technology and change management content. The Atkins Benham business in the United States fosters and encourages technical links and cross-selling opportunities.

M&I is a key source of the Group's future growth in the UK and internationally. Especially in the second half, we have started to see the benefits of significant restructuring and the increased focus on key customers.

We continue to embrace change on many fronts. During the year we formed a Telecommunications business, bringing together skills, resources and customer relationships from across the Group. This enables us to better serve Cable & Wireless, One2One, Orange, Vodafone and other key players, as the industry rolls out new infrastructure across Europe. Benefiting from the acquisition of LSH, this activity also includes creation of tele-houses under the 'Co-locations' initiative.

Our expectations are that the Group's activities in industrial markets will continue to grow strongly as a result of the value that our technological strength and management capabilities add to multi-national and government customers. In some of these markets, largely on the back of the continuing trend for outsourcing in the UK, we are targeting growth on a scale that, if successful, will see the creation of new business streams in the Group.

In addition, there are opportunities for significant growth, as the UK Government considers the next steps in Public Private Partnerships, to deliver local government services, and nationally in Health and Education. An early example of this is that on 1 April, 2001 nearly 300 staff transferred to the Group when we commenced the landmark education services partnership contract with the London Borough of Southwark, with a further 300 staff expected to join in September 2002.



In the Utilities sector, we have come through the bottom of the UK Water industry's 5-year investment cycle and have an important engineering framework agreement with Anglian Water, which is now gathering momentum. We have secured long-term partnerships with National Grid and GPU, providing design and construction services for new works to improve the transmission and distribution of electricity. Our relationship with BNFL Engineering and Magnox strengthened, with significant commissions at the Sellafield site in Cumbria and at the Wylfa power station on Anglesey.

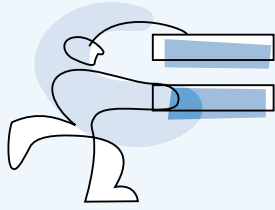
Total Solutions for Industry (TS4i), our asset backed services joint venture with the Royal Bank of Scotland, won its first contracts, to design, build, finance and maintain projects in the combined heat and power ('CHP') sector with Fribo Foods and Sonoco. We acquired the staff and assets of Viridian Power Resources to support these contracts and to seek to increase our share of the growing CHP market.

In Manufacturing, we continued to support Anheuser Busch's development of its facilities at the Stagg brewery at Mortlake, London. Most recently, this involved the development of a new refrigeration system for brewing Budweiser. We provided the

full range of services from concept to commissioning for a phenol sulphonate plant as part of a turnkey project for a UK subsidiary of Clariant, the leading global manufacturer of fine and speciality chemicals.

We experienced significant growth in the Process sector, assisted by the recovery in the oil price. We secured a strategically important contract with BP at Grangemouth to provide on-site design services for the next five years, a role potentially replicable on sites elsewhere in the UK and internationally. Our integrated management services approach helps owners and operators of offshore structures (such as Kerr McGee and Talisman) to reduce inspection costs; and we retain our position as a world leader in advising on the safety of offshore installations. We started to see significant returns on our investment in developing a presence in Houston, Texas, aimed at strengthening our position with the oil company multi-nationals, particularly BP, Exxon Mobil and Shell.

In Defence & Aerospace we continue to develop our air and sea safety systems businesses. We were appointed by the Defence Procurement Agency of the Ministry of Defence to lead an international study of a new rescue system for NATO



## Creating better schools

**Penweddig:** In Aberystwyth, the first Private Finance Initiative school to be built in Wales opened its doors to pupils and staff in January 2001. Penweddig is a Welsh Medium Community Secondary School and particularly significant for WS Atkins Investments because it was the first major success for NewSchools, our joint venture with Innisfree.

This 780 pupil school, which replaced an obsolete one with a modern, high quality facility, reflects many of the considerable skills and strengths of the WS Atkins group, particularly in the design, construction and the operation of educational buildings.

We provided a whole range of services – from concept design, bid management and whole life cost advisor to project management and facilities management.

## Delivering children to school

**Surrey transport:** Under a 7 year, £70m contract with Surrey County Council, Atmos – the transport services division of WS Atkins – operates the county's transport services. These include delivering to and from school around 2,500 children with special needs and 670 mainstream pupils who travel by minibus and taxi.

Our in-house fleet of 50 minibuses travel some 750,000 miles on school transport alone; the drivers and escorts are Atmos employees. We are also responsible for all vehicles operated by Surrey Social Services, all cars leased by the County and all its road maintenance lorries.

In addition we manage over 600 routes operated by sub-contractors. The contract also includes the maintenance of mobile libraries and non-emergency vehicles of the Fire and Rescue Service, and the provision of delivery services between libraries, offices and council homes.

# tomorrow's world

submarines; expanded our partnership with Rolls-Royce Marine Power through our work on the systems safety for nuclear reactors for the existing submarine fleet; and won contracts with BAe Systems in support of their operations in North Africa and the Middle East and for Airbus on structural integrity of in-service aircraft.

Government customers remain an extremely important part of M&I's portfolio. An example is our appointment for the next five years by the Environment Agency as one of their national framework consultants, particularly in respect of flood defence forecasting and initiating new capital works for flood protection. We retained our framework agreement with the Health & Safety Executive for a further three years.

Record results were achieved in Management Consultancy. This was due in part to the high demand for our services from both the public and private sectors. However, performance was significantly enhanced by a revised pricing strategy and by greater focus on a limited number of target markets. We advised the UK Treasury on the efficiency of the industry regulators, undertook a review of the impact of e-commerce on the telecommunications sector for the Department of Trade and Industry (now extended to include the process industry) and continued to support the Radiocommunications Agency in their award of spectrum licences for fixed wireless access, advising on market, financial and technology aspects.

In our Information Technology business, after a slow start resulting from the Market's post-Y2K hiatus, we again experienced growth in our systems development and project and programme management divisions. The provision of the business support office at GCHQ for the next three years is an important contract for the Group. We secured our first project management training assignment with Ericsson and supported the National Assembly for Wales in the procurement of a multi-million pound replacement of an IT system to support subsidy payments to farmers.

We undertook several e-commerce development projects, including the design of a web-site for the Royal Borough of Kensington & Chelsea. This will be developed to enable citizens to access council services and to make transactions on-line. This work won a Plain English award for clarity of presentation and layout. We also work for the Environment Agency ('EA') providing a portal to all EA services, including flood information; and developed e-commerce solutions for the DETR.

In Business Process Outsourcing, opportunities were curtailed as UK local authorities evaluated their options under the Best Value legislation, which became effective as from 1 April 2000. Since the turn of the calendar year we have seen a resurgence of bidding opportunities in this sector. Meanwhile our IT outsourcing contracts with both Havant Borough Council and Essex County Council have been extended.

**INTERNATIONAL**

(21% of Group turnover, 24% of Group operating profit\*)

	2001 £m	2000 £m
Turnover	142.3	71.1
Pre existing operations	67.0	58.5
Atkins Benham**	75.3	12.6
Operating Profit*	7.7	3.4
Pre existing operations	2.5	2.9
Atkins Benham	5.2	0.5
Operating Margin %*	5.4%	4.7%
Pre existing operations	3.7%	5.0%
Atkins Benham	6.9%	4.0%

\* Excluding Share of Joint Ventures, Pension Credit, Amortisation of Goodwill and Employee Benefit Trusts.

\*\* Acquired January 2000

**Overview**

The Group has international operations in Europe, the Middle East, Asia Pacific and the United States. The Middle East improved significantly, assisted by the impact of higher oil prices on its economies and encouraging progress has been made across our European operations. Management action reduced the impact of the continued difficult economic

climate in Asia Pacific that adversely affected the businesses managed from Hong Kong.

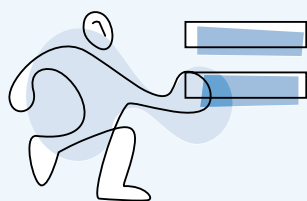
**United States**

The acquisition in January 2000 of Benham (now trading as Atkins Benham across all its businesses and with some 800 staff) was a key step towards our medium term goal of developing a significant business in the USA. Our US business now has offices in 11 States and is registered to operate in 48. Approximately 60% of Atkins Benham's turnover is in the Industry sector, 30% in Property and 10% in Transport. Two thirds of the turnover is in the private sector.

We have closed the operation in Russia, sold the loss-making SESCO process business in Atlanta and introduced stronger controls to Atkins Benham Constructors, the design-build business. We have also appointed a unified management team and prepared a strategic plan for our entire operation in the US including the Project Services business, which was acquired in 1996.

We continue to leverage Atkins Benham's customer relationships with the Group's global capabilities. Cross-selling opportunities are being captured. Examples include process designs for Anheuser Busch in St Louis, Missouri and in Mortlake, London (as mentioned earlier in Management & Industry); on property services for 3M in St Paul, Minnesota and in Bracknell, Berkshire; and on environmental audits for Halliburton sites across the USA and Europe. We signed our first US based asset backed services agreement to provide energy savings in heating and ventilation services for Ford in Detroit.

# commercial world



**Advising global oil and gas companies**

**Shell:** In 2000, Shell European Oil Products commissioned us to provide programme and project management, design, procurement and construction supervision services for capital expenditure projects on 5,000 of its petrol filling stations in 12 countries across Europe. The works range from new build motorway sites to minor equipment installations. Shell operates petrol retail networks in 26 countries across Europe. The programme of works will be managed centrally and implemented locally.

Also, for the International business of Shell, Atkins China has teamed up with the Environmental division of PetroChina Company Limited to undertake an environmental and social impact assessment of the new Changbei Gas Field in Northern China. The field will add to the supply of natural gas to Beijing and Shanghai, helping to address these cities' severe air pollution programmes.

**Supporting major UK retailers**

**Littlewoods plc:** The company has 251 stores, 33 home shopping distribution sites, three customer call centres and nine large distribution sites throughout the UK. Its head office is located in Liverpool.

When this major retailer decided to outsource its Facilities Managing Agent role last year, WS Atkins FM won the work. Under the new three year commission – which has an annual value of £1.5 million – we manage the fabric and plant, cleaning, waste and utilities across the portfolio, with a dedicated contract team and a help-desk.

Our role also includes project management and consultancy services on an as-required basis utilising the skill base of WS Atkins throughout the UK. As part of the commission, 21 Littlewoods FM employees transferred to WS Atkins under TUPE legislation.

Our Project Services business in the US has achieved rapid organic growth, and global relationships have been formed with customers including Exxon Mobil and Merck, which are generating work outside the USA.

#### Asia Pacific

We have focused on key markets and introduced further efficiency measures in response to the market conditions. The Group's activities are primarily carried out from offices in Hong Kong, Singapore, Beijing and Shenzhen. It is encouraging to note that, as a result, business moved back into profit in the second half of the year. Our design work on the North Island Link and Shatin to Central Link confirms our position as one of the leading rail businesses in Hong Kong. Furthermore, our recent commission from China Light and Power to design five tunnels reinforces our position locally as a leading tunnelling consultant.

In China, for Shell we are providing environmental support for a major pipeline. In Singapore our business continues to expand through our strong reputation in the global pharmaceutical industry – such as the Global relationship formed with Merck.

#### Middle East

Several new projects have been won including the Rostamani Towers in Dubai, a 53 floor apartment development; the General

Life Gardens recreational park in Riyadh; and the district cooling scheme for Tabreed in Abu Dhabi – a project supported by technological skills from Atkins Benham.

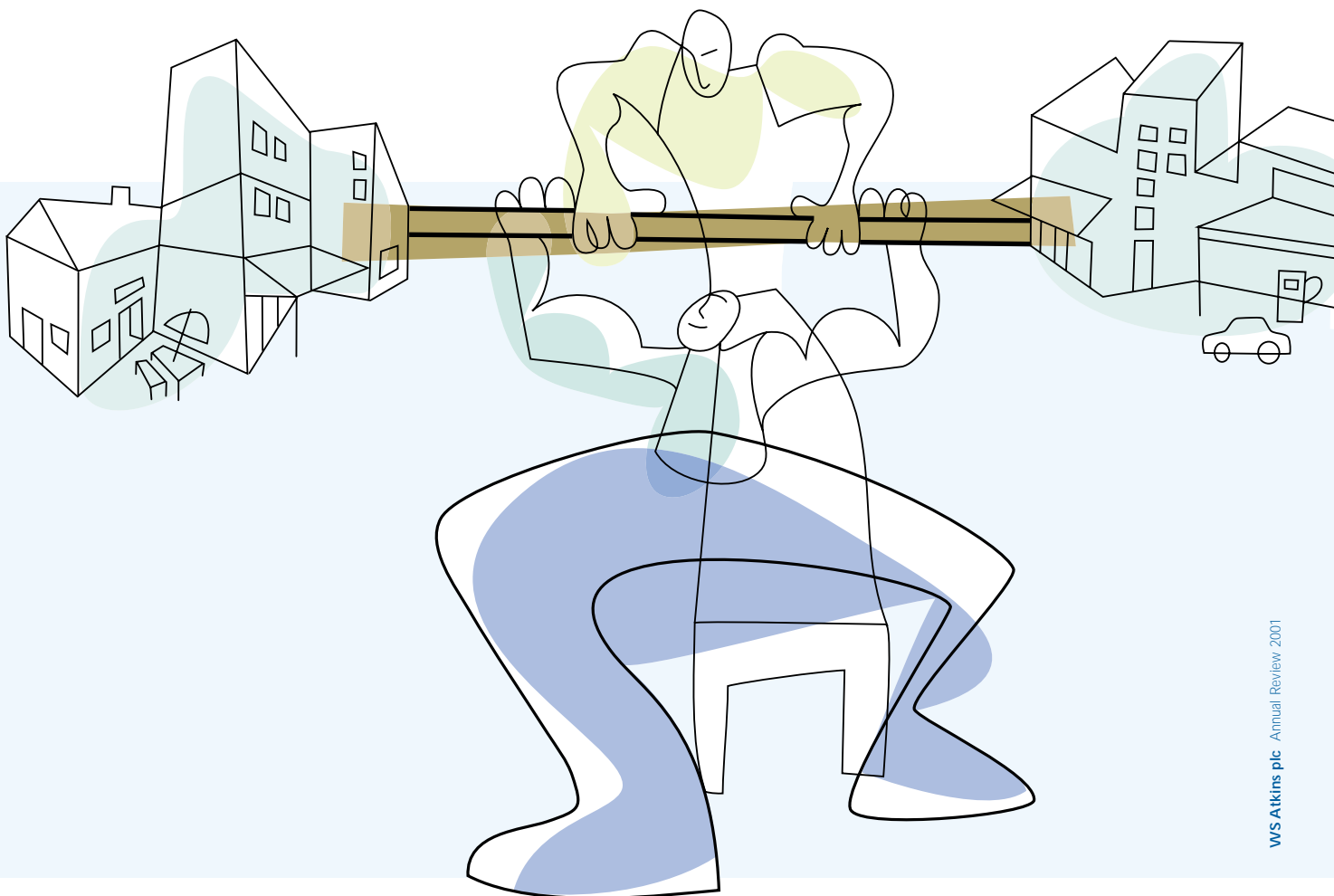
#### Europe

In Ireland we experienced further rapid growth with staff numbers more than doubling. We have strengthened our position in the road and water sectors and have also grown in new markets, particularly rail.

In mainland Europe, alongside the pan-European projects, such as for Shell and Level 3, we are growing in Greece, spurred on by support activities ahead of the 2004 Olympic Games; and in Poland we have become the leading international transport consultancy. We have been appointed as independent engineer for the A2, the country's first privately financed motorway, which will ultimately run from Germany to Russia.

#### WS ATKINS INVESTMENTS

WS Atkins Investments manages the Group's increasing number of equity investments in joint ventures, particularly in the PFI arena, where the Group provides a range of design, operational and advisory services. Sustained progress has been achieved during the year, with all investments performing satisfactorily.



We now own a 32.1% shareholding of our roads operating company, Connect. Bidding is underway for a number of significant contracts.

The two hospital projects at Wythenshawe and Hereford continue to make good progress. In May 2001 the new acute facility at Wythenshawe was completed on programme and handed over to the Client for clinical commissioning. We are in the process of establishing a new strategic partnership to bid for the next wave of major acute hospitals.

In education, highlights of the year were the completion on programme in December 2000 of the Penweddig School in Aberystwyth and the achievement of Financial Close on the important Cornwall Schools contract, our first multi-site PFI. In May 2001 we achieved Financial Close on the Swanscombe School contract in Kent. Construction progress continues to be satisfactory on the Leyton School. A full bidding programme for education is in hand.

Bridgend Prison continues to perform well – the project company declared its first dividend during the year and it was particularly satisfying to see the encouraging report of the Chief Inspector of Prisons, following a visit.

In May 2001 the Metronet consortium, of which we are a 20% shareholder, was appointed as single preferred bidder for the concession to develop and maintain the infrastructure for the Bakerloo, Central and Victoria Lines of the London Underground. This major endeavour covers some 250 kilometres of track, 2,300 structures, 126 kilometres of tunnels and the refurbishment and modernisation of 65 stations and the carrying of over 1,200,000 passengers each working day.

Business generated for other parts of the Group by our PFI successes continues to accumulate. During the year we have signed some significant projects where we do not have an equity interest, including the Cornwall Fire Stations and the Ministry of Agriculture, Fisheries and Food complex in Cambridge. We face the future with growing confidence.

### TECHNOLOGY

During the year we have increased the level of investment in Information Technology and Systems to support the strategic development of the business and improve service delivery to customers. Primary software packages have been selected to be implemented in 2002, including improvements for our supply chain partners, e-business, knowledge management and the introduction of shared services.

### RESEARCH & INNOVATION

Research & Innovation has continued to work closely with major British universities, both to gain access to state of the art thinking and to leverage benefit from public sector research funding. For example, assisted by the University of Dundee, we have developed a process for bidding PFI/PPP contracts that includes structured techniques for identifying and estimating Whole Life Cost issues. This has helped us to improve the

way we understand and manage the risks inherent in such contracts. Working with the University of Reading, we have developed a pragmatic, web-based tool kit for project managers, which is improving the delivery of design-based projects.

ProNET, our collaborative technology system for managing projects and other types of information on the Internet, is now in use throughout the Group and relevant supply chains, as well as being a revenue generator in its own right.

Much of our work on the development of new techniques and ways of working is underpinned by participation in national and international Research & Innovation forums enabling us both to influence and to be aware of emerging issues and research programmes, and to tailor our developments accordingly. Over the year, for example, we have chaired the Construction part of the UK Government's Foresight initiative, which is developing the UK's long-term research agenda for the Built Environment.

Elsewhere, under our chairmanship, ConstructIT (a network of companies and universities dedicated to improving the business processes of construction through the use of IT) has been awarded a Queen's Anniversary Prize, the first ever awarded within the broad construction sector.

We have also led the development of a number of Key Performance Indicators for the design phases of construction procurement. These have been trialled within the Group, and shown to provide a means for measuring the development of a better performance culture.

### PEOPLE

The Board recognises the major contribution that our people make to the Group's success. During the year we completed the first year of our Human Resources ('HR') strategy aimed at refreshing HR policies and practices and striving over time to achieving "Employer of Choice" status. Progress was made on several key themes in support of the Group's business objectives.

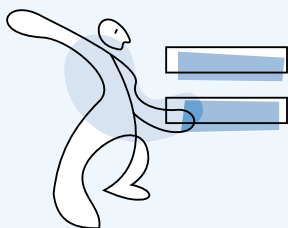
Communication has been improved by the use of an Employee Survey – the second of which was undertaken at the end of 2000. Results were fed back early in 2001 to all staff and actions are underway across the Group to address local issues.

Recruiting and retaining key talent remains a challenge during a year that has seen record low unemployment in the UK and skill shortages across several of our professional areas. We have sought to counter this with improved recruitment processes, and our intake of graduates, which is increasing substantially, supported by the successful development of a dedicated web site [www.whywsatkins.com](http://www.whywsatkins.com).

We have increased our investment in training and development, including more structured methods of identifying and supporting the management talent necessary for the Group's future success.

**Note:** A full version of the Review of the Year is available in the Annual Report.

# changing world



## Improving health and safety

### **Health and Safety Executive Agreement:**

Over the past seven years, WS Atkins' Framework Agreement with the Health & Safety Executive has involved more than 200 separate projects across most HSE divisions and industry sectors.

In 2000, we won a further three year term of the Agreement, giving the HSE immediate access to a wide range of technical skills. This is particularly important for major reviews such as the recent accident investigations for the Jubilee Tunnel collapse and the Southall and Ladbroke Grove rail crashes, and in the implementation of new legislation.

The new contract comes at a time when the HSE is seeking to push forward in meeting the Government's Revitalising Health & Safety plan, which aims to reduce the impact of H&S failures by 30% over 10 years. WS Atkins aims to play a key role in this initiative.

## Partnering local councils

### **Southwark Education Partnership:**

Following a critical report on Southwark Education Service by Ofsted, WS Atkins Managed Services secured the contract to deliver certain education functions, in partnership with Southwark Council, over at least five years from April 2001.

Under this, the largest education-outsourcing project in the country, the services transfer in two phases over an 18-month period, subject to performance. In April, we assumed responsibility for: school improvement; pupil support and special educational needs; human resources; information and communications technology; financial services; and managing the repair and maintenance of school buildings.

Should performance in these areas be deemed satisfactory, coverage will extend in September 2002 to early years and adult learning services, and education aspects of regeneration. This pathfinder contract is the first Public Private Partnership involving the whole of a local education authority's responsibilities.

Our projects



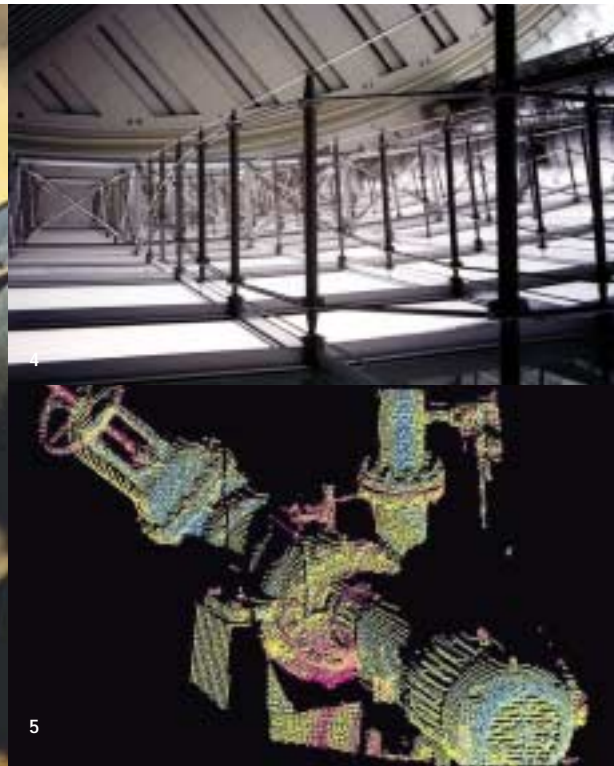
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- 1 Computational Fluid Dynamics design on Open 60 yacht 'Kingfisher', piloted by Ellen MacArthur.
- 2 A report on the British Greyhound Racing Board's future organisation, funding and management structure.
- 3 24 Hour Structural Integrity support service on oil platforms for Kerr McGee North Sea (U.K.) Limited.
- 4 Innovative glass wall structure for the Coex Convention Center in Seoul, South Korea.
- 5 A 3D Laser Scanning system to automate the task of gathering data on the physical features of structures.
- 6 Examination of more than 50,000 bridges and other Railtrack structures in Scotland and Southern England.
- 7 £26 million resignalling project on the Waterloo to Weymouth mainline.







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- 8 Construction project management of health and leisure centres, across Europe, for Balance Fitness Services.
- 9 Dubai Internet City Complex.
- 10 Providing facilities management services on 8000 sites for Telkom SA Limited.
- 11 Complete remodelling works of Proof House Junction, with over 800 train movements per day.
- 12 Review on the effect of weather on the performance of Offshore Rescue Craft.
- 13 Providing transport services for 2,500 children with special needs and 670 main stream pupils on behalf of Surrey County Council.
- 14 Providing outsourced education services in partnership with Southwark Council.
- 15 Project definition study for the new NATO Submarine Rescue System, to replace this 23 year old UK system.
- 16 Providing facilities management services for Littlewoods plc and project management services as required.
- 17 A review of the Environment Agency's flood forecasting techniques.

## Directors and advisers



**1 MME Jeffries**  
Executive Chairman

**2 Mrs FA Heaton**  
Non-Executive Deputy  
Chairman & Senior  
Independent Director

**3 RS Southwell**  
Chief Executive

**4 RJ Piper**  
Finance Director

**5 J Morley**  
Non-Executive Director

**6 DDS Robertson**  
Non-Executive Director

**7 RW Umney**  
Non-Executive Director

**8 RH Tomalin**  
Secretary

Executive Chairman	MME Jeffries
Non-Executive Deputy Chairman & Senior Independent Director	Mrs FA Heaton
Chief Executive	RS Southwell
Finance Director	RJ Piper
Non-Executive Directors	J Morley DDS Robertson RW Umney
Secretary	RH Tomalin
Registered Office	Woodcote Grove Ashley Road Epsom Surrey KT18 5BW
Registered number	1885586
Auditors	PricewaterhouseCoopers 1 Embankment Place London WC2N 6NN
Bankers	Barclays Bank plc PO Box 544 54 Lombard Street London EC3V 9EX  HSBC Bank plc 70 Pall Mall London SW1Y 5EZ  The Royal Bank of Scotland plc Waterhouse Square 138-142 Holborn London EC1N 2TH
Investment Bankers	N M Rothschild & Sons Limited New Court St Swithin's Lane London EC4P 4DU  Schroder Salomon Smith Barney The Citigroup Centre 33 Canada Square Canary Wharf London E14 5LB
Solicitors	Freshfields 65 Fleet Street London EC4Y 1HS
Stockbrokers	Cazenove 12 Tokenhouse Yard London EC2R 7AN

## Summary report of the Directors

The Directors present the summary financial statement of the Group for the year ended 31 March 2001. The summary financial statement does not contain sufficient information to allow for a full understanding of the results of the Group and state of affairs of the Group. For further information a full Annual Report and Accounts containing the full financial statements, the Auditors' unqualified report on those financial statements and the Directors' Report, should be consulted. Copies of the full Annual Report may be obtained, free of charge, by contacting the Company Secretary's office on Telephone: 01372 726140. Alternatively, both the full Report and the Review may be downloaded from the Company's website: [www.wsatkins.com](http://www.wsatkins.com). The Directors are responsible for the maintenance and integrity of the Company's website. Financial information published on the website is based on legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may differ from legislation in other jurisdictions.

Shareholders who wish to receive the full Annual Report and Accounts in future years should write to the Registrar, details of which can be found in Investors' information on page 36.

The Auditor's report on the full annual accounts for the year ended 31 March 2001 is unqualified and does not contain any statement concerning accounting records or inadequate returns, or failure to obtain necessary information and explanations.

### Business Review

A review of the Group's business activities, with an indication of likely developments in the Group, is contained in the Chairman's Statement and the Chief Executive's Introduction on pages 2 to 4.

### Directors

The Directors of the Company at the date of this Report are shown on page 25. On 22 June 2000 Mr DS James resigned as an Executive Director and on 30 September 2000 he retired from the Company. On 1 August 2000 Mr DDS Robertson was appointed as a Non Executive Director. On 1 January 2001 Mr J Morley was appointed as a Non Executive Director. On 22 March 2001 Mr RS Southwell was appointed an Executive Director. On 31 March 2001 Sir Alan Rudge resigned as an Executive Director and Sir William Ryrie resigned as a Non Executive Director and both retired from the Board.

At the forthcoming Annual General Meeting, Mr RJ Piper and Mr RW Umney will retire in accordance with the Articles of Association and offer themselves for re-election. Mr J Morley, Mr DDS Robertson and Mr RS Southwell having been appointed during the year, will also retire in accordance with the Articles of Association and offer themselves for re-election.

### Corporate Governance

The Remuneration Committee makes recommendations to the Board on the Company's remuneration policy. At the 2000 Annual General Meeting the proxy votes in favour and against each resolution were announced following a vote by a show of hands.

The Directors consider that the Company complies with the Combined Code contained in the Listing Rules, now the responsibility of the Financial Services Authority (formerly the responsibility of the London Stock Exchange).

### Internal Control

The Directors are responsible for the Group's system of internal financial controls which aim to safeguard Group assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable.

### Report of the Remuneration Committee

The Company has complied throughout the year with the best practice provisions, annexed to the London Stock Exchange Listing Rules, concerning remuneration committees. The purpose of the Remuneration Committee is to review, on behalf of the Board, the remuneration policy for Executive Directors and to determine the level of remuneration, incentives and other benefits, and the terms of employment of each Executive Director. It also seeks to provide a remuneration package which aligns the interests of Directors with the shareholders. The Committee has continued to review the remuneration of the Executive Directors with regard to the need to maintain a balance between the constituent elements of salary, incentive and other benefits.

It receives advice from independent remuneration consultants, including comparisons with similar organisations. The policy has due regard to the remuneration practice across the Group.



On behalf of the Board

Richard Tomalin

Secretary

7 June 2001

# Statement of the Independent Auditors

to the shareholders of WS Atkins plc on the summary financial statement

We have examined the summary financial statements comprising the group profit and loss account, group balance sheet, summary group cash flow statement, summary directors' emoluments and five year summary.

## Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the annual review. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the annual review with the annual financial statements and Directors' report and its compliance with the relevant requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the annual review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

## Basis of Opinion

We conducted our work in accordance with Bulletin 1999/6 "The Auditors' statement on the summary financial statement" issued by the Auditing Practices Board.

## Opinion

In our opinion the summary financial statement is consistent with the annual financial statements and the Directors' report of WS Atkins plc for the year ended 31 March 2001 and complies with the applicable requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder.

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
1 Embankment Place  
London WC2N 6NN

7 June 2001

The Auditors' Report on the full accounts for the year ended 31 March 2001 was unqualified.

# Consolidated profit and loss account

for the year ended 31 March 2001

	2001 £000	2000 £000
<b>Turnover: Group and Share of Joint Ventures</b>	712,364	525,819
Less: Share of Joint Ventures' turnover	(38,327)	(8,995)
<b>Turnover</b>	674,037	516,824
Cost of sales	(420,713)	(331,871)
<b>Gross profit</b>	253,324	184,953
Administrative expenses	(226,177)	(156,731)
<b>Operating profit</b>	27,147	28,222
Operating profit is analysed between:		
Earnings before interest, taxation, depreciation and amortisation	51,637	45,394
Depreciation	(11,513)	(9,348)
Own shares amortisation	(3,645)	(3,139)
Goodwill amortisation	(9,332)	(4,685)
Operating profit	27,147	28,222
Share of operating profit in Joint Ventures	8,709	3,215
	35,856	31,437
Interest receivable and similar income	3,701	3,599
Operations	3,476	3,510
Joint Ventures	225	89
Interest payable and similar charges	(8,070)	(3,580)
Operations	(3,486)	(1,198)
Joint Ventures	(4,584)	(2,382)
<b>Profit on ordinary activities before taxation</b>	31,487	31,456
Operations	27,137	30,534
Joint Ventures	4,350	922
Taxation on profit on ordinary activities	(12,239)	(12,538)
Operations	(11,050)	(12,389)
Joint Ventures	(1,189)	(149)
<b>Profit on ordinary activities after taxation</b>	19,248	18,918
Operations	16,087	18,145
Joint Ventures	3,161	773
Dividends	(9,911)	(8,817)
<b>Retained profit for the year transferred to reserves</b>	9,337	10,101
Basic earnings per share	21.4p	21.9p
Fully Diluted earnings per share	20.7p	21.0p
Earnings per share before amortisation of goodwill and the Employee Benefit Trusts.	31.7p	26.1p
Dividends per share		
Interim – paid	3.60p	3.35p
Final – proposed	7.20p	6.65p
	10.80p	10.00p

The results for the period are wholly derived from continuing operations.

# Consolidated balance sheet

as at 31 March 2001

	2001 £000	2000 £000
<b>Fixed assets</b>		
Intangible assets	78,809	84,531
Tangible assets	34,888	29,282
Investments – own shares	16,142	13,495
Investments – other	100	100
Investments in Joint Ventures	11,193	5,858
Share of gross assets	126,990	76,210
Share of gross liabilities	(115,797)	(70,352)
Investments – total	27,435	19,453
	141,132	133,266
<b>Current assets</b>		
Stocks	225	299
Debtors	176,528	151,209
Investments	17,342	15,563
Cash at bank and in hand	70,970	52,649
	265,065	219,720
<b>Current liabilities</b>		
Creditors: amounts falling due within one year	(232,149)	(198,020)
<b>Net current assets</b>	32,916	21,700
<b>Total assets less current liabilities</b>	174,048	154,966
Creditors: amounts falling due after more than one year	(36,726)	(37,055)
Provisions for liabilities and charges	(29,152)	(24,000)
	108,170	93,911
<b>Capital and reserves</b>		
Called up share capital	481	479
Share premium account	40,987	37,247
Capital redemption reserve	219	219
Merger reserve	8,673	8,673
Employee Benefit Trusts reserves	15,569	14,129
Profit and loss account	42,241	33,164
<b>Shareholders' funds – equity interests</b>	108,170	93,911

The summary financial statements were approved by the Board on 7 June 2001 and are signed on its behalf by:

MME Jeffries                  Directors  
 RJPiper

## Summary cash flow statement

as at 31 March 2001

	2001 £000	2000 £000
<b>Cash inflow from operating activities</b>	<b>61,164</b>	<b>20,788</b>
Dividends received from Joint Ventures	645	–
Returns on investments and servicing of finance	521	2,978
Interest received	3,476	3,841
Interest paid	(2,955)	(863)
<b>Taxation paid</b>	<b>(12,223)</b>	<b>(14,399)</b>
<b>Capital expenditure and financial investment</b>	<b>(19,064)</b>	<b>(5,748)</b>
Purchases less disposals of tangible fixed assets	(11,006)	(7,841)
Purchases of fixed asset investments	(3,120)	(990)
Purchases of own shares by EBTs	(7,055)	–
Sales of own shares by EBTs	2,022	3,083
Sale of non-liquid current asset investment	95	–
<b>Acquisitions and disposals</b>	<b>(1,296)</b>	<b>(61,645)</b>
<b>Equity dividends paid</b>	<b>(8,074)</b>	<b>(8,003)</b>
<b>Cash Inflow/(Outflow) before use of liquid resources and financing</b>	<b>21,673</b>	<b>(66,029)</b>
<b>Management of liquid resources</b>	<b>(1,435)</b>	<b>49,108</b>
<b>Financing</b>	<b>(1,807)</b>	<b>17,823</b>
<b>Increase in cash</b>	<b>18,431</b>	<b>902</b>

## Summary Directors' emoluments

for the year ended 31 March 2001

### Directors' Remuneration and Shareholdings

#### Emoluments

The aggregate emoluments, excluding pensions, of the Directors of the Company who served during the year were as follows:

	2001 £000	2000 £000
Executive Directors' emoluments	740	1,108
Performance related bonuses	268	218
Fees of Non-Executive Directors	107	79
Aggregate emoluments	1,115	1,405
Aggregate gains on exercise of share options	1,595	3,301

The Remuneration report in the Annual Report on pages 30 to 31 discloses the basis on which Directors' remuneration is determined.

The following table shows an analysis of the remuneration (excluding pensions) of the individual Executive Directors and fees of the individual Non-Executive Directors accrued during the financial year:

	Annual Salary/Fees £000		Bonus and Profit Share £000		Benefits <sup>(4)</sup> £000		Total <sup>(5)</sup> £000	
	2001	2000	2001	2000	2001	2000	2001	2000
Sir Alan Rudge <sup>(6)(12)</sup>	111	101	2 <sup>(1)</sup>	–	17	17	130	118
BS Hutt <sup>(13)</sup>	–	108	–	–	–	16	–	124
DS James <sup>(7)(11)</sup>	49	202	130	– <sup>(2)</sup>	8	18	187	220
RD Jarvis <sup>(14)</sup>	–	93	–	75	–	14	–	182
MME Jeffries	313	247	64 <sup>(1)(3)</sup>	86	14	12	391	345
RJ Piper	202	187	72 <sup>(1)(3)</sup>	32 <sup>(1)</sup>	14	14	288	233
D Slater <sup>(15)</sup>	–	73	–	25	–	6	–	104
RS Southwell <sup>(8)</sup>	9	–	–	–	3	–	12	–
Total Executive Directors	684	1,011	268	218	56	97	1,008	1,326
FA Heaton							33	30
J Morley <sup>(9)</sup>							6	–
DDS Robertson <sup>(10)</sup>							16	–
Sir William Rylie <sup>(6)</sup>							25	24
RW Umney							27	25
Fees to Non-Executive Directors							107	79
Aggregate emoluments (excluding pension)							1,115	1,405

(1) Bonus and profit share refers to amounts payable in cash. Certain Directors have stated that they would wish to take bonuses if earned, in shares under the provisions of the Equity Participation Plans detailed in the Remuneration report in the Annual Report on pages 30 to 31.

(2) Bonus was waived.

(3) Represents balance of bonus after 50% was applied to the Equity Participation Plan.

(4) Benefits include such items as company cars, fuel and medical insurance.

(5) Total excludes pension contributions.

(6) Resigned as Director and retired from the Board on 31 March 2001.

(7) Resigned as Director on 22 June 2000 and retired from the Company on 30 September 2000.

(8) Appointed 22 March 2001.

(9) Appointed 1 January 2001.

(10) Appointed 1 August 2000.

(11) In addition, Mr DS James was entitled to, in accordance with the terms of his service agreement a payment of £216,000 and ancillary benefits up to £25,000.

(12) At the Company's request, Sir Alan Rudge agreed to continue in employment for a further year, to advise and assist the Company in respect of ongoing initiatives.

(13) Resigned as a Director on 22 February 2000 and retired from the Company on 31 March 2000.

(14) Resigned as a Director on 1 February 2000 and retired from the Company on 31 March 2000.

(15) Resigned as a Director on 8 October 1999 and retired from the Company on 23 October 1999.

## Five year summary

### Consolidated Profit and Loss Account for years ended 31 March

	2001 £000	2000 £000	1999 £000	1998 £000 <i>Restated</i>	1997 £000 <i>Restated</i>
<b>Turnover: Group and Share of Joint Ventures</b>	<b>712,364</b>	<b>525,819</b>	<b>430,429</b>	<b>365,832</b>	<b>328,000</b>
Less: Share of Joint Ventures' turnover	(38,327)	(8,995)	(4,685)	–	–
<b>Turnover</b>	<b>674,037</b>	<b>516,824</b>	<b>425,744</b>	<b>365,832</b>	<b>328,000</b>
Cost of sales	(420,713)	(331,871)	(284,823)	(239,795)	(210,942)
<b>Gross profit</b>	<b>253,324</b>	<b>184,953</b>	<b>140,921</b>	<b>126,037</b>	<b>117,058</b>
Administrative expenses	(226,177)	(156,731)	(114,229)	(103,530)	(98,070)
<b>Operating profit</b>	<b>27,147</b>	<b>28,222</b>	<b>26,692</b>	<b>22,507</b>	<b>18,988</b>
Operations	39,792	35,266	28,792	25,835	22,618
Amortisation of Goodwill	(9,332)	(4,685)	(469)	(37)	–
Flotation costs	–	–	–	–	(1,491)
Restructuring costs on acquisition	–	–	–	(1,911)	(1,589)
Employee Benefit Trusts	(3,313)	(2,359)	(1,631)	(1,380)	(550)
Share of operating profit in Joint Ventures	8,709	3,215	910	–	–
Interest receivable and similar income	3,701	3,599	6,403	4,938	4,357
Operations	3,476	3,510	6,349	4,938	4,357
Joint Ventures	225	89	54	–	–
Interest payable and similar charges	(8,070)	(3,580)	(1,377)	(333)	(288)
Operations	(3,486)	(1,198)	(420)	(333)	(288)
Joint Ventures	(4,584)	(2,382)	(957)	–	–
	31,487	31,456	32,628	27,112	23,057
Dividend income of Employee Benefit Trusts	–	–	–	–	285
<b>Profit on ordinary activities before taxation</b>	<b>31,487</b>	<b>31,456</b>	<b>32,628</b>	<b>27,112</b>	<b>23,342</b>
Operations	39,657	37,614	34,669	30,517	26,652
Joint Ventures	4,350	922	7	–	–
Amortisation of Goodwill	(9,332)	(4,685)	(469)	(37)	–
Flotation costs	–	–	–	–	(1,491)
Restructuring costs on acquisition	–	–	–	(1,911)	(1,589)
Employee Benefit Trusts	(3,188)	(2,395)	(1,579)	(1,457)	(230)
<b>Taxation on profit on ordinary activities</b>	<b>(12,239)</b>	<b>(12,538)</b>	<b>(13,002)</b>	<b>(10,416)</b>	<b>(10,071)</b>
Operations	(11,050)	(12,389)	(12,894)	(10,416)	(10,071)
Joint Ventures	(1,189)	(149)	(108)	–	–
<b>Profit on ordinary activities after taxation</b>	<b>19,248</b>	<b>18,918</b>	<b>19,626</b>	<b>16,696</b>	<b>13,271</b>
Operations	26,823	23,557	21,491	18,633	15,889
Joint Ventures	3,161	773	(101)	–	–
Amortisation of Goodwill	(9,332)	(4,685)	(469)	(37)	–
Flotation costs	–	–	–	–	(1,491)
Restructuring costs on acquisition	–	–	–	(1,280)	(1,064)
Employee Benefit Trusts	(1,404)	(727)	(1,295)	(620)	(63)
Dividends	(9,911)	(8,817)	(7,734)	(6,764)	(5,788)
<b>Retained profit for the year</b>	<b>9,337</b>	<b>10,101</b>	<b>11,892</b>	<b>9,932</b>	<b>7,483</b>
Basic earnings per share	21.4p	21.9p	23.2p	20.6p	16.6p
Fully Diluted earnings per share	20.7p	21.0p	21.9p	19.7p	16.3p
Earnings per share before Amortisation of Goodwill, Flotation costs, exceptional restructuring costs on acquisition and the Employee Benefit Trusts	31.7p	26.1p	23.2p	20.2p	17.3p
Dividends per share	10.8p	10.0p	9.25p	8.1p	6.9p

## Five year summary continued

### Consolidated Balance Sheet as at 31 March

	2001 £000	2000 £000	1999 £000	1998 £000 <i>Restated</i>	1997 £000 <i>Restated</i>
<b>Fixed assets</b>					
Intangible assets	78,809	84,531	5,487	4,398	–
Tangible assets	34,888	29,282	19,164	18,552	19,209
Investments in Joint Ventures	11,193	5,858	4,195	–	–
Investments – other	100	100	–	1,003	699
Investments – own shares	16,142	13,495	14,779	11,880	9,199
	<b>141,132</b>	<b>133,266</b>	<b>43,625</b>	<b>35,833</b>	<b>29,107</b>
<b>Current assets</b>					
Stocks	225	299	183	164	385
Debtors	176,528	151,209	90,450	77,845	72,646
Investments	17,342	15,563	64,616	51,787	50,829
Bank balances and cash	70,970	52,649	48,512	60,869	58,031
	<b>265,065</b>	<b>219,720</b>	<b>203,761</b>	<b>190,665</b>	<b>181,891</b>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	(232,149)	(198,020)	(159,130)	(153,533)	(160,641)
<b>Net current assets</b>	<b>32,916</b>	<b>21,700</b>	<b>44,631</b>	<b>37,132</b>	<b>21,250</b>
<b>Total assets less current liabilities</b>	<b>174,048</b>	<b>154,966</b>	<b>88,256</b>	<b>72,965</b>	<b>50,357</b>
Creditors: amounts falling due after one year	(36,726)	(37,055)	–	(3,000)	(44)
Provisions for liabilities and charges	(29,152)	(24,000)	(18,600)	(12,939)	(8,761)
	<b>108,170</b>	<b>93,911</b>	<b>69,656</b>	<b>57,026</b>	<b>41,552</b>
<b>Capital and reserves</b>					
Called up share capital	481	479	466	466	460
Share premium account	40,987	37,247	31,770	31,453	26,295
Capital redemption reserve	219	219	219	219	219
Merger reserve	8,673	8,673	–	–	–
Employee Benefit Trusts reserves	15,569	14,129	10,852	11,090	8,602
Profit and loss account	42,241	33,164	26,349	13,798	5,976
<b>Shareholders' funds – equity interests</b>	<b>108,170</b>	<b>93,911</b>	<b>69,656</b>	<b>57,026</b>	<b>41,552</b>

## Five year summary continued

### Consolidated Cash Flow for years ended 31 March

	2001 £000	2000 £000	1999 £000	1998 £000 <i>Restated</i>	1997 £000 <i>Restated</i>
<b>Operating profit</b>	<b>27,147</b>	<b>28,222</b>	<b>26,692</b>	<b>22,507</b>	<b>18,988</b>
Operations	39,792	35,266	28,792	25,835	22,618
Amortisation of goodwill	(9,332)	(4,685)	(469)	(37)	–
Flotation costs	–	–	–	–	(1,491)
Restructuring costs on acquisition	–	–	–	(1,911)	(1,589)
Employee Benefit Trusts	(3,313)	(2,359)	(1,631)	(1,380)	(550)
Depreciation charges	11,513	9,348	7,127	7,137	6,700
Amortisation	12,977	7,845	2,938	1,626	815
(Profit) on disposal of fixed assets	(735)	(432)	(602)	(606)	(477)
(Profit)/Loss on disposal of fixed asset investments	(51)	19	(38)	3	–
Loss on disposal of current asset investments	65	25	–	–	–
Movement in current asset investment market value	(400)	475	–	–	–
Decrease/(Increase) in stocks	74	(116)	(19)	221	(214)
(Increase) in debtors	(22,107)	(45,406)	(13,108)	(12,570)	(7,691)
Increase/(Decrease) in other creditors due within one year	15,436	13,950	(1,873)	8,156	12,887
(Decrease) in other creditors due after one year	–	–	–	–	(417)
Increase in pension fund provision	5,123	5,216	5,763	4,862	4,238
Increase/(Decrease) in provisions for liabilities and charges	29	184	(102)	(725)	57
Exchange rate effect	48	–	–	–	–
	<b>49,119</b>	<b>19,330</b>	<b>26,778</b>	<b>30,611</b>	<b>34,886</b>
Operations	47,174	19,057	25,729	32,579	35,851
Flotation costs	–	–	–	–	(1,491)
Employee Benefit Trusts	1,945	273	1,049	(1,968)	526
Increase/(Decrease) in amounts due to contractors	12,045	1,458	524	(4,839)	873
Decrease in amount due from British Railways Board	–	–	–	–	5,192
<b>Net cash inflow from operating activities</b>	<b>61,164</b>	<b>20,788</b>	<b>27,302</b>	<b>25,772</b>	<b>40,951</b>
<b>Dividends received from Joint Ventures</b>	<b>645</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Returns on investments and servicing of finance</b>	<b>521</b>	<b>2,978</b>	<b>5,811</b>	<b>4,605</b>	<b>4,055</b>
<b>Taxation paid</b>	<b>(12,223)</b>	<b>(14,399)</b>	<b>(8,972)</b>	<b>(8,680)</b>	<b>(12,936)</b>
<b>Capital expenditure and financial investment</b>	<b>(19,064)</b>	<b>(5,748)</b>	<b>(15,262)</b>	<b>(6,761)</b>	<b>(7,425)</b>
<b>Acquisitions and disposals</b>	<b>(1,296)</b>	<b>(61,645)</b>	<b>(1,398)</b>	<b>(4,519)</b>	<b>(10,811)</b>
<b>Equity dividends paid</b>	<b>(8,074)</b>	<b>(8,003)</b>	<b>(7,103)</b>	<b>(5,937)</b>	<b>(4,617)</b>
<b>Management of liquid resources</b>	<b>(1,435)</b>	<b>49,108</b>	<b>(12,711)</b>	<b>(959)</b>	<b>(428)</b>
<b>Financing</b>	<b>(1,807)</b>	<b>17,823</b>	<b>(3)</b>	<b>2,465</b>	<b>(4,395)</b>
<b>Increase/(Decrease) in cash</b>	<b>18,431</b>	<b>902</b>	<b>(12,336)</b>	<b>5,986</b>	<b>4,394</b>

## Five year summary continued

### Consolidated Cash Flow for years ended 31 March

	2001 £000	2000 £000	1999 £000	1998 £000 <i>Restated</i>	1997 £000 <i>Restated</i>
<b>Reconciliation of net cash flow to movement in funds</b>					
Increase/(Decrease) in cash	18,431	902	(12,336)	5,986	4,394
Cash outflow from decrease in lease financing	3,055	1,474	3	535	1,395
Cash used to Increase/(Decrease) liquid resources	1,435	(49,108)	12,711	959	428
Cash (Inflow) from short term loans (non-EBT)	(1,867)	(638)	–	–	–
Cash outflow from short term EBT loans	–	3,000	–	–	–
Cash outflow from redemption of loan stock	741	–	–	–	–
Cash (Inflow) from long term loans	(122)	(28,248)	–	–	–
Change in net funds/(net debt) resulting from cash flows	21,673	(72,618)	378	7,480	6,217
EBT loan (acquired)	–	–	–	–	(3,000)
	21,673	(72,618)	378	7,480	3,217
(Decrease) in funds from new finance leases acquired	–	(4,964)	–	–	–
(Decrease) in funds from new finance leases taken out	(2,605)	(3,114)	–	–	–
(Decrease) in funds from loan note issue	–	(2,843)	–	–	–
Movement in current asset investment market value	400	(331)	118	–	–
(Loss) on sale of current asset investments	(65)	(500)	–	–	–
Translation differences	(2,192)	(794)	(52)	(125)	(210)
<b>Movement in (net debt)/net funds in year</b>	17,211	(85,164)	444	7,355	3,007
Net funds at beginning of year	23,651	108,815	108,371	101,016	98,009
Net funds at end of year	40,862	23,651	108,815	108,371	101,016

# Investors' information

## Shareholders

### Analysis of issued share capital at 31 March

By major shareholder

	2001 Number	2000 Number	2001 %	2000 %
Founder Shareholders	6,813,511	7,647,511	7.1%	8.0%
Employee Participation*	29,332,027	37,305,050	30.5%	39.0%
Institutional and other Shareholders	60,127,824	50,771,417	62.4%	53.0%
Issued share capital	96,273,362	95,723,978	100.0%	100.0%

\* This includes 8,876,555 shares in holdings of 25,000 shares or less.

Corporate institutions such as banks, insurance companies and pension funds represent many thousands of people through their accounts, policies, and memberships and therefore the Company works in the interest of a wide variety of investors.

### Secretary and Registered Office

R H Tomalin, Woodcote Grove, Ashley Road, Epsom, Surrey KT18 5BW.

### Annual General Meeting

The Annual General Meeting will be held at the Company's Registered Office on 7 August 2001.

The full Notice of the Meeting and proxy card is enclosed with this report.

### Shareholder services

#### Registrar

Administrative enquiries about the holding of WS Atkins plc shares should be directed in the first instance to the Registrar whose address is The Registrar, WS Atkins plc, Registration Department, Balfour House, 390-398 High Road, Ilford, Essex IG1 1NQ, Telephone: 020 8639 2000, website: [www.capita-irg.com](http://www.capita-irg.com).

#### Share dealing service

Details of a postal dealing service can be obtained from: WS Atkins plc Share Dealing Service, Cazenove, 12 Tokenhouse Yard, London EC2R 7AN, Telephone: 020 7606 1768, website: [www.cazenove.com](http://www.cazenove.com).

#### Corporate Individual Savings Account

A WS Atkins Corporate Individual Savings Accounts ("ISA") is available. It consists only of the stocks and shares component, investing in WS Atkins plc shares. Details can be obtained from Carr Sheppards Crosthwaite ISA Administration, Clock House, Dogflud Way, Farnham, Surrey GU9 7UL, Telephone 01252 712049, website: [www.carr-sheppards.co.uk](http://www.carr-sheppards.co.uk).

#### Scrip Dividend Alternative

A Scrip dividend alternative is available which will entitle shareholders to elect to receive new ordinary shares in WS Atkins plc in place of the cash dividend, without incurring dealing costs or stamp duty. Ordinary shareholders on the register at the record date shown may participate in the plan provided their application forms are received by 16 July 2001.

Copies of the explanatory brochure and application form are available from the Registrar whose details appear above.

#### Amalgamation of accounts

Shareholders who receive duplicate sets of Company mailings owing to multiple accounts in their name should write to the Registrar to have their accounts amalgamated.

#### Unsolicited mail

The Company is obliged by law to make its share register available to other organisations who may then use it for a mailing list. If you wish to limit the receipt of unsolicited mail you may do so by writing to: The Mailing Preference Service (MPS), Freepost 22, London W1E 7EZ. MPS will then notify the bodies which support its service that you do not wish to receive unsolicited mail.

## Head Office

WS Atkins plc, Woodcote Grove, Ashley Road  
Epsom, Surrey KT18 5BW United Kingdom  
Tel: +44 (0)1372 726140 Fax: +44 (0)1372 740055  
E-mail: [info@wsatkins.com](mailto:info@wsatkins.com)  
Web site: [www.wsatkins.com](http://www.wsatkins.com)

## United Kingdom

England	Altrincham	0161 954 6000
	Altrincham	0161 941 2831
	Barking	020 8477 8800
	Birmingham	0121 236 2066
	Birmingham	0121 236 8040
	Birmingham	0121 643 9621
	Bristol	01179 266 666
	Bristol	01454 201 559
	Bristol	01454 201 400
	Bristol	01454 201 999
	Bristol	01454 617 617
	Cambridge	01223 276 002
	Chelmsford	01245 245 245
	Chelmsford	01245 492 249
	Colchester	01206 763 612
	Crewe	01270 532 271
	Croydon	020 8603 6000
	Cumbria	01946 692 345
	Derby	01332 263 737
	Exeter	01392 423 000
	Gillingham	01634 361 361
	Gloucester	01452 412 121
	Havant	023 9247 1471
	Knutsford	01565 631 100
	Leeds	0113 242 1607
	Leeds	0113 245 1535
	London	020 7637 2345
	London	020 7494 4000
	London	020 7796 4000
	London	020 7497 1502
	London	020 7336 7606
	London	020 7637 7115
	Manchester	0161 228 6411
	Manchester	0161 839 3113
	Milton Keynes	01908 604 630
	Newcastle-under-Lyme	01782 617 347
	Newcastle upon Tyne	0191 273 0157
	Northampton	01604 230 606
	Nottingham	01159 290 700
	Oxford	01865 882 828
	Pewsey	01672 563 922
	Plymouth	01752 255 008
	Reading	01189 516 100
	Salisbury	0161 954 6000
	Scunthorpe	01724 271 771
	Sheffield	01142 753 752
	Southampton	023 8033 8835
	Stockport	01614 748 300
	Stockton-on-Tees	01642 525 200
	Swindon	01793 538 000
	Tamworth	01827 313 313
	Taunton	01823 353 433
	Telford	01952 201 234
Warrington	01925 828 987	
Warrington	01925 622 000	
Warwick	01926 620 025	
York	01904 524 700	
Scotland	Aberdeen	01224 620 202
	Edinburgh	0131 220 9400
	Edinburgh	0131 225 9301
	Glasgow	0141 332 1133
	Glasgow	0141 332 7030
	Inverness	01463 221 818
Northern Ireland	Belfast	028 9037 0704
Wales	Cardiff	029 2048 5159
	Haverfordwest	01437 763 271
	Newport	01633 415 500
	Newport	01633 815 500
	St Asaph	01745 585 351
	Swansea	01792 641 172

## Europe

Belgium	Antwerp	00 32 3202 467 1
Czech Republic	Prague	00 42 0272 733 917
Greece	Athens	00 30 1681 524 5
Hungary	Budapest	00 36 1201 517 9
Netherlands	Brielle	00 31 181 470 499
Poland	Gliwice	00 48 (32) 331 3303
	Krakow	00 48 1229 221 99
	Warsaw	00 48 2252 902 40
Portugal	Lisbon	00 35 1217 937 482
Republic of Ireland	Cork	00 35 3214 290 300
	Dublin	00 35 3180 374 00
	Dublin	00 35 3167 603 31
Romania	Bucharest	00 40 1210 945 9
Spain	Madrid	00 34 9143 171 81

## Middle East

Oman	Muscat	00 96 8702 490
United Arab Emirates	Abu Dhabi	00 971 267 848 55
	Dubai	00 971 435 227 71
	Sharjah	00 971 657 424 45

## Asia Pacific

China	Beijing	00 86 1065 056 521
	Hong Kong	00 85 2297 210 00
	Hong Kong	00 85 2281 049 28
	Shenzhen	00 86 7552 090 302
India	Bangalore	00 91 8022 700 26
Malaysia	Kuala Lumpur	00 60 3244 008 9
Singapore	Singapore City	00 65 2276 433
	Singapore City	00 65 2276 144
Sri Lanka	Colombo	00 94 1301 444
Thailand	Bangkok	00 662 641 1044-7

## Americas

USA	Arlington	00 1 817 640 6407
	Columbia	00 1 410 992 6880
	Farmington	00 1 505 325 4601
	Houston	00 1 281 496 1073
	Houston	00 1 281 558 8701
	Los Angeles	00 1 562 983 8080
	Lowell	00 1 501 770 5800
	Minneapolis	00 1 612 338 3120
	Norman	00 1 405 321 3895
	Oklahoma City	00 1 405 478 5353
	Phoenix	00 1 602 995 6940
	Phoenix	00 1 602 667 9380
	Princeton	00 1 609 514 0900
	St. Paul	00 1 651 771 2222
	St. Louis	00 1 314 821 7017
	Tulsa	00 1 918 492 1600
	Walled Lake	00 1 248 669 3275



Integrated solutions  
for tomorrow's world

**WS/Atkins**

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Woodcote Grove, Ashley Road  
Epsom, Surrey KT18 5BW

[www.wsatkins.com](http://www.wsatkins.com)

