

KCA Europe Limited

Accounts 31 December 2001

together with Directors' report

Registered number: 1189464



Directors' report

For the year ended 31 December 2001

The directors present their annual report on the affairs of the Company, together with the accounts, for the year ended 31 December 2001.

Principal activity

The company did not trade during the year or the preceeding year.

Dividends

The directors do not recommend the payment of a dividend for the year (2000 : £nil).

Directors and their interests

The directors who served during the year were as follows:

P.J. Milne
M.J.L. Salter

The directors who held office at the end of the year had no interests in the ordinary shares of the Company. The interests of Messrs Milne and Salter in the ordinary share capital of Abbot Group plc are disclosed in the accounts of that company.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company, and of the profit or loss of the Company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

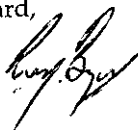
Directors report (continued)

Auditors

By special resolution, the Company took advantage of Section 250 of the Companies Act 1985, a consequence of which the Company is exempt under Section 388A of the Companies Act 1985.

By order of the Board,

A.W.J Banyard
Secretary



22 October 2002

Balance sheet

31 December 2001

	Notes	2001 £'000	2000 £'000
Fixed assets			
Investments	3	<u>4,217</u>	<u>4,217</u>
Creditors: Amounts falling due within one year	4	<u>(4,217)</u>	<u>(4,217)</u>
Net current liabilities		<u>(4,217)</u>	<u>(4,217)</u>
Net assets		<u>-</u>	<u>-</u>
Capital and reserves			
Called-up equity share capital	5	-	-
Profit and loss account		<u>-</u>	<u>-</u>
Shareholder's funds		<u>-</u>	<u>-</u>

Throughout the financial year ended 31 December 2001 the Company was dormant within the meaning of Section 252 of the Companies Act 1985 (as amended by the Companies Act 1989).

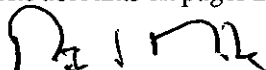
For the year ended 31 December 2001 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- Ensuring the Company keeps accounting records which comply with section 221;
- Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The accounts on pages 2 to 5 were approved by the board of directors on 22 October 2002 and signed on its behalf by:



P.J. Milne
Director

Profit and Loss account

During the period the Company recorded neither income nor expenditure. Consequently during the year the Company made neither a profit nor a loss.

Notes to accounts

31 December 2001

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year, is set out below.

Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting and financial reporting standards.

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Abbot Group plc which prepares consolidated accounts which are publicly available.

Changes in accounting policies

Financial Reporting Standard No. 18 has been adopted in the current year but this did not require any change in accounting policy.

Cash flow statement

In accordance with Financial Reporting Standard No. 1, the Company is not required to prepare a cash flow statement being a wholly owned subsidiary of Abbot Group plc. The cash flows of the Company are included in the consolidated cash flow statement for that group.

2 Directors and employees

None of the directors who served during the year received any emoluments in respect of services to the Company (2000 : £nil).

The Company had no employees at any time during the year (2000 : none).

3 Investments

Shares in group undertakings

£'000

At 1 January 2001 and 31 December 2001

4,217

The subsidiary undertaking of the Company is as follows:

Subsidiary undertaking	Country of incorporation	Principal activity	Interest in ordinary shares
KCA Drilling UK Limited	Scotland	Dormant	100%

Notes to accounts (continued)

4 Creditors: Amounts falling due within one year

	2001	2000
	£'000	£'000
Amounts owed to group undertakings	4,217	4,217

Amounts owed to other group undertakings are non-interest bearing and are repayable on demand.

5 Called-up share capital

	2001	2000
	£	£
<i>Authorised</i>		
200 ordinary shares of £1 each	200	200
200 8% redeemable convertible preference shares of £1 each	200	200
	400	400
<i>Allotted, called-up and fully paid</i>		
102 ordinary shares of £1 each, fully paid	102	102

6 Related party transactions

The Company has taken advantage of the exemption available under Financial Reporting Standard No. 8 not to disclose the transactions between companies included within the consolidated accounts of Abbot Group plc.

No other related party transactions took place during the year.

7 Ultimate parent undertaking

The Company is a subsidiary undertaking of KCA Deutag Drilling Group Limited which is incorporated in England. The Company's ultimate parent undertaking is Abbot Group plc, which is incorporated in England. The only accounts in which the results of the Company and its subsidiary undertakings are consolidated is that headed by Abbot Group plc. Copies of the accounts of Abbot Group plc are available from Minto Drive, Altens, Aberdeen, AB12 3LW.