

Registered number  
02615887

Petrofac UK Ltd  
Report and Accounts  
31 December 2001



**Petrofac UK Ltd**  
**Report and accounts**  
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**Petrofac UK Ltd**  
**Company Information**

**Directors**

Mr A. Asfari  
Mr J.M.Fleming (appointed 29th May, 2001)  
Mr S.B.Keen (appointed 21st March, 2002)  
Mr G.S.McLeod (resigned 29th May, 2001)  
Mr J.M.Stacey (appointed 29th May, 2001)  
Mr T.J.E.Stacey (appointed 21st March, 2002)  
Mr P.L.Warner (appointed 29th May, 2001)

**Secretary**

Mr T.J.E.Stacey (appointed 29th May, 2001)  
Mr B.W.Waters (resigned 29th May, 2001)

**Auditors**

Soares & Co  
1a, Colin Parade  
Edgware Road  
Colindale  
London NW9 6SG

**Bankers**

National Westminster Bank  
25, Shepherd's Bush Green  
London W12 8PR

**Solicitors**

Charles Russell & Co  
Buryfields House  
Bury Fields  
Guildford  
Surrey GU2 4AZ

**Registered office**

205, Holland Park Avenue  
London W11 4XB

**Registered number**

02615887

## **Petrofac UK Ltd**

### **Directors' Report**

The directors present their report and accounts for the year ended 31 December 2001.

#### **Principal activities and review of the business**

The company's principal activity during the year materially changed. Up until the beginning of 2001, it provided support to other companies within the Petrofac Group. It was decided that the Company would significantly expand its UK based operations in 2001 to provide services to companies in the oil and gas business, both in the UK and overseas. To implement this plan, an engineering operations office was established in Woking, Surrey.

#### **Finance**

During the year, the Company increased its authorised share capital from £100,000 to £1,000,000 by issuing an additional 900,000 shares. The cost of £900,000 was accounted for by capitalising the opening reserves of £257,176 and receiving an additional payment of £642,824 from the Holding Company.

#### **Future developments**

The directors aim to maintain the management policies which have resulted in the company's substantial growth this year. They consider that the next year will show a further significant growth.

#### **Events since the balance sheet date**

There are no events since the balance sheet date that have an effect on the financial results for the year

#### **Directors**

A list of directors is shown on page 1

#### **Political and charitable donations**

There were no political or charitable donations during the year.

#### **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 for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

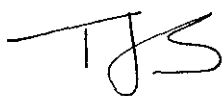
The Directors are responsible for maintaining proper accounting records which disclose with *reasonable accuracy at any time the financial position of the Company* and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

#### **Auditors**

A resolution to reappoint Soares & Co as auditors will be put to the Members at the Annual General Meeting.

**Petrofac UK Ltd**  
**Directors' Report**

This report was approved by the board on 21 March 2002.

A handwritten signature in black ink, appearing to be 'TJS', written over a horizontal line.

T.J.E. Stacey  
Secretary

## **Petrofac UK Ltd**

### **Independent auditors' report to the shareholder of Petrofac UK Ltd**

We have audited the accounts of Petrofac UK Ltd for the year ended 31st December, 2001 which comprise pages 5 to 12. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

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

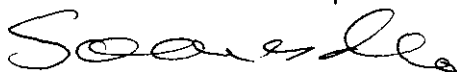
#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Soares & Co  
Registered auditors

1a, Colin Parade  
Edgware Road  
Colindale  
London NW9 6SG

22 March 2002

**Petrofac UK Ltd**  
**Profit and Loss Account**  
**for the year ended 31 December 2001**

|  | <b>Notes</b> | <b>2001<br/>£</b> | <b>2000<br/>£</b> |
|--|--------------|-------------------|-------------------|
| <b>Turnover</b>                                      | 2            | 5,016,003         | 1,063,861         |
| Cost of sales  |              | (3,413,644)       | (855,332)         |
| <b>Gross profit</b>                                  |              | <u>1,602,359</u>  | <u>208,529</u>    |
| Sales & Administrative expenses                      |              | (1,585,302)       | (121,259)         |
| <b>Operating profit</b>                              | 3            | <u>17,057</u>     | <u>87,270</u>     |
| Interest receivable                                  |              | 686               | 1,227             |
| Interest payable                                     | 6            | (4,482)           | (555)             |
| <b>Profit on ordinary activities before taxation</b> |              | <u>13,261</u>     | <u>87,942</u>     |
| Tax on profit on ordinary activities                 | 7            | -                 | (24,884)          |
| <b>Profit for the financial year</b>                 |              | <u>13,261</u>     | <u>63,058</u>     |
| <b>Retained profit for the financial year</b>        | 13           | <u>13,261</u>     | <u>63,058</u>     |

**Continuing operations**

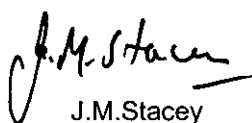
None of the Company's activities were acquired or discontinued during the above two financial years.

**Statement of total recognised gains and losses**

The Company has no recognised gains or losses other than the profit for the above two financial years.

**Petrofac UK Ltd**  
**Balance Sheet**  
**as at 31 December 2001**

|  | Notes | 2001<br>£        | 2000<br>£        |
|--|-------|------------------|------------------|
| <b>Fixed assets</b>  |       |                  |                  |
| Tangible assets  | 8     | 436,959          | 179,505          |
| <b>Current assets</b>  |       |                  |                  |
| Debtors  | 9     | 1,882,756        | 415,168          |
| Cash at bank and in hand                                       |       | 164,526          | 40,128           |
|  |       | <u>2,047,282</u> | <u>455,296</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 10    | <u>(720,980)</u> | <u>(277,625)</u> |
| <b>Net current assets</b>                                      |       | 1,326,302        | 177,671          |
| <b>Total assets less current liabilities</b>                   |       | <u>1,763,261</u> | <u>357,176</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 11    | (750,000)        | -                |
|  |       | <u>1,013,261</u> | <u>357,176</u>   |
| <b>Capital and reserves</b>                                    |       |                  |                  |
| Called up share capital  | 12    | 1,000,000        | 100,000          |
| Profit and loss account  | 13    | 13,261           | 257,176          |
| <b>Shareholder's funds:</b>                                    |       |                  |                  |
| Equity   |       | <u>1,013,261</u> | <u>357,176</u>   |
|  | 14    | <u>1,013,261</u> | <u>357,176</u>   |



J.M. Stacey  
Director

Approved by the board on 21 March 2002



**Petrofac UK Ltd**  
**Notes to the Accounts**  
**for the year ended 31 December 2001**

**1 Accounting policies**

***Accounting convention***

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

***Depreciation***

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

|                        | <b>2001</b>             | <b>2000</b>               |
|------------------------|-------------------------|---------------------------|
| Leasehold improvements | over the lease term     | over the lease term       |
| Motor vehicles         | over 4 years            | 25% of written down value |
| Computer software      | in the year of purchase | in the year of purchase   |
| Furniture              | over 4 years            | 25% of written down value |
| Office equipment       | over 3 years            | 25% of written down value |

***Deferred taxation***

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the Company, are capitalised in the Balance Sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Petrofac UK Ltd**  
**Notes to the Accounts**  
**for the year ended 31 December 2001**

**2 Turnover**

Turnover represents the invoiced value of goods and services supplied by the Company, net of value added tax and a provision for unbilled services.

Turnover is attributable to one continuing activity.

| Analysis by geographical market: | 2001<br>£        | 2000<br>£ |
|----------------------------------|------------------|-----------|
| Africa                           | 809,537          | -         |
| Europe                           | 354,412          | -         |
| Far East                         | 25,572           | -         |
| Former Soviet Union              | 1,472,679        | -         |
| Middle East                      | 2,283,878        | -         |
| North America                    | 69,925           | -         |
|                                  | <u>5,016,003</u> | <u>-</u>  |

**3 Operating profit**

| 2001<br>£ | 2000<br>£ |
|-----------|-----------|
|-----------|-----------|

This is stated after charging:

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Depreciation of owned fixed assets | 323,019      | 35,040       |
| Auditors' remuneration             | <u>3,000</u> | <u>2,000</u> |

**4 Directors' emoluments**

| 2001<br>£ | 2000<br>£ |
|-----------|-----------|
|-----------|-----------|

|            |                |               |
|------------|----------------|---------------|
| Emoluments | <u>364,380</u> | <u>69,870</u> |
|------------|----------------|---------------|

Highest paid director:  
Emoluments

|                |               |
|----------------|---------------|
| <u>137,690</u> | <u>69,870</u> |
|----------------|---------------|

**5 Staff costs**

| 2001<br>£ | 2000<br>£ |
|-----------|-----------|
|-----------|-----------|

|                       |                             |                             |
|-----------------------|-----------------------------|-----------------------------|
| Wages and salaries    | 2,128,637                   | 121,259                     |
| Social security costs | <u>229,814</u>              | <u>-</u>                    |
|                       | <u>2,358,451</u>            | <u>121,259</u>              |
|                       | <u>                    </u> | <u>                    </u> |
|                       | <u>                    </u> | <u>                    </u> |

**Petrofac UK Ltd**  
**Notes to the Accounts**  
**for the year ended 31 December 2001**

| <b>5b Average number of employees during the year</b> | <b>2001</b> | <b>2000</b> |
|---|-------------|-------------|
| Administration  | 7           | 5           |
| Operations  | 24          | 8           |
| Sales   | 4           | 4           |
| Total   | <u>35</u>   | <u>17</u>   |
| Consultants   | 15          | 3           |

| <b>6 Interest payable</b> | <b>2001</b>  | <b>2000</b> |
|---------------------------|--------------|-------------|
|                           | <b>£</b>     | <b>£</b>    |
| Bank loans and overdrafts | 318          | 555         |
| Other loans               | 4,164        | -           |
|                           | <u>4,482</u> | <u>555</u>  |

| <b>7 Taxation</b>                           | <b>2001</b> | <b>2000</b>   |
|---|-------------|---------------|
|   | <b>£</b>    | <b>£</b>      |
| <b>Analysis of charge in period</b>         |             |               |
| Current tax:                                |             |               |
| UK corporation tax on profits of the period | -           | 24,884        |
|   |             |               |
| Tax on profit on ordinary activities        | <u>-</u>    | <u>24,884</u> |

**Factors affecting tax charge for period**

No provision for UK corporation tax is required this year due to claims for accelerated capital allowances on purchases of equipment. No tax liability is considered to arise in other territories.

|  | <b>2001</b>   | <b>2000</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Profit on ordinary activities before tax   | <u>13,261</u> | <u>87,942</u> |
| Standard rate of corporation tax in the UK                                       | 30%           | 30%           |
|  | <b>£</b>      | <b>£</b>      |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | 3,978         | 26,383        |
| Effects of:  |               |               |
| Expenses not deductible for tax purposes and tax losses carried forward          | 43,629        | (1,499)       |
| Capital allowances for period in excess of depreciation                          | (47,607)      | -             |
|  |               |               |
| Current tax charge for period  | <u>-</u>      | <u>24,884</u> |

**Factors that may affect future tax charges**

Accelerated capital allowances have generated a tax loss that may be utilised in future years.

**Petrofac UK Ltd**  
**Notes to the Accounts**  
**for the year ended 31 December 2001**

**8 Tangible fixed assets**

|                       | <b>Leasehold<br/>Improvements</b> | <b>Motor<br/>Vehicles</b> | <b>Computer<br/>Software</b> | <b>Furniture &amp;<br/>Office<br/>Equipment</b> | <b>Total</b>   |
|-----------------------|-----------------------------------|---------------------------|------------------------------|---|----------------|
|                       | <b>£</b>                          | <b>£</b>                  | <b>£</b>                     | <b>£</b>  | <b>£</b>       |
| <b>Cost</b>           |                                   |                           |                              |   |                |
| At 1 January 2001     | 204,037                           | 20,524                    | -                            | 116,307   | 340,868        |
| Additions             | -                                 | 33,287                    | 211,821                      | 335,365   | 580,473        |
| Disposals             | -                                 | -                         | -                            | (9,190)   | (9,190)        |
| At 31 December 2001   | <u>204,037</u>                    | <u>53,811</u>             | <u>211,821</u>               | <u>442,482</u>                                  | <u>912,151</u> |
| <b>Depreciation</b>   |                                   |                           |                              |   |                |
| At 1 January 2001     | 83,455                            | 8,056                     | -                            | 69,852  | 161,363        |
| Charge for the year   | 11,762                            | 12,066                    | 211,821                      | 87,370  | 323,019        |
| On disposals          | -                                 | -                         | -                            | (9,190)   | (9,190)        |
| At 31 December 2001   | <u>95,217</u>                     | <u>20,122</u>             | <u>211,821</u>               | <u>148,032</u>                                  | <u>475,192</u> |
| <b>Net book value</b> |                                   |                           |                              |   |                |
| At 31 December 2001   | <u>108,820</u>                    | <u>33,689</u>             | <u>-</u>                     | <u>294,450</u>                                  | <u>436,959</u> |
| At 31 December 2000   | <u>120,582</u>                    | <u>12,468</u>             | <u>-</u>                     | <u>46,455</u>                                   | <u>179,505</u> |

**9 Debtors**

|   | <b>2001</b>      | <b>2000</b>    |
|---|------------------|----------------|
|   | <b>£</b>         | <b>£</b>       |
| Trade debtors   | 534,893          | -              |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 859,305          | 319,696        |
| Other debtors   | 265,761          | 95,472         |
| Prepayments and accrued income  | 222,797          | -              |
|   | <u>1,882,756</u> | <u>415,168</u> |

**10 Creditors: amounts falling due within one year**

|   | <b>2001</b>    | <b>2000</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Trade creditors   | 286,513        | -              |
| Amounts owed to group undertakings and undertakings in which the Company has a participating interest | -              | 191,056        |
| Corporation tax   | 2,285          | 27,000         |
| Other taxes and social security costs   | 194,354        | 4,894          |
| Other creditors   | 11,046         | -              |
| Accruals and deferred income  | 226,782        | 54,675         |
|   | <u>720,980</u> | <u>277,625</u> |

**Petrofac UK Ltd**  
**Notes to the Accounts**  
**for the year ended 31 December 2001**

**11 Creditors: amounts falling due after one year**

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Amounts owed to group undertakings and undertakings in which the Company has a participating interest | 750,000   | -         |

**12 Share capital**

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Authorised:<br>Ordinary shares of £1 each | 1,000,000 | 100,000   |

|   | 2001<br>No | 2000<br>No | 2001<br>£ | 2000<br>£ |
|---|------------|------------|-----------|-----------|
| Allotted, called up and fully paid:<br>Ordinary shares of £1 each | 1,000,000  | 100,000    | 1,000,000 | 100,000   |

**Movement in share capital**

|                | 2001<br>£ | 2000<br>£ |
|----------------|-----------|-----------|
| At 1 January   | 100,000   | 100,000   |
| Shares issued  | 900,000   | -         |
| At 31 December | 1,000,000 | 100,000   |

**13 Profit and loss account**

|                           | 2001<br>£ | 2000<br>£ |
|---------------------------|-----------|-----------|
| At 1 January              | 257,176   | 194,118   |
| Transfer to share capital | (257,176) | -         |
| Retained profit           | 13,261    | 63,058    |
| At 31 December            | 13,261    | 257,176   |

**14 Reconciliation of movement in shareholder's funds**

|                               | 2001<br>£ | 2000<br>£ |
|-------------------------------|-----------|-----------|
| At 1 January                  | 357,176   | 294,118   |
| Profit for the financial year | 13,261    | 63,058    |
| Shares issued                 | 900,000   | -         |
| Opening reserves capitalised  | (257,176) | -         |
| At 31 December                | 1,013,261 | 357,176   |

**Petrofac UK Ltd**  
**Notes to the Accounts**  
**for the year ended 31 December 2001**

**15 Other financial commitments**

At the year end the Company had annual commitments under non-cancellable operating leases as set out below:

|                                | Land and<br>buildings<br>2001<br>£ | Land and<br>buildings<br>2000<br>£ | Other<br>2001<br>£ | Other<br>2000<br>£ |
|--------------------------------|------------------------------------|------------------------------------|--------------------|--------------------|
| Operating leases which expire: |                                    |                                    |                    |                    |
| within two to five years       | -                                  | -                                  | 68,000             | -                  |
| in over five years             | -                                  | -                                  | 1,473,600          | 1,657,800          |
|                                | <u>-</u>                           | <u>-</u>                           | <u>1,541,600</u>   | <u>1,657,800</u>   |

**16 Controlling party**

As at 31 December 2001 the holding company was Petrofac Corporation Ltd incorporated in Jersey. In January 2002 Petrofac Group was restructured and the new Ultimate Holding Company will be Petrofac Ltd, incorporated in Jersey