

HEAD WRIGHTSON PROCESS ENGINEERING LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004

COMPANY REGISTRATION NUMBER: 635264



HEAD WRIGHTSON PROCESS ENGINEERING LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31st December 2004.

Principal activity and future prospects

The Company has ceased trading. During the year there was no income or expenditure and, therefore, no change in the Company's position. Any expenses have been met by a fellow subsidiary in the same group. It is not intended that the Company trade in the foreseeable future.

Financial statements and dividend

The balance sheet appears on page 2.

The Company has not realised profits. Consequently, no dividend can be paid.

Directors

The current directors are listed below.

Rufus Laycock
Nigel Williams

Doug Gordon and Torgeir Ramstad resigned from the Board on 1st March 2005. On the same day Rufus Laycock and Nigel Williams were appointed Directors.

Directors' interests

No Director has, or during the year had, or at the time he became a director had, any interest in the shares of the Company or any other company within the same group to be disclosed in terms of the Companies Act 1985.

Annual General Meeting

The Company has dispensed with the laying of accounts and reports before the Company in general meeting and the holding of annual general meetings.

By order of the Board,

Rufus Laycock

Rufus Laycock
Company Secretary

Date: 30TH January 2006

Registered Office :
68 Hammersmith Road
London W14 8YW

HEAD WRIGHTSON PROCESS ENGINEERING LIMITED

BALANCE SHEET AT 31 DECEMBER 2004

	Note	31.12.2004 £	31.12.2003 £
CURRENT ASSETS			
Debtors	4	100,000	100,000
NET CURRENT ASSETS		100,000	100,000
CAPITAL AND RESERVES			
Equity share capital	5	100,000	100,000
Profit and loss account	6	-	-
EQUITY SHAREHOLDERS' FUNDS		100,000	100,000

Profit and loss account for the year ended 31st December 2004

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

The notes on pages 3 to 5 form part of these financial statements.

Statements

- (a) For the year ended 31st December 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) The sole member has not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act.
- (c) The directors acknowledge their responsibility for:
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board on 30TH January 2006 and were signed on its behalf by:-

Rufus Laycock
R. LAYCOCK
Director

HEAD WRIGHTSON PROCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and preceding year.

(a) **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

(b) **Cash flow statement**

There has been no income or expenditure.

(c) **Deferred taxation**

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

2. Directors' emoluments

No remuneration was paid by the company to the directors during the year (Year ended 31st December 2003 - £Nil).

3. Taxation

Factors affecting the current tax charge

The tax assessed for the year is at the standard rate of corporation tax in the UK. The differences are as follows:-

	Year ended 31.12.2004 £	Year ended 31.12.2003 £
Profit on ordinary activities before taxation	<u>Nil</u>	<u>Nil</u>
Taxation charge at UK corporation tax rate of 30% (Year ended 31 December 2003 - 30%)	<u>-</u>	<u>-</u>
Actual tax charge per accounts	<u>Nil</u>	<u>Nil</u>

HEAD WRIGHTSON PROCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Taxation (continued)

Factors affecting future tax charges

It is anticipated that any future taxable income in this company will be sheltered from tax by utilisation of group relief from other Group companies, and, where possible, the use of the Group's tax losses arising in prior years.

The Kvaerner PLC UK tax group has brought forward tax losses estimated at £230M and surplus ACT of approximately £192M.

There is no potential liability to deferred taxation (31st December 2003 - £Nil).

4. Debtors

Amounts falling due within one year :

	<u>31.12.2004</u>	<u>31.12.2003</u>
	£	£
Amounts owed by other group undertakings	<u>100,000</u>	<u>100,000</u>

5. Share capital

	<u>31.12.2004</u>	<u>31.12.2003</u>
	£	£
Authorised :		
Equity share capital		
250,000 ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid :		
Equity share capital		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

6. Reserves

	<u>Profit and Loss Account</u>
	£
As at 1st January 2004 and 31st December 2004	<u>-</u>

HEAD WRIGHTSON PROCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7. Reconciliation of movements in equity shareholders' funds

£

As at 1st January 2004 and 31st December 2004

-

8. Ultimate parent company

The company's immediate parent company is Kvaerner Engineering & Construction UK Limited.

At 31st December 2004, the largest group in which the results of the company were consolidated was that headed by The Resource Group TRG AS, incorporated in Norway.

The smallest group in which they are consolidated is that headed by Kvaerner PLC, incorporated in England and Wales. The consolidated financial statements of Kvaerner PLC are available to the public and may be obtained from Companies House and/or Kvaerner PLC, 68 Hammersmith Road, London W14 8YW.

The consolidated financial statements of Kvaerner ASA are available to the public and may be obtained from www.kvaerner.no or by contacting Kvaerner PLC, 68 Hammersmith Road, London W14 8YW.

At 31st December 2004, the company's ultimate parent company was The Resource Group TRG AS. Throughout the year under review, The Resource Group TRG AS was controlled by Kjell Inge Rokke and his interests.

As a subsidiary of Kvaerner ASA the company has taken advantage of the exemption in FRS 8 'related party disclosures' not to disclose transactions with other members of the group headed by Kvaerner ASA.

9. Post balance sheet event

On 1st April 2005, a management buy-out of certain assets and liabilities, including the shares of Kvaerner PLC, of Kvaerner ASA took place. Consequently, at the date of approval of these financial statements, The Glacier Trust, established under the laws of Guernsey, is to be regarded as the company's ultimate controlling party.