

**ANNUAL REPORT & ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

THURSDAY



\*A8XXSQZT\*

A03

05/07/2007

106

COMPANIES HOUSE

**FOSTER WHEELER PETROLEUM DEVELOPMENT LIMITED**

---

**ANNUAL REPORT & ACCOUNTS 2006**

| <i><b>Index</b></i>                | <i><b>Page</b></i> |
|------------------------------------|--------------------|
| Report of the Directors            | 1                  |
| Report of the Independent Auditors | 2                  |
| Profit and Loss Account            | 3                  |
| Balance Sheet                      | 4                  |
| Notes to the Accounts              | 5/8                |

---

## **FOSTER WHEELER PETROLEUM DEVELOPMENT LIMITED**

---

### **ANNUAL REPORT & ACCOUNTS 2006**

#### ***Report of the Directors***

*The Directors present their report and the audited financial statements for the year ended 31 December 2006*

#### **1. Directors' responsibilities**

Company law requires the Directors to prepare financial statements for each financial year that 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 period. The Directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently throughout the year. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

#### **2 Principal activity**

The company did not trade during the year.

#### **3. Results and dividend**

The result for the year was £nil (2005 profit of £86,856) as set out in the profit and loss account on page 3. A dividend of £1.74 per ordinary £1 share amounting to £1,046,062 was paid in May 2006 (2005 £nil).

#### **4 Review of business and future developments**

There were no trading activities during the year and the company does not expect to trade in the foreseeable future.

#### **5. Directors**

The Directors who held office during the year, were as follows:

S J Davies

L Dupagne

N C Holt

(Resigned 28 April 2006)

#### **6 Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

#### **7 Statement of disclosure to auditor**

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

Shinfield Park,  
Reading,  
Berks RG2 9FW



L Dupagne  
Director

27 June 2007

## **FOSTER WHEELER PETROLEUM DEVELOPMENT LIMITED**

---

### **ANNUAL REPORT & ACCOUNTS 2006**

#### ***Independent Auditors' report to the members of Foster Wheeler Petroleum Development Limited***

We have audited the financial statements of Foster Wheeler Petroleum Development Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

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

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

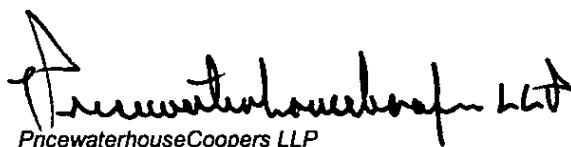
#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result for the year then ended, the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors  
Reading

27 June 2007

---

**FOSTER WHEELER PETROLEUM DEVELOPMENT LIMITED**

---

**ANNUAL REPORT & ACCOUNTS 2006*****Profit & Loss Account for the year ended  
31 December 2006***

| <b>Discontinued operations</b>                | <b>Notes</b> | <b>2006<br/>£</b> | <b>2005<br/>£</b> |
|---|--------------|-------------------|-------------------|
| Other operating (expenses)/income             |              | <u>(102)</u>      | <u>938</u>        |
| Operating (loss)/profit                       | 2            | (102)             | 938               |
| Interest receivable and similar income        | 3            | <u>102</u>        | <u>85,918</u>     |
| Profit on ordinary activities before taxation |              | -                 | 86,856            |
| Taxation on profit on ordinary activities     | 4            | <u>-</u>          | <u>-</u>          |
| Profit for the financial year                 | 10           | <u>-</u>          | <u>86,856</u>     |

***Statement of retained distributable profits***

|                                |                    |                  |
|--------------------------------|--------------------|------------------|
| At 1 January                   | 1,046,162          | 959,306          |
| Profit transferred to reserves | -                  | 86,856           |
| Dividends (note 5)             | <u>(1,046,062)</u> | <u>-</u>         |
| At 31 December                 | <u>100</u>         | <u>1,046,162</u> |

The Company has no recognised gains and losses other than those included in the result above and therefore no separate statement of total recognised gains and losses has been presented

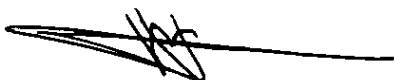
There is no material difference between the result on ordinary activities before taxation and the result for the financial year stated above and their historical cost equivalents

**FOSTER WHEELER PETROLEUM DEVELOPMENT LIMITED****ANNUAL REPORT & ACCOUNTS 2006****Balance Sheet  
31 December 2006**

|  | Notes | 2006<br>£      | £              | 2005<br>£        | £                |
|--|-------|----------------|----------------|------------------|------------------|
| <b>Fixed assets</b>  |       |                |                |                  |                  |
| Investments  | 6     |                | -              |                  | 1,100            |
| <b>Current assets</b>                                      |       |                |                |                  |                  |
| Debtors  | 7     | 600,000        |                | 1,635,031        |                  |
| Cash at bank and in hand                                   |       | <u>100</u>     |                | <u>11,031</u>    |                  |
|  |       | 600,100        |                | 1,646,062        |                  |
| <b>Creditors - amounts falling<br/>due within one year</b> | 8     | <u>-</u>       |                | <u>1,000</u>     |                  |
| <b>Net current assets</b>                                  |       |                | <u>600,100</u> |                  | <u>1,645,062</u> |
| <b>Net assets</b>  |       |                | <u>600,100</u> |                  | <u>1,646,162</u> |
| <b>Capital and reserves</b>                                |       |                |                |                  |                  |
| Called up share capital                                    | 9     | 600,000        |                | 600,000          |                  |
| Profit and loss account                                    |       | <u>100</u>     |                | <u>1,046,162</u> |                  |
| <b>Equity shareholders' funds</b>                          | 10    | <u>600,100</u> |                | <u>1,646,162</u> |                  |

The financial statements on pages 3 to 8 were approved by the board of directors on  
and were signed on its behalf by

27 June 2007



L Dupagne  
**Director**

**Notes to the Accounts  
for the year ended 31 December 2006**

**1 Accounting policies**

These accounts have been prepared on the going concern basis and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The following are the main accounting policies of the company, which have been applied consistently.

**Changes in accounting policies**

The company has adopted FRS 20, 'Share based payment', in these financial statements. The adoption of this standard has had no impact on these financial statements.

**a) Historical cost convention**

These accounts have been prepared under the historical cost convention.

**b) Turnover**

Turnover, which excludes value added tax, represents the value of goods and services supplied directly by the company.

**c) Accounting basis for determining profits on contracts**

The principal accounting basis used for determining profit on long term contracts is the percentage of completion method based on management's estimate of work completed to date and after providing for all known or anticipated future losses. Profit on short term contracts is taken when work is complete.

**d) Investments**

Investments in subsidiary undertakings and associates in the financial statements of the company are carried at cost less provision for impairment.

**e) Stock and work in progress**

Contract work in progress is stated at net cost less foreseeable losses and progress payments received and receivable and excludes costs and revenues dealt with in the profit and loss account. Cost is defined as direct expenditure and includes relevant overheads based upon the normal level of activity. Any advance and progress payments received in excess of accumulated costs on the contracts concerned are shown as payments on account within current liabilities.

**f) Deferred taxation**

Deferred tax is provided in full on an undiscounted basis on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in the tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**g) Foreign currencies**

Transactions in foreign currencies are translated into sterling at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The exchange differences arising are included in the profit and loss account in the period in which they arise.

**h) Cash flow**

The company is a wholly owned subsidiary of Foster Wheeler Ltd (note 12). Consequently, the company is exempt under the terms of FRS 1 (revised 1996) 'Cash flow Statements' from publishing a cash flow statement.

## **FOSTER WHEELER PETROLEUM DEVELOPMENT LIMITED**

### **ANNUAL REPORT & ACCOUNTS 2006**

#### **Notes to the Accounts for the year ended 31 December 2006**

#### **1 Accounting policies (continued)**

##### **i) Transactions with group companies**

In accordance with the exemption available under FRS 8 'Related Party Disclosure', transactions with other group undertakings within the Foster Wheeler Ltd group have not been disclosed in these financial statements

#### **2 Operating (loss)/profit**

All non-contract expenses, including the auditors' remuneration, have been met by a fellow subsidiary

None of the Directors received any emoluments for their services to the company (2005 £nil)

The company had no employees during the year (2005 nil)

#### **3 Interest receivable and similar income**

|                 | 2006<br>£  | 2005<br>£     |
|-----------------|------------|---------------|
| Bank interest   | 102        | 102           |
| Group companies | -          | 85,816        |
|                 | <u>102</u> | <u>85,918</u> |

Interest is charged on intercompany loans at rates not less than 0.5% above the Bank of Scotland base rate

#### **4. Taxation on result/profit on ordinary activities**

|                                      | 2006<br>£ | 2005<br>£ |
|--------------------------------------|-----------|-----------|
| UK corporation tax at 30% (2005 30%) |           |           |
| Current year charge                  | -         | -         |
|                                      | <u>-</u>  | <u>-</u>  |

The tax assessed for the year is the same as (2005 lower) than the standard 30% rate of corporation tax in the UK (2005 30%). The differences are explained below

|  | 2006<br>£ | 2005<br>£ |
|--|-----------|-----------|
| Profit on ordinary activities before tax   | -         | 86,856    |
| Profit on ordinary activities multiplied by standard rate in UK - 30% (2005 30%) | -         | 26,057    |
| Group relief received at no charge   | -         | (26,057)  |
|  | <u>-</u>  | <u>-</u>  |

There is no recognised or unrecognised deferred tax asset/liability at 31 December 2006 (2005 £nil)

#### **5 Dividends**

|   | 2006<br>£        | 2005<br>£ |
|---|------------------|-----------|
| Equity dividends  |                  |           |
| Ordinary shares - interim paid £1.74 (2005 £Nil) per £1 share | <u>1,046,062</u> | <u>-</u>  |



---

**FOSTER WHEELER PETROLEUM DEVELOPMENT LIMITED**

---

**ANNUAL REPORT & ACCOUNTS 2006****Notes to the Accounts  
for the year ended 31 December 2006****6 Fixed asset investments**

|                              |                |
|------------------------------|----------------|
| Shares in group undertakings | £              |
| At 1 January 2006            | 1,100          |
| Dissolution of subsidiaries  | <u>(1,100)</u> |
| At 31 December 2006          | <u>-</u>       |

During the year, the reporting entity's two wholly-owned subsidiary undertakings, Foster Wheeler Petroleum Development (Norway) Limited and International Management Systems Limited, were dissolved

**7 Debtors**

|  | 2006<br>£      | 2005<br>£        |
|--|----------------|------------------|
| <b>Amounts falling due within one year</b> |                |                  |
| Amounts owed by group undertakings         | <u>600,000</u> | <u>1,635,031</u> |
|  | <u>600,000</u> | <u>1,635,031</u> |

**8 Creditors - amounts falling due within one year**

|                                    | 2006<br>£ | 2005<br>£    |
|------------------------------------|-----------|--------------|
| Amounts owed to group undertakings | <u>-</u>  | <u>1,000</u> |
|                                    | <u>-</u>  | <u>1,000</u> |

**9 Called up share capital**

|                                    | 2006<br>£        | 2005<br>£        |
|------------------------------------|------------------|------------------|
| Authorised                         |                  |                  |
| 1,000,000 ordinary £1 shares       | <u>1,000,000</u> | <u>1,000,000</u> |
| Allotted, called up and fully paid |                  |                  |
| 600,000 ordinary £1 shares         | <u>600,000</u>   | <u>600,000</u>   |

**10 Reconciliation of movements in shareholders' funds**

|  | 2006<br>£          | 2005<br>£        |
|--|--------------------|------------------|
| Profit for the year                            | -                  | 86,856           |
| Dividends                                      | <u>(1,046,062)</u> | <u>-</u>         |
| Net (decrease)/increase in shareholders' funds | (1,046,062)        | 86,856           |
| Opening shareholders' funds                    | <u>1,646,162</u>   | <u>1,559,306</u> |
| Closing shareholders' funds                    | <u>600,100</u>     | <u>1,646,162</u> |

**11 Contract obligations**

In the ordinary course of business the company enters into contracts providing for assessment of damages for non-performance or delays in completion. The directors believe that no significant liability exists which is in excess of amounts provided in the accounts.

**12. Immediate and ultimate parent undertakings**

The parent undertaking of the smallest group of which the Company is a member and for which group accounts are prepared is Foster Wheeler Limited, which is incorporated in the United Kingdom. Copies of the group accounts of Foster Wheeler Limited may be obtained from Shinfield Park, Reading, Berkshire RG2 9FW.

The ultimate parent company and controlling party is Foster Wheeler Ltd, which is incorporated in Bermuda and is the largest company into which these accounts are consolidated. Copies of the consolidated financial statements of Foster Wheeler Ltd may be obtained from Clarendon House, 2 Church Street, Hamilton HMCX, Bermuda.