

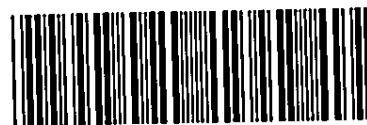
Intec Engineering (UK) Limited

**Directors' report and financial
statements**

Registered number 2667945

31 December 2007

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the company during the year was that of consultant engineers in the oil, gas and water industries

Business review and future developments

Overview & performance

Turnover from continuing operations has increased to £9,110,949 from £6,262,544. The increase in revenue is due to the growth in the work force and the success in winning some large contracts including Block 31 Angola.

Operating profit was £1,339,214 compared to £666,175 in the previous year, whilst the profit on ordinary activities before taxation increased to £1,289,496 from £732,845.

The performance in 2007 is better than the expectations of the directors and reflects the improved trading performance of the company. This is due to the market being robust in 2008 and INTEC managing to secure further resources as part of a continued growth goal.

The company made a profit for the year after taxation of £984,016 (2006 £732,845).

Post-balance sheet event

On 16th April 2008, Intec Engineering (UK) Limited's parent company Intec Engineering Group BV was acquired by Worley Parsons, Registered Office Level 7, 116 Miller St, North Sydney NSW 2060 and is listed on the ASX.

Intec Engineering (UK) Limited since the year end has cleared £850,802 in promissory notes to related companies.

Objectives and strategy

To continue to work for existing clients and utilise the Worley Parsons Group locations to spring board and expand new/existing regions to secure new clients and projects.

Markets and regulatory

The Oil & Gas market continues to be strong and the company foresees high Oil & Gas prices which will increase the demand for Oil & Gas Developments to which Intec Engineering hopes to be at the forefront of highly specialist deep sea engineering.

Risk and uncertainties

The directors work closely with management to anticipate risks from economic or global factors and plan accordingly. The economic environment in which Intec is trading has improved and the directors believe future trends in the oil and gas industry will enable the company to grow and that the current risks are low.

Proposed dividend

The directors do not recommend the payment of a dividend (2006 £nil).

Directors

The directors who served during the year were

G Taylor
M Mellema

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



G Taylor
Secretary

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Arlington Business Park
Theale
Reading RG7 4SD
United Kingdom

Independent auditor's report to the members of Intec Engineering (UK) Limited

We have audited the financial statements of Intec Engineering (UK) Ltd for the year ended 31 December 2007 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.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 judgments 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.

Independent auditor's report to the members of Intec Engineering (UK) Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of the company's profit 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

HPMG LLP 31/7/08

*Chartered Accountants
Registered Auditor*

Profit and loss account
for the year ended 31 December 2007

	<i>Note</i>	2007 £	2006 £
Turnover	2	9,110,949	6,262,544
Cost of sales		(5,154,893)	(3,576,722)
Gross profit		3,956,056	2,685,822
Administrative expenses		(2,616,842)	(2,019,647)
Operating profit		1,339,214	666,175
Interest receivable and similar income	6	20,430	262,877
Interest payable and similar charges	7	(70,148)	(196,207)
Profit on ordinary activities before taxation	3-5	1,289,496	732,845
Tax on profit on ordinary activities	8	(305,480)	-
Retained profit for the year	14/15	984,016	732,845

All of the company's operations are continuing

There are no recognised gains or losses other than the results for the current or prior financial year

Balance sheet
at 31 December 2007

	Notes	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	9		627,319		94,377
Investments	10		2,624		2,679
			<u>629,943</u>		<u>97,056</u>
Current assets					
Debtors	11	4,389,346		2,299,477	
Cash at bank and in hand		827,191		1,043,786	
		<u>5,216,537</u>		<u>3,343,263</u>	
Creditors: amounts falling due within one year	12	<u>(5,626,242)</u>		<u>(4,204,097)</u>	
Net current liabilities			<u>(409,705)</u>		<u>(860,834)</u>
Net assets/(liabilities)			<u>220,238</u>		<u>(763,778)</u>
Capital and reserves					
Called up share capital	13		693,000		693,000
Profit and loss account - deficit	14		(472,762)		(1,456,778)
Shareholders' funds/(deficit)	15		<u>220,238</u>		<u>(763,778)</u>

These financial statements were approved by the board of directors on 30th July 2008 and were signed on its behalf by

X 
G Taylor
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below

Basis of preparation

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

The financial statements have been prepared on the going concern basis. The company is dependent for its working capital on Intec Engineering Group BV its ultimate holding company. The company has received an undertaking from Intec Engineering Group BV that, for at least 12 months from the date of approval of these financial statements Intec Engineering Group BV will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available amounting to £1,107,264 as at 31 December 2007. This should enable the company to continue to trade for the foreseeable future by meeting its liabilities as and when they become due. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, the directors have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if such funds were not available.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Intec Engineering Group BV, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Intec Engineering Group BV, within which this company is included, can be obtained from the address given in note 18.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Computer equipment	-	3 years
Leasehold Improvements	-	3 years
Fixtures and fittings	-	10 years

Investments

Investments are stated at cost less any provisions for impairment

Notes *(continued)*

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

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. 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.

Turnover

Sales comprise the net value of work completed, services rendered or deliveries made during the year. Turnover is recognised when title passes or in accordance with work performed and the invoiced value of sales under the terms of the contract.

Foreign Exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes (continued)

2 Turnover

	2007 £	2006 £
<i>By geographical market</i>		
Europe	2,874,285	841,699
Africa	6,145,541	43,583
Asia	62,970	14,592
Other	28,153	5,362,670
	<u>9,110,949</u>	<u>6,262,544</u>

The directors consider that all turnover is attributable to a single business class

3 Profit on ordinary activities before taxation

	2007 £	2006 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration		
Audit of the financial statements	21,825	19,500
Other Services	4,000	5,000
Depreciation of tangible fixed assets – owned	103,295	43,504
Hire of other assets - operating leases	322,818	337,529
	<u>431,938</u>	<u>397,533</u>

4 Remuneration of directors

	2007 £	2006 £
Directors' emoluments	174,423	131,388
Company contributions to money purchase pension schemes	3,555	3,122
	<u>177,978</u>	<u>134,510</u>

Retirement benefits are accruing to one director (2006 one) under money purchase schemes

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2007	2006
Engineering	34	33
Administration	7	5
	<u>41</u>	<u>38</u>

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	2,168,646	2,034,533
Social security costs	248,631	236,518
Other pension costs	35,761	35,051
	<u>2,453,038</u>	<u>2,306,102</u>

6 Interest receivable and similar income

	2007 £	2006 £
Bank interest	12,357	2,285
Foreign exchange gain	8,073	260,592
	<u>20,430</u>	<u>262,877</u>

7 Interest payable and similar charges

	2007 £	2006 £
Bank interest	1,881	69,530
Payable to group undertakings	68,267	126,677
	<u>70,148</u>	<u>196,207</u>

Notes (continued)

8 Taxation

Analysis of charge in period

	2007 £	2006 £
<i>UK corporation tax</i>		
Current tax on income for the period	281,556	-
Adjustments in respect of prior periods	23,924	-
	<hr/>	<hr/>
Total current tax	305,480	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2006 lower) than the standard rate of corporation tax in the UK (30%, 2006 30%) The differences are explained below

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,289,496	732,844
	<hr/>	<hr/>
Current tax at 30% (2006 30 %)	386,849	219,853
	<hr/>	<hr/>
<i>Effects of</i>		
Expenses not deductible for tax purposes	6,000	6,000
Depreciation for period (less)/greater than capital allowances	(1,180)	13,051
Utilisation of losses	(110,113)	(238,904)
Adjustments to tax charge in respect of previous periods	23,924	-
	<hr/>	<hr/>
Total current tax charge (see above)	305,480	-
	<hr/>	<hr/>

Notes (continued)

9 Tangible fixed assets

	Leasehold Improvements £	Computer Equipment £	Fixtures and Fittings £	Total £
Cost				
At beginning of year	-	507,569	45,379	552,948
Additions	439,049	98,793	98,395	636,237
Disposals	-	(252,545)	-	(252,545)
At end of year	439,049	353,817	143,774	936,640
Depreciation				
At beginning of year	-	447,826	10,745	458,571
Charge for year	48,783	46,044	8,468	103,295
Disposals	-	(252,545)	-	(252,545)
At end of year	48,783	241,325	19,213	309,321
Net book value				
At 31 December 2007	390,266	112,492	124,561	627,319
At 31 December 2006	-	59,743	34,634	94,377

10 Fixed asset investments

This represents a 5% holding in Heerema Group Services EESV, a European Economic Interest Grouping registered in the Netherlands

11 Debtors

	2007 £	2006 £
Trade debtors	1,973,561	1,250,763
Amounts recoverable on contracts	1,206,523	592,658
Amounts owed by group undertakings	634,795	133,679
Other debtors	288,261	231,738
Prepayments and accrued income	286,206	90,639
	4,389,346	2,299,477

Notes (continued)

12 Creditors: amount due within one year

	2007 £	2006 £
Trade creditors	694,013	293,549
Amounts owed to group undertakings	2,939,012	1,450,548
Loans from group undertakings	1,107,264	1,758,582
Taxation and social security	357,270	74,031
Accruals and deferred income	528,683	627,387
	<u>5,626,242</u>	<u>4,204,097</u>

Interest on loans from the group undertaking of £1,107,264 is payable at between 4% - 8% per annum and is payable on demand

13 Share capital

	2007 £	2006 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	<u>693,000</u>	<u>693,000</u>
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	<u>693,000</u>	<u>693,000</u>

14 Profit and loss account

	2007 £	2006 £
Balance at beginning of year	(1,456,778)	(2,189,623)
Profit for the year	<u>984,016</u>	<u>732,845</u>
Balance at end of year	<u>(472,762)</u>	<u>(1,456,778)</u>

Notes (continued)

15 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the year	984,016	732,845
Net increase in shareholders' funds	984,016	732,845
Opening shareholders' deficit	(763,778)	(1,496,623)
Closing shareholders' funds/(deficit)	220,238	(763,778)

16 Commitments

- a) There are no capital commitments at the end of the financial year for which no provision has been made (2006 £nil)
- b) Annual commitments under non-cancellable operating leases are as follows

	2007		2006	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
In the second to fifth years inclusive	322,818	-	271,557	-
Over five years	-	-	70,376	-
	322,818	-	341,933	-

17 Pension Scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £35,761 (2006 £35,051).

Contributions amounting to £9,206 (2006 £8,954) were payable to the scheme and are included in creditors.

18 Ultimate Parent Company

The company is a subsidiary undertaking of Intec Engineering Group BV, a company incorporated in the Netherlands.

As at the 31 December 2007 the largest group in which the results of the Company are consolidated is that headed by Heerema Engineering and Project Management Services Denmark Aps. The consolidated accounts of this company are available from Holbergsgade 14, 1057 Copenhagen, Denmark. The smallest group in which they are consolidated is that headed by Intec Engineering Group BV, a company registered and incorporated in the Netherlands. The consolidated accounts of this company can be obtained from Poortweg 14, 2612 PA Delft, Netherlands.

19 Post Balance Sheet Event

On 16 April 2008, Intec Engineering (UK) Ltd's parent company Intec Engineering Group BV was acquired by WorleyParsons.