Wood Group Production Technology Limited

Annual report and financial statements

for the year ended 31 December 2008

Registered Number: 106951

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Wood Group Production Technology Limited

Annual report and financial statements

for the year ended 31 December 2008

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Wood Group Production Technology Limited

Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements for the year ended 31 December 2008.

Business review and principal activities
The company's principal activity was the provision and service of downhole instrumentation for use in the oil industry. The trade and assets of the company were sold in December 2005.

The results for the company show a pre-tax profit of £132,000 (2007: £143,000) for the year and turnover of £nil (2007: £nil). The company has cash of £26,000 at 31 December 2008 (2007: £118,000).

Future outlook
The directors anticipate a similar level of activity in 2009.

Principle risks and uncertainties
The principal risks and uncertainties impacting on the company are discussed in the context of John Wood Group PLC "the Group", as a whole in the Group's annual report and accounts. These risks are managed on a Group basis.

Key performance indicators ("KPI's")
The directors of John Wood Group PLC manage the Group's operations on a divisional basis. For this reason the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of the business. The development and position of John Wood Group PLC, which includes the company, is discussed in the Group's Annual Report and Accounts.

Results, dividends and transfers to reserves
The profit for the financial year amounted to £94,000 (2007 : £97,000). The directors do not recommend payment of a dividend. The profit for the year will be added to reserves.

Directors
The directors of the company during the year are listed below:

I Johnson
M Dear

Wood Group Production Technology Limited

Statement of 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 the 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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2008 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.

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually has been passed. Accordingly, PricewaterhouseCoopers LLP continue in office as auditors, having expressed their willingness to do so.

By order of the board

Company Secretary

Wood Group Production Technology Limited

Independent auditors' report to the members of Wood Group Production Technology Limited

We have audited the financial statements of Wood Group Production Technology Limited for the year ended 31 December 2008 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 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 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 auditors' report to the members of Wood Group Production Technology Limited (continued)

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 2008 and of its 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Aberdeen

29 April 2009

Wood Group Production Technology Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008	2007
		£'000	£'000
Operating expenses	2	**(4)**	(11)
Operating loss		**(4)**	(11)
Interest receivable and similar income		**136**	154
Profit on ordinary activities before taxation	4	**132**	143
Tax on profit on ordinary activities	5	**(38)**	(46)
Profit for the financial year	10	**94**	97

All items dealt with in arriving at the profit stated above relate to continuing operations.

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

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

Wood Group Production Technology Limited

Balance sheet as at 31 December 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Current assets					
Debtors	6	**2,916**		2,842	
Cash at bank and in hand		**26**		118	
			2,942		2,960
Creditors: amounts falling due within one year	7		**(99)**		(98)
Net current assets			**2,843**		2,862
Total assets less current liabilities			**2,843**		2,862
Creditors: amounts due outwith one year	8		**-**		(114)
Net assets			**2,843**		2,748
Capital and reserves					
Called up share capital	9		**3,000**		3,000
Profit and loss account deficit	10		**(157)**		(252)
Total equity shareholders' funds	11		**2,843**		2,748

The financial statements on pages 5 to 10 were approved by the board of directors on 24 April 2009 and were signed on its behalf by:

Director :

Director:

Wood Group Production Technology Limited

Notes to the financial statements for the year ended 31 December 2008

1 Principal accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance the Companies Act 1985 and with applicable Accounting Standards in the United Kingdom. A summary of the accounting policies, which have been applied consistently, is set out below.

Cash flows

At 31 December 2008, the company was a subsidiary of John Wood Group PLC and the cash flows of the company are included in the consolidated group cash flow statement of John Wood Group PLC. Consequently the company is exempt under the terms of FRS 1 (Revised 1996) 'Cash Flow Statement' from publishing a cash flow statement.

Taxation

The current tax charge is based on the taxable profit for the year. Taxable profits differ from the profit reported in the profit & loss account due to timing differences and other items that require adjustment as set out in legislation. The company's liability for tax is calculated using rates enacted or substantively enacted at the balance sheet date.

Tax losses are surrendered or claimed in the from of group relief with consideration being received or paid accordingly. The group relief amount is recorded separately within the debtors and creditors amounts in the balance sheet, as applicable, and is calculated by applying the tax rate enacted or substantially enacted at the balance sheet date to the loss amount.

Foreign currencies

Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the date ruling at the balance sheet date, and differences on exchange arising thereon are dealt with through operating profit.

2 Operating expenses

	2008	2007
	£'000	£'000
Administrative expenses	**4**	11

3 Directors' emoluments

No remuneration has been paid to or waived by the directors during the year in respect of the services they provided to the company.

4 Profit on ordinary activities before taxation

	2008	2007
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	**3**	3

5 Tax on profit on ordinary activities

	2008	2007
	£'000	£'000
Current tax		
UK corporation tax at 28.5% (2007 : 30%)	**38**	46

The current tax charge on profit on ordinary activities varied from the standard rate of corporation tax in the UK due to the following factors:

	2008	2007
	£'000	£'000
Profit on ordinary activities before taxation:	**132**	143
UK corporation tax at standard rate 28.5% (2007 : 30%)	**37**	43
Permanent differences	**1**	3
Total current tax charge	**38**	46

6 Debtors

	2008	2007
	£'000	£'000
Amounts owed by group undertakings	**2,892**	2,819
Corporation tax receivable	**15**	15
Other debtors	**9**	8
	2,916	2,842

Amounts due from group undertakings are repayable on demand. Interest is charged at market rates.

7 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Amounts due to group undertakings	**2**	1
Group relief payable	**97**	97
	99	98

8 Creditors: amounts falling due outwith one year

	2008	2007
	£'000	£'000
Other creditors – share symmetry	**-**	114

9 Called up share capital

	2008	2007
	£'000	£'000
Authorised		
3,000,000 ordinary shares of £1 each	**3,000**	3,000
Allotted, called up and fully paid		
3,000,000 ordinary shares of £1 each	**3,000**	3,000

10 Profit and loss account deficit

	£'000
At 1 January 2008	(252)
Profit for the financial year	94
Credit in respect of employee share awards	1
At 31 December 2008	**(157)**

11 Reconciliation of movements in shareholders' funds

	2008	2007
	£'000	£'000
Opening shareholders' funds	**2,748**	2,645
Profit for the financial year	**94**	97
Credit in respect of employee share awards	**1**	6
Closing shareholders' funds	**2,843**	2,748

12 Contingent liabilities

The company has a contingent liability arising from a guarantee without limit extended to John Wood Group PLC's principal bankers in respect of sums advanced to the company and to certain other members of the John Wood Group PLC group.

13 Related party transactions

The company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose any transactions with entities that are part of the group which qualify as related parties, on the grounds that it is a subsidiary where 90% or more of the voting rights are controlled within the group, and the consolidated financial statements of John Wood Group PLC, its ultimate parent company, are publicly available (note 16).

14 Ultimate parent company

Wood Group Production Technology Limited is a wholly owned subsidiary of WLS Holdings Limited. The directors regard John Wood Group PLC, a company registered in Scotland, as the ultimate parent company and controlling party at 31 December 2008.

John Wood Group PLC is the only undertaking for which consolidated financial statements, which include the financial statements of Wood Group Production Technology Limited, are prepared. Copies of John Wood Group PLC financial statements can be obtained from The Company Secretary, John Wood House, Greenwell Road, Aberdeen, AB12 3AX, Scotland.