

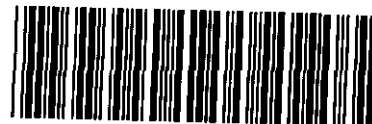
REGISTRAR OF COMPANIES

HARRIS PYE (HOLDINGS) LIMITED

Report and Financial Statements

31 December 2006

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REPORT AND FINANCIAL STATEMENTS 2006

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C M Trigg	(appointed 31 March 2007)
C David	(appointed 31 March 2007)
M Prendergast	(appointed 31 March 2007)

SECRETARY

C M Trigg

REGISTERED OFFICE

David Davies Road
No 2 Barry Dock Road
Vale of Glamorgan
CF63 4AB

SOLICITORS

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

AUDITORS

Deloitte & Touche LLP
Cardiff

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2006.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company did not trade during the current or prior financial year and the directors do not foresee the situation changing in the future.

DIVIDENDS

The directors do not recommend the payment of a dividend for the financial year (2005 - £1,300,000).

DIRECTORS

The current directors of the company, with dates of appointment, are as shown on page 1. A P Jones and M V Dawson resigned as directors on 31 March 2007.

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have indicated their willingness to continue in office as the company's auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



C David
Director

Date 30th Oct 07

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARRIS PYE (HOLDINGS) LIMITED

We have audited the financial statements of Harris Pye (Holdings) Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 auditors' 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 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).

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.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cardiff, United Kingdom

Date 31 October 2007

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2006

	Note	2006 £	2005 £
Income from fixed asset investments	3	-	1,300,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	1,300,000
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR		-	1,300,000

All activities derive from discontinued operations.


There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented.

HARRIS PYE (HOLDINGS) LIMITED

BALANCE SHEET 31 December 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Investments	6	<u>500</u>	<u>500</u>
CURRENT ASSETS			
Debtors	7	<u>484,076</u>	<u>484,076</u>
NET CURRENT ASSETS		<u>484,076</u>	<u>484,076</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u><u>484,576</u></u>	<u><u>484,576</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	90	90
Profit and loss account	9	<u>484,486</u>	<u>484,486</u>
TOTAL SHAREHOLDERS' FUNDS	9	<u><u>484,576</u></u>	<u><u>484,576</u></u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

 30th Dec 07

C David
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Group financial statements

The company is not required to prepare consolidated financial statements as the company's interests are dealt with in the consolidated financial statements of Harris Pye 2006 Limited (previously Harris Pye Group Limited). These financial statements therefore present information about the company as an individual undertaking only.

Cash flow statement

The company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence, it is exempt from the requirement to produce a cash flow statement.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that 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 taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Related party transactions

The company has taken advantage of the exemption conferred under Financial Reporting Standard 8 not to disclose transactions with entities, 90 per cent or more of whose voting rights are controlled within the group.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors were the only employees of the company during the current and the prior financial year. They received no remuneration for their services to the company in either period.

The auditors' remuneration of £1,000 (2005 - £1,000) has been paid by Harris Pye Marine Limited, a fellow group company.

3. INCOME FROM FIXED ASSET INVESTMENTS

	2006 £	2005 £
Dividend from subsidiary	-	1,300,000

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006 £	2005 £
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the year at 30% (2005 – 30%)	-	-
	<u>-</u>	<u>-</u>
The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:		
	£	£
Profit on ordinary activities before tax	-	1,300,000
	<u>-</u>	<u>1,300,000</u>
Tax on profit on ordinary activities before tax at 30% (2005 – 30%)	-	(390,000)
	<u>-</u>	<u>(390,000)</u>
Factors affecting charge for the year		
UK dividend income	-	390,000
	<u>-</u>	<u>390,000</u>
Current tax charge for the year	-	-
	<u>-</u>	<u>-</u>

5. DIVIDENDS

	2006 £	2005 £
Dividends of £nil (2005 - £14,444.44) per share	-	1,300,000
	<u>-</u>	<u>1,300,000</u>

6. FIXED ASSET INVESTMENTS

	Harris Pye Marine Limited £
Ordinary shares	
Cost and net book value	
At 31 December 2006 and 31 December 2005	500
	<u>500</u>

The above investment is unlisted.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

7. DEBTORS

	2006	2005
	£	£
Amounts falling due within one year		
Amounts owed by ultimate parent company	154,820	154,820
Amounts owed by subsidiary	329,256	329,256
	<u>484,076</u>	<u>484,076</u>

8. CALLED UP SHARE CAPITAL

	2006	2005
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
90 ordinary shares of £1 each	90	90
	<u>90</u>	<u>90</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Issued share capital £	Profit and loss account £	2006 £	2005 £
At 1 January	90	484,486	484,576	484,576
Profit for the financial year	-	-	-	1,300,000
Dividends paid	-	-	-	(1,300,000)
	<u>90</u>	<u>484,486</u>	<u>484,576</u>	<u>484,576</u>
At 31 December	90	484,486	484,576	484,576

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

10. ADDITIONAL INFORMATION ON SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS

Subsidiary undertaking of Harris Pye (Holdings) Limited

Name	Class of capital	Portion of ordinary shares held (%)	Activity	Country of incorporation
Harris Pye Marine Limited	Ordinary shares of £1 each	100	Marine engineering	England and Wales

Subsidiary undertakings of Harris Pye Marine Limited

Harris Pye Singapore Pte Limited	Ordinary shares of \$1 Singapore each	100	Marine engineering	Singapore
Harris Pye Inc	Ordinary shares of \$1 US each	100	Dormant	United States
Harris Pye (Bek Division) Limited	Ordinary shares of £1 each	100	Marine engineering and outfitting	England and Wales
Harris Pye Outfitting Limited	Ordinary shares of £1 each	100	Marine outfitting	England and Wales
Harris Pye Plant (Ireland) Limited	Ordinary shares of IR £1 each	100	Dormant	Ireland
Harris Pye Gulf LLC	Ordinary shares of 1 UAE dirham each	48.75	Marine engineering	UAE
Harris Pye (Portugal) Engheria S.A.	Ordinary shares of 1 Portuguese escudo each	100	Provision of labour	Portugal
Corrosion Management Consultants Pte Limited	Ordinary shares of \$1 Singapore each	100	Corrosion monitoring systems and corrosion consultants	Singapore
Harris Pye Global Tube Solutions LLC	Ordinary shares of 1 UAE dirham each	49	Marine engineering	UAE
Harris Pye Brasil Ltda.	Ordinary shares of 1 Brazilian real each	90	Marine engineering	Brazil

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

10. ADDITIONAL INFORMATION ON SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS
(continued)

Name	Class of capital	Portion of ordinary shares held (%)	Activity	Country of incorporation
Subsidiary undertakings of Harris Pye Marine Limited (continued)				
Harris Pye South Africa (Proprietary) Limited	Ordinary shares of 1 South African rand each	100	Marine engineering	South Africa
Subsidiary undertaking of Harris Pye Singapore Pte Limited				
Harris Pye (M) SDN BHD	Ordinary shares of RM1 Malaysia each	100	Marine engineering	Malaysia
Subsidiary undertaking of Harris Pye Gulf LLC				
Haven Instrumentation LLC	Ordinary shares of 1,000 UAE dirham each	80	Marine subtraction control	UAE

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors regard Harris Pye 2006 Limited (previously Harris Pye Group Limited), a company registered in England and Wales, as the ultimate parent company and ultimate controlling party at 31 December 2006. This is the parent of the smallest and largest group for which consolidated financial statements are prepared.

Copies of the financial statements of the above company are available from David Davies Road, No 2 Barry Dock Road, Vale of Glamorgan, CF63 4AB.