

Company Registration No. 4036329 (England and Wales)

PIH KAZAKHSTAN LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2006

FRIDAY



A18

AS8ZLTQD
12/10/2007
COMPANIES HOUSE

662

PIH KAZAKHSTAN LIMITED

COMPANY INFORMATION

Directors	M P Smith M T Carey G D Laake
Secretary	P J Robinson
Company number	4036329
Registered office	The Pipeline Centre Farrington Road Rossendale Road Industrial Estate Burnley BB11 5SW
Auditors	UHY Hacker Young St James Building 79 Oxford Street Manchester M1 6HT
Solicitors	Pannone and Partners 123 Deansgate Manchester M3 2BU Zanger Law Firm Office 27/28 7th Floor 157 Abai Avenue Almaty 480009 Republic of Kazakhstan

PIH KAZAKHSTAN LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 11

PIH KAZAKHSTAN LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2006

The directors present their report and financial statements for the period ended 31 March 2006

Principal activities and review of the business

The company does not trade

During the period the company extended its accounting reference date to 31 March 2006

The company's expenditure relates to its former activity as a provider of heat treatment and testing services on a pipeline in Kazakhstan and is met by other group companies. The only other entry in the profit and loss account relates to foreign exchange losses.

Further administration costs are expected in 2007 and the future intention is to strike the company off once tax liabilities are agreed and settled.

At the period end the company had a negative balance sheet total of over £1.7m, of which £1.2 relates to taxation due as a result of an ongoing inquiry with HM Revenue and Customs.

The company has no key performance indicators.

Results and dividends

The results for the period are set out on page 5.

Directors

The following directors have held office since 1 January 2005:

M P Smith

M T Carey and G D Laake were appointed on 10 January 2005 to replace A Ramsden and T E Bell who retired on 10 January 2005.

Directors' interests

None of the directors hold shares in the company. M P Smith and M T Carey are directors of the ultimate parent company, CRC Holdings Corp, and had no interests in the shares of that company at 1 January 2005 or 31 March 2006.

Auditors

UHY Hacker Young were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

PIH KAZAKHSTAN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

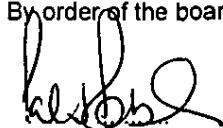
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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



P J Robinson

Secretary

8/10/07

PIH KAZAKHSTAN LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PIH KAZAKHSTAN LIMITED

We have audited the financial statements of PIH Kazakhstan Limited for the period ended 31 March 2006 set out on pages 5 to 11. These financial statements have been prepared under the accounting policies set out therein.

The prior year's financial statements were audited by Deloitte & Touche LLP, who issued a clean audit opinion thereon.

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 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 the directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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.

PIH KAZAKHSTAN LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF PIH KAZAKHSTAN LIMITED

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 March 2006 and of its loss for the period then ended, and
- have been properly prepared in accordance with the Companies Act 1985

UHY Hacker Young
UHY Hacker Young

10/10/07

Chartered Accountants
Registered Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

PIH KAZAKHSTAN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2006

		Period ended 31 March 2006 £	Year ended 31 December 2004 £
	Notes		
Administrative expenses		(277,662)	(133,820)
Operating loss	2	(277,662)	(133,820)
Interest payable and similar charges		-	(175,096)
Loss on ordinary activities before taxation		(277,662)	(308,916)
Tax on loss on ordinary activities	3	-	-
Loss for the period	7	(277,662)	(308,916)

The profit and loss account has been prepared on the basis that all operations are continuing operations

PIH KAZAKHSTAN LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 31 MARCH 2006

	Period ended 31 March 2006 £	Year ended 31 December 2004 £
Notes		
Loss for the financial period	(277,662)	(308,916)
Currency translation differences on foreign currency net investments	<u>(58,033)</u>	<u>(60,400)</u>
Total recognised gains and losses relating to the period	<u>(335,695)</u>	<u>(369,316)</u>

PIH KAZAKHSTAN LIMITED

BALANCE SHEET

AS AT 31 MARCH 2006

	Notes	2006 £	£	2004 £	£
Current assets					
Debtors	4	-		374,205	
Cash at bank and in hand		-		10,964	
				<u>385,169</u>	
Creditors' amounts falling due within one year	5	<u>(1,720,935)</u>		<u>(1,770,409)</u>	
Total assets less current liabilities			<u>(1,720,935)</u>		<u>(1,385,240)</u>
Capital and reserves					
Called up share capital	6		1,000		1,000
Profit and loss account	7		<u>(1,721,935)</u>		<u>(1,386,240)</u>
Shareholders' funds	8		<u>(1,720,935)</u>		<u>(1,385,240)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board and authorised for issue on 8 OCTOBER 2007



M P Smith
Director

PIH KAZAKHSTAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company meets its working capital requirements with the financial support of other group companies. These companies have confirmed that they will continue to offer this financial support when required. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of financial support from fellow group companies.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.4 Foreign currency translation

The results of the Kazakhstan branch are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. All differences are taken to profit and loss reserve.

1.5 Comparatives

Comparative figures relate to the year ended 31 December 2004.

2 Operating loss	2006	2004
	£	£
Operating loss is stated after charging		
Loss on foreign exchange transactions	34,848	26,982
Auditors' remuneration	9,996	32,530

PIH KAZAKHSTAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2006

3	Taxation	2006	2004
	Current tax charge	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	(277,662)	(308,916)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004 - 30.00%)	(83,299)	(92,675)
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	-	53,802
	Loss group relieved	83,299	38,873
		<u> </u>	<u> </u>
		83,299	92,675
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>
4	Debtors	2006	2004
		£	£
	Amounts owed by group undertaking	-	374,075
	Prepayments and accrued income	-	130
		<u> </u>	<u> </u>
		-	374,205
		<u> </u>	<u> </u>
5	Creditors: amounts falling due within one year	2006	2004
		£	£
	Trade creditors	31,287	32,687
	Amounts owed to group undertakings	117,852	59,034
	Taxation and social security	1,357,036	1,543,026
	Other creditors	214,760	135,662
		<u> </u>	<u> </u>
		1,720,935	1,770,409
		<u> </u>	<u> </u>

PIH KAZAKHSTAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2006

6	Share capital	2006 £	2004 £
	Authorised		
	500 A ordinary voting shares of £1 each	500	500
	500 B ordinary voting shares of £1 each	500	500
		<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	500 A ordinary voting shares of £1 each	500	500
	500 B ordinary voting shares of £1 each	500	500
		<u>1,000</u>	<u>1,000</u>

The A and B ordinary shares have the same rights in respect of entitlement to dividends and amounts receivable in the event of a winding up of the company. However only the A ordinary shares have voting rights.

7 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2005	(1,386,240)
Loss for the period	(277,662)
Foreign currency translation differences	(58,033)
Balance at 31 March 2006	<u>(1,721,935)</u>

8	Reconciliation of movements in shareholders' funds	2006 £	2004 £
	Loss for the financial period	(277,662)	(308,916)
	Other recognised gains and losses	(58,033)	(60,400)
	Net depletion in shareholders' funds	(335,695)	(369,316)
	Opening shareholders' funds	(1,385,240)	(1,015,924)
	Closing shareholders' funds	<u>(1,720,935)</u>	<u>(1,385,240)</u>

PIH KAZAKHSTAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

9 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2006 Number	2004 Number
Administration	4	6
Employment costs	2006 £	2004 £
Wages and salaries	8,990	35,432

10 Control

The company's immediate parent undertaking is Pipeline Induction Heat Limited, a company incorporated in England & Wales

The ultimate parent company, and ultimate controlling party is CRC Holdings Corp, a company registered in USA

The largest group of which the company is a member and for which group financial statements are drawn up is that headed by CRC-Evans International Inc, whose principal place of business is at 1160N Houston, Rosslyn Road, Houston, Texas 77086, USA

Group financial statements including the accounts of this company are available from the above address

The smallest such group is that headed by PIH Holdings Limited, a company registered in England, whose principal place of business is at Farrington Road, Rossendale Road Industrial Estate, Burnley, Lancashire, BB11 5SW

PIH Holdings Limited is exempt from the requirement to prepare group accounts

11 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company. There were no transactions with the directors in either period.