

Company Registration No. 4036329 (England and Wales)

PIH KAZAKHSTAN LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

WEDNESDAY



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PIH KAZAKHSTAN LIMITED

COMPANY INFORMATION

Directors	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 Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Solicitors	Zanger Law Firm Office 27/28 7th Floor 157 Abai Avenue Almaty 480009 Republic of Kazakhstan Greenwald & Van De Kraats P O Box 23927 Dubai United Arab Emirates

PIH KAZAKHSTAN LIMITED

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PIH KAZAKHSTAN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

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

Principal activities and review of the business

The company does not trade.

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 2009 and the future intention is to strike the company off once tax liabilities are agreed and settled.

At the year end the company had a negative balance sheet of £1.767k, of which £909k 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 year are set out on page 5.

The directors have not voted a dividend for the year ended 31 March 2008.

Directors

The following directors have held office since 1 April 2007:

M P Smith
M T Carey
G D Laake

(Resigned 18 August 2008)

PIH KAZAKHSTAN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

Directors' responsibilities

The directors are responsible for preparing 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 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 those financial statements, the directors are required to:

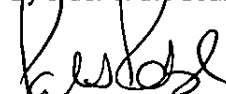
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 auditors

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

20/11/09

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 year ended 31 March 2008 set out on pages 5 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 the 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.

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 2008 and of its loss 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.

UHY Hacker Young Manchester LLP
UHY Hacker Young Manchester LLP

22/1/09

Chartered Accountants
Registered Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

PIH KAZAKHSTAN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Administrative expenses		(22,334)	(49,002)
Loss on ordinary activities before taxation	2	(22,334)	(49,002)
Tax on loss on ordinary activities	3	-	-
Loss for the year	6	(22,334)	(49,002)

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 YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Loss for the financial year		(22,334)	(49,002)
Currency translation differences on foreign currency net investments		29,932	(4,447)
Total recognised gains and losses relating to the year		<u>7,598</u>	<u>(53,449)</u>

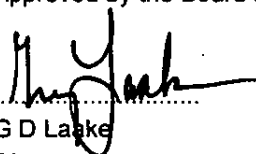
PIH KAZAKHSTAN LIMITED

BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
Creditors: amounts falling due within one year	4	(1,766,786)		(1,774,384)	
Total assets less current liabilities			(1,766,786)		(1,774,384)
Capital and reserves					
Called up share capital	5		1,000		1,000
Profit and loss account	6		(1,767,786)		(1,775,384)
Shareholders' funds	7		(1,766,786)		(1,774,384)

Approved by the Board and authorised for issue on 20/1/09


G D Laake
Director

PIH KAZAKHSTAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared under the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. During the year ended 31 March 2008 the company made a loss before taxation of £22,334 and at that date its net liabilities exceeded its assets by £1,766,786. If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values to their recoverable amount and to provide for future liabilities that may arise and to reclassify fixed assets as current assets.

The directors believe that it is appropriate for the financial statements to be prepared on a going concern basis, given the continued support of the ultimate parent company.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

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 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

The results of the company are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are recognised in the statement of total recognised gains and losses where material.

2 Operating loss

	2008	2007
	£	£
Operating loss is stated after charging:		
Loss on foreign exchange transactions	2,447	6,960
Auditors' remuneration	2,120	6,677

PIH KAZAKHSTAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

3	Taxation	2008 £	2007 £
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(22,334)	(49,002)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2007 - 30.00%)	(6,700)	(14,701)
	Effects of:		
	Loss group relieved	6,700	14,701
		6,700	14,701
	Current tax charge	-	-

The company has estimated losses of £ 19,887 (2007 - £ 19,887) available for carry forward against future trading profits.

4	Creditors: amounts falling due within one year	2008 £	2007 £
	Trade creditors	33,267	35,037
	Amounts owed to group undertakings	549,440	521,373
	Taxation and social security	990,893	1,010,749
	Other creditors	193,186	207,225
		1,766,786	1,774,384

PIH KAZAKHSTAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

5	Share capital	2008 £	2007 £
	Authorised		
	500 A ordinary shares of £1 each	500	500
	500 B ordinary shares of £1 each	500	500
		<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	500 A ordinary shares of £1 each	500	500
	500 B ordinary 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.

6	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 April 2007	(1,775,384)
	Loss for the year	(22,334)
	Foreign currency translation differences	29,932
	Balance at 31 March 2008	<u>(1,767,786)</u>

7	Reconciliation of movements in shareholders' funds	2008 £	2007 £
	Loss for the financial year	(22,334)	(49,002)
	Other recognised gains and losses	29,932	(4,447)
	Net addition to/(depletion in) shareholders' funds	7,598	(53,449)
	Opening shareholders' funds	<u>(1,774,384)</u>	<u>(1,720,935)</u>
	Closing shareholders' funds	<u>(1,766,786)</u>	<u>(1,774,384)</u>

PIH KAZAKHSTAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

8 Employees

Number of employees

There were no employees during the year apart from the directors.

9 Control

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

The company's ultimate parent company and ultimate controlling party at 31 March 2008 was CRC Holdings Corp, a company registered in USA.

The largest group of which the company was a member at 31 March 2008 and for which group financial statements are drawn up is that headed by CRC Holdings Corp, whose principal place of business is at 1160N Houston, Rosslyn Road, Houston, Texas 77086, USA.

Group financial statements are available from the above address.

10 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.