

Company Registration No. 3646143

OCEAN DESIGN EUROPE LIMITED

Report and Financial Statements

31 December 2007

FRIDAY



SRP4V4FQ

SCT

31/10/2008

105

COMPANIES HOUSE

OCEAN DESIGN EUROPE LIMITED

Report and financial statements 2007

Contents	Page
Officers and professional advisers	3
Statement of directors' responsibilities	5
Independent auditors' report	6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9
Additional information	15

OCEAN DESIGN EUROPE LIMITED

Directors' report

Directors

M Read
H Barnshaw
J Davis

Secretary

LC Secretaries Limited
Johnstone House
52-54 Rose Street
Aberdeen
AB10 1HA

Registered office

20-22 Bedford Row
London
WC1R 4JS

Bankers

Royal Bank of Scotland plc
18 Ellon Road
Bridge of Don
Aberdeen
AB23 8EA

Solicitors

Ledingham Chalmers
Johnstone House
52-54 Rose Street
Aberdeen
AB10 1HA

Independent Auditors

Deloitte & Touche LLP
Aberdeen
United Kingdom

OCEAN DESIGN EUROPE LIMITED

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2007. The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activities

The company's principal activity is the service, installation and repair of subsea connectors.

Directors and their interests

The directors who served in the year and at the date of these accounts are listed below.

M Read

R Brolund (resigned 29 August 2008)

J Davis

H Barnshaw

Independent Auditors

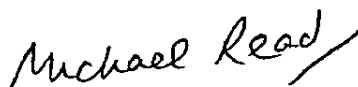
Each of the persons who is a director of the company at the date of approval of this report confirmed that

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- The director has taken all the steps that he ought to have taken 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.

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

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



Director

Oct 29th 2008

OCEAN DESIGN EUROPE LIMITED

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and 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 year. 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; 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 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 directors of OCEAN DESIGN EUROPE LIMITED

We have audited the financial statements of Ocean Design Europe Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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 report and 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 United Kingdom 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.

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 2007 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

Deloitte & Touche

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

2008

31 *Deloitte*

OCEAN DESIGN EUROPE LIMITED

Profit and loss account **Year ended 31 December 2007**

	Note	2007 £	2006 £
Turnover	2	897,887	1,400,568
Cost of sales		(366,007)	(700,407)
Gross profit		531,880	700,161
Administrative expenses		(218,062)	(223,860)
Operating profit	4	313,818	476,301
Interest receivable and similar income	5	1,626	2,480
Profit on ordinary activities before tax		315,444	478,781
Tax on profit on ordinary activities	6	(91,642)	(140,538)
Profit for the financial year	13	223,802	338,243

All transactions relate to continuing activities

There were no recognised gains or losses in the year other than those included in the profit and loss account for the current and prior year. Accordingly, a Statement of Total Recognised Gains and Losses is not presented.

OCEAN DESIGN EUROPE LIMITED

Balance sheet 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	7	14,252	1,856
Current assets			
Stock	8	9,726	2,056
Debtors	9	582,317	414,095
Cash at bank and in hand		12,127	56,060
		<u>604,170</u>	<u>472,211</u>
Creditors: amounts falling due within one year	10	(83,003)	(162,450)
Net current assets		<u>521,167</u>	<u>309,761</u>
Net assets		<u>535,419</u>	<u>311,617</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	535,417	311,615
Total shareholders' funds	14	<u>535,419</u>	<u>311,617</u>

These financial statements were approved by the Directors on 29th October 2008

Signed on behalf of the Board of Directors

Michael Read

Director

OCEAN DESIGN EUROPE LIMITED

Notes to the financial statements Year ended 31 December 2007

1. Accounting policies

The principal accounting policies adopted are described below and have been applied consistently throughout the current year and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom accounting standards.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life.

Plant and equipment	15% - 33% on cost
---------------------	-------------------

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All exchange differences are taken into account in arriving at the operating result.

Stock

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. Cost represents purchase price.

Leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

OCEAN DESIGN EUROPE LIMITED

Notes to the financial statements Year ended 31 December 2007

1. Accounting policies (continued)

Pension costs

Pension contributions to a defined contribution scheme are charged to the profit and loss account as they become payable. The assets of the pension scheme are held separately from those of the company

2. Turnover

Turnover represents the value of goods and services provided within the company's ordinary activities after deduction of trade discounts and value added tax. All sales are made in Europe

3. Information regarding directors and employees

None of the directors received remuneration from the company during the year (2006 £nil). The directors are remunerated by the company's holding company, Ocean Design Inc. It is not practical to allocate their remuneration between the entities

	2007 £	2006 £
Staff costs during the year		
Wages and salaries	286,217	226,089
Social security costs	33,306	28,907
Pension costs	9,400	9,400
	<u>328,923</u>	<u>264,396</u>
	No	No
Average number of persons employed		
Production	2	2
Sales	2	2
Administration	1	1
	<u>5</u>	<u>5</u>

4. Operating profit

	2007 £	2006 £
Operating profit is stated after charging/(crediting):		
Depreciation	1,514	3,836
Gain on disposal of tangible fixed assets	-	(8,678)
Rent	19,800	19,800
Auditors' remuneration	7,500	7,000

OCEAN DESIGN EUROPE LIMITED

Notes to the financial statements Year ended 31 December 2007

5 Interest receivable and similar income

	2007 £	2006 £
Bank interest receivable	1,626	2,152
Other	-	328
	<u>1,626</u>	<u>2,480</u>

6 Tax on profit on ordinary activities

	2007 £	2006 £
Current tax		
UK Corporation tax	<u>91,642</u>	<u>140,538</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30% (2006 30%)
The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation

	2007 £	2006 £
Profit on ordinary activities before tax	<u>315,444</u>	<u>478,781</u>
Tax on profit on ordinary activities at standard rate	94,633	143,634
<i>Factors affecting charge for the year</i>		
Expenses not deductible for tax purposes	410	2,147
Capital allowances in excess of depreciation	(3,431)	(5,243)
Effect of other tax rates	30	-
Current tax charge for the year	<u>91,642</u>	<u>140,538</u>

OCEAN DESIGN EUROPE LIMITED

Notes to the financial statements Year ended 31 December 2007

7. Tangible fixed assets

	Plant and equipment £
Cost	71,020
At 1 January 2007	13,910
Additions	<u>84,930</u>
At 31 December 2007	<u>84,930</u>
Accumulated depreciation	69,164
At 1 January 2007	1,514
Charge in the year	<u>70,678</u>
At 31 December 2007	<u>70,678</u>
Net book value	14,252
At 31 December 2007	<u>14,252</u>
At 31 December 2006	<u>1,856</u>

8. Stock

	2007 £	2006 £
Finished goods	<u>9,726</u>	<u>2,056</u>

9 Debtors

	2007 £	2006 £
Trade debtors	11,723	5,623
Prepayments and other debtors	3,102	2,618
VAT recoverable	1,052	3,979
Amounts due from group undertaking (Note 17)	<u>566,440</u>	<u>401,875</u>
	<u>582,317</u>	<u>414,095</u>

All amounts are due within one year

OCEAN DESIGN EUROPE LIMITED

Notes to the financial statements Year ended 31 December 2007

10. Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	1,260	-
Corporation tax	49,625	140,538
Other taxes and social security	10,587	10,892
Accruals and deferred income	21,531	11,020
	<u>83,003</u>	<u>162,450</u>

11. Deferred taxation

	2007 £	2006 £
Unrecognised deferred tax asset		
Depreciation less capital allowances	<u>7,379</u>	<u>10,166</u>

The deferred tax asset has not been recognised as its recoverability is dependent on availability and timing of future relevant taxable profits

12. Called up share capital

	2007 £	2006 £
Authorised:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
Called up, allotted and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

13. Profit and loss account

	£
At 1 January 2007	311,615
Profit for the financial year	<u>223,802</u>
At 31 December 2007	<u>535,417</u>

OCEAN DESIGN EUROPE LIMITED

Notes to the financial statements Year ended 31 December 2007

14. Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	223,802	338,243
Net increase in shareholders' funds	223,802	338,243
Opening shareholders' funds/(deficit)	311,617	(26,626)
Closing shareholders' funds	<u>535,419</u>	<u>311,617</u>

15. Operating lease commitments

At 31 December 2007 the company was committed to making the following payments during the next year in respect of operating leases

	Land and buildings	
	2007 £	2006 £
Expiring Within one year	<u>19,800</u>	<u>19,800</u>

16. Pension

The company makes payment for certain employees in respect of pension contributions to a defined contribution scheme. The pension cost charge amounted to £9,400 (2006: £9,400). There were no accrued or prepaid contributions at 31 December 2007 (2006: £nil).

17. Related party transactions

The company is exempt from the requirement of FRS 8 to include details of transactions with related parties who are fellow group companies. There were no other related party transactions in the current or preceding year.

18. Ultimate parent company

The company is a wholly owned subsidiary of Ocean Design Inc, a privately owned company incorporated in Delaware, United States of America. On 16 August 2006, 51% of Ocean Design Inc was purchased by Teledyne Technologies Inc, a company incorporated in the United States which prepares consolidated accounts.