

Company Number 05894954

OJS COATINGS UK LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 2 AUGUST 2006 TO 31 DECEMBER 2007

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COMPANIES HOUSE

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PKF (UK) LLP

OJS COATINGS UK LTD
COMPANY INFORMATION

Directors	Tom Simms Dennis Lee
Secretary	St John's Square Secretaries Limited
Company Number	05894954
Registered Office	Farringdon Place 20 Farringdon Road London EC1M 3AP
Independent Auditors	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP

OJS COATINGS UK LTD
PERIOD ENDED 31 DECEMBER 2007

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OJS COATINGS UK LTD
DIRECTORS' REPORT
PERIOD ENDED 31 DECEMBER 2007

The directors present their report and the financial statements for the period from 2 August 2006 to 31 December 2007

PRINCIPAL ACTIVITIES

The company was incorporated on 2 August 2006. The principal activity of the company is to provide technology, materials, equipment, and specialized technicians, for all pipeline field joint service needs.

RESULTS

The profit for the period, after taxation, amounted to \$152,026.

DIRECTORS

The directors who served during the period were

RM Nominees Ltd	(appointed and resigned 2 nd August 2006)
Allan Primrose	(appointed 2 nd August 2006 and resigned 24 April 2008)
Tom Simms	(appointed 24 April 2008)
Dennis Lee	(appointed 24 April 2008)

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who hold office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 26 June 2008 and signed on its behalf


Director

OJS COATINGS UK LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and 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 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 judgments 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.

OJS COATINGS UK LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OJS COATINGS UK LTD

We have audited the financial statements of OJS Coatings UK Ltd for the period ended 31 December 2007 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.

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 annual 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 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 director's remuneration and 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

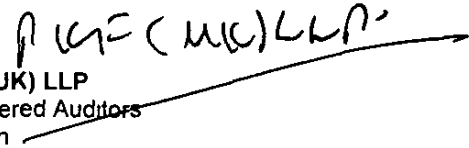
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations 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 profits for the period 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.


PKF (UK) LLP
Registered Auditors
London

2 July 2008

OJS COATINGS UK LTD
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 2 AUGUST 2006 TO 31 DECEMBER 2007

	<u>Note</u>	<u>2007</u> \$
Turnover	2	628,277
Cost of sales		(424,003)
		<hr/>
Gross profit		204,274
Administrative expenses		(15,196)
		<hr/>
Operating profit	3	189,078
Interest payable and similar charges		-
		<hr/>
Profit on ordinary activities before taxation		189,078
Taxation	5	37,052
		<hr/>
Profit on ordinary activities after taxation	9	152,026
		<hr/> <hr/>

All amounts relate to continuing operations

There were no recognised gains or losses for the period other than those included in the profit and loss account

OJS COATINGS UK LTD
BALANCE SHEET
AS AT 31 DECEMBER 2007

	<u>Notes</u>	\$	<u>2007</u> \$
CURRENT ASSETS			
Debtors	6	203,514	
CREDITORS			
Amounts falling due within one year	7	(51,484)	
NET CURRENT ASSETS			152,030
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>152,030</u>
CAPITAL AND RESERVES			
Called up share capital	8		4
Profit and loss account	9		150,026
SHAREHOLDERS' FUNDS	10		<u>152,030</u>

The financial statements were approved and authorised for issue by the board on *26 Fve* 2008

Signed on behalf of the board of directors


Director

The notes on pages 6 to 9 form part of these financial statements

OJS COATINGS UK LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements of the company are presented in United States Dollars.

(b) Cash flow

The company, being a subsidiary where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

(c) Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

(d) Foreign Currencies

Assets and liabilities in foreign currencies are expressed in United States Dollars, translated at the appropriate exchange rates ruling at the balance sheet date, being the year end rate of US \$1.9906 to £1.

Income earned and expenditure incurred in foreign currencies are recognised in the profit and loss at the exchange rate ruling at the date of the transaction.

All realised exchange differences are included in the profit and loss account for the year.

2 TURNOVER

Turnover is attributable to one class of business.

All turnover arose within the United Kingdom.

3 OPERATING PROFIT

2007

\$

Operating profit is stated after charging

Auditors remuneration

11,446

4 STAFF COSTS

No staff costs were incurred during the period. The company had no employees.

No remuneration was paid to the company directors.

OJS COATINGS UK LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007

5 TAXATION

(a) Analysis of charge in year

	<u>2007</u> \$
Current Tax	
Corporation tax on profits for the period (note (b))	37,052
	<u>37,052</u>

(b) Factors affecting the tax charge for the year

The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained below

	<u>2007</u> \$
Profit on ordinary activities before tax	189,078
	<u>189,078</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	56,723
Effects of	
Small companies rate	(19,671)
	<u>(19,671)</u>
Current period tax (note a)	37,052
	<u>37,052</u>

6 DEBTORS

	<u>2007</u> \$
Amounts due from parent undertaking	203,514
	<u>203,514</u>

7 CREDITORS

	<u>2007</u> \$
Amounts falling due within one year	
Corporation tax	37,052
Accruals	14,432
	<u>51,484</u>

OJS COATINGS UK LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007

8 SHARE CAPITAL

	<u>2007</u> \$
Authorised	
1,000 ordinary shares of £1 each	1,991
	<hr/>
Alloted, called up and fully paid	
2 Ordinary Shares of £1 each	4
	<hr/>

9 RESERVES

	\$
Profit and loss account	
Profit for the period	152,026
	<hr/>
At 31 December 2007	152,026
	<hr/>

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2007</u> \$
Profit for the period	152,026
Issued share capital	4
	<hr/>
Shareholders' funds at 31 December	152,030
	<hr/>

11 TRANSACTIONS WITH RELATED PARTIES

Disclosure of transactions with group companies is not required as the company fulfills the exemption criteria under Financial Reporting Standard 8 of being a 90% subsidiary of the ultimate parent company for whom consolidated accounts are prepared

12 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Offshore Joint Services Inc, a company incorporated in Texas, USA

At the year end, the director considers Subsea Services International Inc, a company incorporated in Delaware, USA, as the ultimate parent undertaking and controlling party. The consolidated accounts for Subsea Services International Inc are available from 1621 Primewest Parkway, Katy, Texas 77449, USA