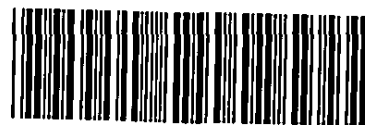


COMPANY REGISTRATION NUMBER 3691008

ENTECH INDUSTRIES (UK) LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2007

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ENTECH INDUSTRIES (UK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

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ENTECH INDUSTRIES (UK) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

D Brown
R T Kernan
D Tracey
J Wilson

Company secretary

R Bond

Registered office

6 New Street Square
London
EC4A 3LX

Auditor

KPMG LLP
Chartered Accountants
Registered Auditors
8 Princes Parade
Liverpool
L3 1QH

ENTECH INDUSTRIES (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

The directors present their report and the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of an investment holding company

The company will continue to operate as a holding company for the immediate future with the eventual intention of winding up the company once all balances with third parties are settled

RESULTS AND DIVIDENDS

The company's financial position at the end of the year is shown in the attached financial statements. During the year, the company did not trade. Movements through the profit and loss account relate to foreign exchange losses on inter-company balances

The directors have not recommended a dividend (2006 nil)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The ultimate parent company's board reviews and agrees policies for managing interest risk, credit risk and foreign currency risk. The company is not exposed to any significant third party risks in these areas

DIRECTORS

The directors who served the company during the year were as follows

R T Kernan
G Stapleton
J Wilson

G Stapleton retired as a director on 11 March 2008

Since the year end the following directors have been appointed, D Brown on 6 March 2008 and D Tracey on 27 February 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

ENTECH INDUSTRIES (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

(continued)

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, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 the directors do not believe that it is appropriate to prepare the financial statements on a going concern basis

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

KPMG LLP have been appointed as auditors. In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

Registered office:
6 New Street Square
London
EC4A 3LX

Signed by order of the directors



J WILSON
Director

Approved by the directors on 30/12/08

ENTECH INDUSTRIES (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ENTECH INDUSTRIES (UK) LIMITED

YEAR ENDED 31 DECEMBER 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENTECH INDUSTRIES UK LIMITED

We have audited the financial statements of Entech Industries UK Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements but 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 auditor's 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on pages 2 and 3.

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 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.

ENTECH INDUSTRIES (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ENTECH INDUSTRIES (UK) LIMITED

YEAR ENDED 31 DECEMBER 2007

(continued)

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with UK 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

V SmGue.

KPMG LLP
Chartered Accountants
Registered Auditors
8 Princes Parade
Liverpool
L3 1QH

31 October 2008

ENTECH INDUSTRIES (UK) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
TURNOVER		—	—
Foreign exchange translation gain/(loss)		415,951	(95,998)
OPERATING PROFIT/(LOSS) AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		415,951	(95,998)
Tax on profit/(loss) on ordinary activities	4	(28,799)	28,799
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		387,152	(67,199)
Balance brought forward		(11,413,774)	(11,346,575)
Balance carried forward		(11,026,622)	(11,413,774)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 12 form part of these financial statements.

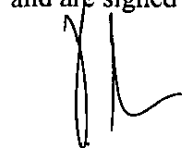
ENTECH INDUSTRIES (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Investments	5	-	-
CURRENT ASSETS			
Debtors	6	5,051,490	4,635,539
CREDITORS: Amounts falling due within one year	7	<u>(11,213,189)</u>	<u>(11,184,390)</u>
NET CURRENT LIABILITIES		<u>(6,161,699)</u>	<u>(6,548,851)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,161,699)</u>	<u>(6,548,851)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	2	2
Share premium account	10	4,862,506	4,862,506
Other reserves	11	2,415	2,415
Profit and loss account		<u>(11,026,622)</u>	<u>(11,413,774)</u>
SHAREHOLDERS' FUNDS	12	<u>(6,161,699)</u>	<u>(6,548,851)</u>

These financial statements were approved by the directors and authorised for issue on 30/10/08, and are signed on their behalf by



J WILSON
Director

The notes on pages 8 to 12 form part of these financial statements

ENTECH INDUSTRIES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important policies, which have been applied consistently, is set out below.

The directors intend to wind up the company in the next 12 months and therefore have not prepared the financial statements on a going concern basis. The effect of this decision is not felt to be material and, as such, no adjustments have been made to the financial statements.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Fixed asset investments

All fixed assets investments are initially recorded at cost, net of any provisions against carrying values.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

ENTECH INDUSTRIES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

(continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. The ultimate parent company's board reviews and agrees policies for managing interest risk, credit risk and foreign currency risk.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

	2007 £	2006 £
Foreign exchange	<u>415,951</u>	<u>(95,998)</u>

Auditors' remuneration was borne by another group company in both the current and previous years.

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2007 No	2006 No
Number of directors	<u>3</u>	<u>2</u>

No salaries or wages have been paid to employees, including the directors, during the year by this company (2006 nil), employee costs were borne by the parent company.

ENTECH INDUSTRIES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

(continued)

4. TAXATION ON ORDINARY ACTIVITIES

	2007 £	2006 £
<i>Current taxation</i>		
UK Corporation tax at 30%	-	-
Group relief receivable	-	(28,799)
Adjustment in respect of prior periods	28,799	-
	<u>28,799</u>	<u>(28,799)</u>

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007 £	2006 £
Profit/(loss) on ordinary activities before taxation	<u>415,951</u>	<u>(95,998)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	124,785	(28,799)
Prior year adjustment	28,799	-
Utilisation of losses	(28,799)	-
Group relief received	(95,986)	-
Total current tax	<u>28,799</u>	<u>(28,799)</u>

Subsequent to the year end it has been announced that the UK Corporation Tax rate will decrease from 30% to 28% effective from 1 April 2008

Tax losses amounting to £nil (2006 £nil) are available to relieve trading profits of the company

5. FIXED ASSET INVESTMENTS

At the balance sheet date the company owned 100% of the ordinary shares of the following three subsidiaries

International Ball Valves Limited
 Forged Steel Valves Limited
 Firsia International Limited

The subsidiaries were all incorporated in England and Wales and were dormant throughout the year

The investments in dormant subsidiaries are carried at £nil value.

ENTECH INDUSTRIES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

(continued)

6. DEBTORS

	2007 £	2006 £
Amounts owed by group undertakings	<u>5,051,490</u>	<u>4,635,539</u>

Amounts owed by group undertakings have no specific repayment terms and do not bear interest

7. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	<u>11,213,189</u>	<u>11,184,390</u>

Amounts owed by group undertakings have no specific repayment terms and do not bear interest

8. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of DI UK Limited, the directors have taken advantage of the exemption from disclosing transactions with other members of the group, headed by Dresser Inc, under the terms of Financial Reporting Standard 8

9. SHARE CAPITAL

Authorised share capital:

	2007 £	2006 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

10. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

11. OTHER RESERVES

	2007 £	2006 £
Investment property reserve	<u>2,415</u>	<u>2,415</u>

ENTECH INDUSTRIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit/(loss) for the financial year	387,152	(67,199)
Opening shareholders' deficit	<u>(6,548,851)</u>	<u>(6,481,652)</u>
Closing shareholders' deficit	<u>(6,161,699)</u>	<u>(6,548,851)</u>

13. ULTIMATE PARENT COMPANY

The immediate parent undertaking is DI UK Limited, a company incorporated in England, of which Entech Industries (UK) Ltd is a wholly owned subsidiary. Dresser Inc is the parent undertaking of the largest group to consolidate these financial statements, and is also the ultimate parent undertaking. Dresser Inc is incorporated in the United States of America. Copies of the parent company's financial statements can be obtained from Dresser Inc, Suite 1100, 15455 Dallas Parkway, Addison, Texas, 75001, USA.