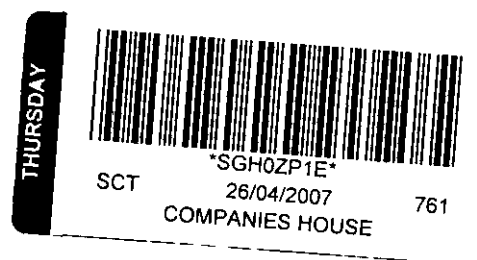


AQUATIC ENGINEERING & CONSTRUCTION LIMITED

ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2006



AQUATIC ENGINEERING & CONSTRUCTION LIMITED

COMPANY INFORMATION

Directors

Dr B Bruggaier (appointed 04/07/06)
K Ovenden (appointed 04/07/06)
D Edgley (resigned 04/07/06)
M Arnell (resigned 04/07/06)
F Edgley (resigned 04/07/06)
D Craigie (resigned 04/07/06)
S Morrison (resigned 04/07/06)
G Mackintosh (resigned 04/07/06)

Secretary

R C Higham

Company number

SC123734

Registered office

Johnstone House
52 54 Rose Street
Aberdeen
AB10 1UD

Auditors

PKF (UK) LLP
78 Carlton Place
Glasgow
G5 9TH

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

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AQUATIC ENGINEERING & CONSTRUCTION LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2006

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

Results and dividends

The profit for the period, after taxation, amounted to £2,675,000 (2005 £710,000)

No dividend is to be recommended in respect of 2006

Principal activity and review of the business

Aquatic Engineering and Construction Limited is part of the Foundations and Moorings business of Acteon, which is a global energy services organisation. The group as a whole comprises eleven specialist companies, which are all focused on the crucial area of offshore oil and gas development and operations linking wells on the seabed with facilities on the surface.

Aquatic possesses leading engineering skills in many of the areas in which it operates. It employs approximately 85 people, many with technical skills, from its base in Aberdeen, UK. The company works both independently and in partnership with other Acteon companies to serve industry clients.

Business review

Development of the business

The company performed strongly during 2006, benefiting from high activity levels of activity in the worldwide offshore oil and gas industry and the resulting buoyant demand for its range of products and services. Turnover increased strongly to £23,497,000 for the 17 month period, and operating profit increased from 10.1% to 17.2%.

Principal risks and uncertainties facing the company

The directors have taken steps to ensure that the day to day risks which face the company in terms of, for example, health and safety and commercial risks, are managed comprehensively by the company, by insurance covers which should mitigate the impact of risks turning into reality, and by the preparation and review of comprehensive monthly management financial reporting packages which can alert the board where appropriate to developments in trading performance and cash management.

Any business operates against a background of risks and uncertainties. The directors believe that the principal such risks facing the company are:

- There could be a tail off in the currently high activity levels in the offshore oil and gas exploration and production industry, worldwide
- Lead times and availability of raw materials and components which are required in order for the company to provide its products and services could deteriorate from their current levels
- It could become more difficult to recruit and retain the highly qualified and experienced staff required in order for the company to provide its products and services
- The considerable health and safety risks which are inherent to the offshore oil and gas industry

Likely future developments in the business

The directors believe that the current activity levels in the offshore oil and gas industry are sustainable at least in the short to medium term and intend to take steps to ensure that the company develops its geographical and product and service operation in order to provide high quality offerings which are well differentiated from its competitors.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2006

Research and development

The company undertakes little in the way of pure research, but development is an important part of its offering many of its flexible pipelay products have been developed directly in response to client requirements

Financial instruments

The company sells to most of its clients on customary credit terms and is, as a result, exposed to the usual credit risk and cashflow risk associated with this form of trading. It manages this risk through its credit control procedures. The existence of these trade credit facilities does not expose the group to price risk or liquidity risk.

The company does not currently deploy interest rate or currency hedging since these risks are dealt with by, and at the level of, its parent company.

Directors

The directors who served during the period and their interests in the company's issued share capital were

	Ordinary shares of £1 each	
	31/12/06	1/8/05
Dr B Bruggaier (appointed 04/07/06)	-	
K Ovenden (appointed 04/07/06)	-	
D Edgley (resigned 04/07/06)	-	30,300
M Arnell (resigned 04/07/06)	-	20,200
S Morrison (resigned 04/07/06)	-	30,300
D Craigie (resigned 04/07/06)	-	25,250
S Morrison (resigned 04/07/06)	-	
G Mackintosh (resigned 04/07/06)	-	

The directors who held office at the end of the financial period held no shares in the company.

The directors' interests in other group companies are disclosed in note 23 to the financial statements.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on 17th March 2007

and signed on its behalf


Dr B Bruggaier
Director

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PERIOD ENDED 31 DECEMBER 2006

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.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO AQUATIC ENGINEERING & CONSTRUCTION LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the abbreviated profit and loss account, the balance sheet and the related notes, together with the financial statements of Aquatic Engineering & Construction Limited for the period ended 31 December 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, as a body, in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

PKF(UK)LLP

PKF (UK) LLP

Registered auditors

Glasgow, UK

Date 19th April 2007

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2006

		Seventeen months ended 31 December 2006 £000	Year ended 31 July 2005 £000
	Note		
GROSS PROFIT		5,777	2,562
Administrative expenses		<u>(1,746)</u>	<u>(1,361)</u>
OPERATING PROFIT	2	4,031	1,201
Interest receivable	5	2	15
Interest payable	6	<u>(203)</u>	<u>(105)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,830	1,111
Tax on profit on ordinary activities	7	<u>(1,155)</u>	<u>(401)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	<u>2,675</u>	<u>710</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account

The notes on pages 7 to 18 form part of these financial statements

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2006

		31 December 2006		31 July 2005	
	Note	£000	£000	£000	£000
FIXED ASSETS					
Tangible fixed assets	8		3,225		2,537
Fixed asset investments	9		12		12
			<u>3,237</u>		<u>2,549</u>
CURRENT ASSETS					
Debtors	10	4,977		3,700	
CREDITORS amounts falling due within one year	11	<u>(4,475)</u>		<u>(4,609)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>502</u>		<u>(909)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,739</u>		<u>1,640</u>
CREDITORS amounts falling due after more than one year	12		(206)		(764)
PROVISIONS FOR LIABILITIES					
Deferred tax	13		<u>(245)</u>		<u>(263)</u>
NET ASSETS			<u><u>3,288</u></u>		<u><u>613</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		152		152
Share premium account	15		3		3
Capital redemption reserve	15		210		210
Profit and loss account	15		<u>2,923</u>		<u>248</u>
SHAREHOLDERS' FUNDS - All equity	16		<u><u>3,288</u></u>		<u><u>613</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium sized companies, were approved and authorised for issue by the board and were signed on its behalf on 17th April 2007


Dr B Bruggaier
Director

The notes on pages 7 to 18 form part of these financial statements

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group. This represents a change in accounting policy from the prior period, as consolidated financial statements were previously prepared. There is no effect on the results of the company as a result of this policy change for either the current or prior period.

1.2 Cash flow

The company, being a subsidiary undertaking 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 FRS1.

1.3 Turnover

Turnover comprises the value of goods and services supplied by the company in the normal course of business, net of trade discounts and sales taxes. This is in accordance with Financial Reporting Standard 5, Application Note G, and UITF 40 where applicable.

The company recognises turnover in line with the fulfillment of its contractual obligations. In most cases relating to the supply of goods this represents the fulfillment of all obligations contained in its contracts. However in certain circumstances specific elements of the total income relating to a contract are recognised where completion of these elements entitles the company to the income.

Rental and operating lease income is recognised on a straight line basis over the period of the rental or lease contract.

1.4 Investments

Investments in subsidiaries are stated at the cost of the share capital purchased.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation on tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	2% straight line
Plant & equipment	10-33% straight line
Motor vehicles	25% straight line

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES (continued)

1 7 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

1 8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1 9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1 10 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents amounts payable by the company to the scheme in respect of the period. The company does not operate any defined benefit pension schemes

2 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	Seventeen months ended 31 December 2006 £000	Year ended 31 July 2005 £000
Depreciation of tangible fixed assets		
owned by the company	304	211
held under finance leases	136	99
Auditors' remuneration	22	31
Operating lease rentals		
other operating leases	88	47
Management charges payable/(receivable)	49	(132)
Hire of plant and machinery	678	439
Gain on disposal of fixed assets	(250)	(8)

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	Seventeen months ended 31 December 2006 £000	Year ended 31 July 2005 £000
Wages and salaries	5,861	3,738
Social security costs	721	432
Other pension costs	175	160
	<u>6,757</u>	<u>4,330</u>

The average monthly number of employees, including the directors, during the period was as follows

	Seventeen months ended 31 December 2006 No.	Year ended 31 July 2005 No
Directors	4	6
Technical and administration	81	73
	<u>85</u>	<u>79</u>

4 DIRECTORS' REMUNERATION

	Seventeen months ended 31 December 2006 £000	Year ended 31 July 2005 £000
Emoluments	1,037	1,043
Company pension contributions to money purchase pension schemes	117	99

During the period retirement benefits were accruing to 6 directors (2005 6) in respect of money purchase pension schemes

The highest paid director received remuneration of £252,000 (2005 £241,000)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £39,000 (2005 £20,000)

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

5 INTEREST RECEIVABLE

	Seventeen months ended 31 December 2006 £000	Year ended 31 July 2005 £000
Bank interest receivable	2	1
Exchange gains		14
	<u>2</u>	<u>15</u>

6 INTEREST PAYABLE

	Seventeen months ended 31 December 2006 £000	Year ended 31 July 2005 £000
Bank interest payable	147	79
On finance leases and hire purchase contracts	25	22
Other interest payable		4
Exchange losses	31	
	<u>203</u>	<u>105</u>

7 TAXATION

	Seventeen months ended 31 December 2006 £000	Year ended 31 July 2005 £000
Analysis of tax charge in the period		
Current tax (see note below)		
UK corporation tax charge on profits for the period	1,167	171
Adjustments in respect of prior periods		(7)
	<u>1,167</u>	<u>164</u>
Double taxation relief	(4)	
Foreign tax on income for the period	10	30
	<u>1,173</u>	<u>194</u>
Total current tax		
Deferred tax (see note 13)		
Origination and reversal of timing differences	(18)	207
	<u>1,155</u>	<u>401</u>
Tax on profit on ordinary activities		

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

7 TAXATION (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below

	Seventeen months ended 31 December 2006 £000	Year ended 31 July 2005 £000
Profit on ordinary activities before tax	<u>3,830</u>	<u>1,111</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	1,149	333
Effects of:		
Expenses not deductible for tax purposes	(37)	17
Capital allowances for period in excess of depreciation	14	(67)
Utilisation of tax losses	33	(103)
Marginal relief		(4)
Unrelieved foreign tax	6	30
Adjustments to tax charge in respect of prior periods	3	(7)
Other timing differences	5	(5)
Current tax charge for the period (see note above)	<u>1,173</u>	<u>194</u>

There were no factors that may affect future tax charges

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost				
At 1 August 2005	726	3,871	76	4,673
Additions	138	950	77	1,165
Disposals		(108)	(49)	(157)
At 31 December 2006	<u>864</u>	<u>4,713</u>	<u>104</u>	<u>5,681</u>
Depreciation				
At 1 August 2005	30	2,071	35	2,136
Charge for the period	23	354	37	440
On disposals		(79)	(19)	(120)
At 31 December 2006	<u>53</u>	<u>2,346</u>	<u>53</u>	<u>2,456</u>
Net book value				
At 31 December 2006	<u>811</u>	<u>2,367</u>	<u>51</u>	<u>3,225</u>
At 31 July 2005	<u>696</u>	<u>1,800</u>	<u>41</u>	<u>2,537</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	31 December 2006 £000	31 July 2005 £000
Plant and machinery	584	739
Motor vehicles	14	
	<u>598</u>	<u>739</u>

Included in the cost of tangible fixed assets is expenditure amounting to £106,000 (2005 £104,000) on assets in the course of construction. Depreciation will be provided on those assets from the date on which they are brought into use.

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

9 FIXED ASSET INVESTMENTS

	Shares in group under takings £000
Cost	
At 1 August 2005 and 31 December 2006	<u>12</u>

The company holds the following investments in subsidiary undertaking incorporated in The Netherlands

Aquatic Engineering & Construction BV	100% of the ordinary share capital
---------------------------------------	------------------------------------

10 DEBTORS

	31 December 2006 £000	31 July 2005 £000
Trade debtors	4,644	3,361
Amounts owed by group undertakings	91	
Other debtors	242	339
	<u>4,977</u>	<u>3,700</u>

11 CREDITORS:

Amounts falling due within one year

	31 December 2006 £000	31 July 2005 £000
Bank loans and overdrafts	1,190	1,544
Net obligations under finance leases and hire purchase contracts	112	157
Trade creditors	1,070	1,144
Amount owed to subsidiary undertaking	192	234
Corporation tax	1,186	171
Social security and other taxes	54	287
Proposed dividends		548
Other creditors	671	524
	<u>4,475</u>	<u>4,609</u>

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

12 CREDITORS **Amounts falling due after more than one year**

	31 December	31 July
	2006	2005
	£000	£000
Bank loans		420
Net obligations under finance leases and hire purchase contracts	206	344
	<u>206</u>	<u>764</u>

Creditors include amounts not wholly repayable within 5 years as follows

	31 December	31 July
	2006	2005
	£000	£000
Repayable by instalments		100
	<u></u>	<u>100</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	31 December	31 July
	2006	2005
	£000	£000
Between one and five years	206	344
	<u>206</u>	<u>344</u>

Liabilities under hire purchase contracts are secured over the assets concerned

Analysis of debt - bank borrowings

	2006	2005
	£000	£000
Overdraft repayable on demand	1,190	1,464
Loan		
In one year or less	-	80
Between one and two years		80
Between two and five years		240
In over five years		100
	<u>1,190</u>	<u>1,964</u>
Total	<u>1,190</u>	<u>1,964</u>

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

13 DEFERRED TAXATION

	31 December 2006 £000	31 July 2005 £000
At 1 August 2005	263	56
(Released during)/charge for the period	(18)	207
At 31 December 2006	245	263

The provision for deferred taxation is made up as follows

	31 December 2006 £000	31 July 2005 £000
Accelerated capital allowances	246	264
Other timing differences	(1)	(1)
	245	263

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

14. SHARE CAPITAL

	31 December 2006 £000	31 July 2005 £000
Authorised		
106,500 Ordinary shares of £1 each	107	107
45,000 'A' Ordinary shares of £1 each	45	45
255,000 Cumulative redeemable preference shares of £1 each	255	255
	407	407
Allotted, called up and fully paid		
106,500 Ordinary shares of £1 each	107	107
45,000 'A' Ordinary shares of £1 each	45	45
	152	152

The specific rights attaching to the 'A' ordinary shares are as follows

The 'A' ordinary shares are entitled to a participating dividend based on adjusted profit on ordinary activities before taxation and amounts payable to ordinary shareholders

The 'A' ordinary shares may be converted to a like number of ordinary shares at any time

The holders of these shares are entitled to attend and vote at general meetings and are entitled to the same voting rights as the ordinary shareholders

The 'A' ordinary shareholders would rank before the ordinary shareholders on a winding up of the company. In such circumstances they are entitled to the subscription price paid for the shares plus all dividend arrears. Any capital surplus remaining after distribution to ordinary shareholders is payable to both 'A' ordinary and ordinary classes of shares as if all shares were of the same class.

15. RESERVES

	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
At 1 August 2005	3	210	248
Profit retained for the period			2,675
	3	210	2,923

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2006 £000	31 July 2005 £000
Opening shareholders' funds	613	602
Profit for the period	2,675	710
Dividends (Note 17)		(699)
Closing shareholders' funds	3,288	613

17 DIVIDENDS

	Seventeen months ended 31 December 2006 £000	Year ended 31 July 2005 £000
Dividends paid on equity capital	-	699

18 CONTINGENT LIABILITIES

The company has a cross guarantee with other group companies in respect of group borrowings

19. CAPITAL COMMITMENTS

At 31 December 2006 the company had capital commitments as follows

	31 December 2006 £000	31 July 2005 £000
Contracted for but not provided in these financial statements	831	

20 OTHER COMMITMENTS

At 31 December 2006 the company had annual commitments under non cancellable operating leases as follows

	Land and buildings 31 December 2006 £000	31 July 2005 £000
Expiry date		
Between 1 and 5 years	41	42

AQUATIC ENGINEERING & CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2006

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of available exemptions from the disclosure of transactions with group companies where consolidated accounts have been prepared

22 PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund

Contributions made by the company to the scheme during the period amounted to £175,000 (2005 £160,000) No contributions were outstanding at the period end (2005 £NIL)

23 DIRECTORS' INTERESTS

The following directors had interests in Acteon Group Limited, the parent undertaking, as follows

	31 December 2006
	Ordinary shares of 1p each
Dr B Bruggaier	2,034,399
K Ovenden	4,905,909

Acteon Group Limited granted options to its directors and to certain staff in the group enabling them to purchase ordinary shares in Acteon Group Limited at a point in the future, subject to the financial performance of the group and certain other conditions None of the directors have shares under option at the balance sheet date

On 9 November 2006 the directors exercised share options as detailed below

	Ordinary shares of 1p each
Dr B Bruggaier	10,804,711
K Ovenden	13,616,105

24 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Acteon Group Limited

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is the Acteon Group Limited Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ

The company's ultimate parent company and ultimate controlling party is FR X Offshore GP Limited, a company incorporated in the Cayman Islands