

Murray Pipework Limited

Accounts for the year ended 31 January 2000
together with directors' and auditors' reports

Registered number: 34226

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Directors' report

For the year ended 31 January 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 January 2000.

Principal activity and business review

The company did not trade during the year.

Directors and their interests

The directors who served during the year were:

D E Murray

J MacDonald (resigned 31 January 2000)

K A Cockburn (appointed 31 January 2000)

At 31 January 2000 none of the directors had any interests in the share capital of the company (31 January 1999: nil). The interests of the directors in the share capital of the ultimate holding company (Note 5) are disclosed in that company's accounts.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report (continued)

Directors' responsibilities (continued)

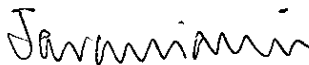
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

9 Charlotte Square
Edinburgh
EH2 4DR

By order of the Board



S Tahir
Company Secretary

25 September 2000

Auditors' report

For the year ended 31 January 2000



ARTHURANDERSEN

To the Shareholders of Murray Pipework Limited:

We have audited the accounts on pages 4 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on pages 1 and 2, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 January 2000 and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Chartered Accountants and Registered Auditors

18 Charlotte Square
Edinburgh EH2 4DF

25 September 2000

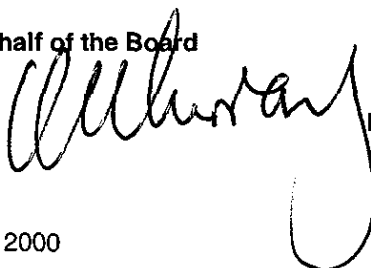
Balance sheet

31 January 2000

	Notes	2000 £	1999 £
Capital and reserves			
Called-up equity share capital	2	22,859	22,859
Profit and loss account	3	(22,859)	(22,859)
Total capital employed		<u>-</u>	<u>-</u>

Signed on behalf of the Board

D E Murray



Director

25 September 2000

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

1 Accounting policies

The principal accounting policy which has been applied consistently throughout the year and with the preceding year is the preparation of accounts under the historical cost convention and in accordance with applicable accounting standards.

2 Called-up equity share capital

	2000 £	1999 £
<i>Authorised:</i>		
25,000 Ordinary shares of £1 each	25,000	25,000
<i>Allotted, called-up and fully-paid:</i>		
22,859 Ordinary shares of £1 each	22,859	22,859

3 Profit and loss account

The company did not trade during the year or preceding year and consequently a profit and loss account has not been prepared.

4 Guarantees and other financial commitments

a) Capital commitments

There were no capital commitments at 31 January 2000 (31 January 1999: £nil).

b) Contingent liabilities

The company has guaranteed bank borrowings of its holding company (Note 5) and certain other subsidiary undertakings. The total contingency at 31 January 2000 amounts to £27,952,401 (1999: £12,766,927). Security for the bank facilities consists of cross guarantees and a bond and floating charge over the assets of the company.

5 Ultimate holding company

The ultimate holding company is Murray International Holdings Limited, which is registered in Scotland. The largest and smallest group in which the results of the company are consolidated is that headed by the ultimate holding company whose principal place of business is at 9 Charlotte Square, Edinburgh, EH2 4DR.

6 Ultimate control

Mr D E Murray, a director of the ultimate holding company (Note 5), and members of his close family control the company as a result of controlling directly or indirectly 81% of the issued share capital of the ultimate holding company.

7 Cash flow statement

The company is exempt from the requirements of FRS1 to include a cash flow statement as part of its accounts because it is a subsidiary of Murray International Holdings Limited whose accounts contain a consolidated cashflow and are available to the public.