

MURRAY PIPEWORK LIMITED

Report and Financial Statements

31 January 2006



MURRAY PIPEWORK LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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MURRAY PIPEWORK LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D E Murray
J D G Wilson

SECRETARY

D W M Horne

REGISTERED OFFICE

9 Charlotte Square
Edinburgh
EH2 4DR

SOLICITORS

Dundas & Wilson
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

MURRAY PIPEWORK LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 January 2006

ACTIVITIES

The company did not trade during the year or preceding year. The directors expect this to continue.

FINANCIAL RISK MANAGEMENT

The company has not traded in the current or prior year and has no financial assets or liabilities. The directors therefore consider that the company is not exposed to any financial risks.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were

D E Murray

K A Cockburn (resigned 30 December 2005)

J D G Wilson (appointed 30 December 2005)

At 31 January 2006 neither of the directors had any interest in the share capital of the company (31 January 2005 – nil). The interests of the directors in the share capital of the ultimate holding company (Note 4) are disclosed in the directors' report accompanying that company's financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements. The directors have chosen to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

United Kingdom company law requires the directors to prepare such financial statements for each financial year which give a true and fair view in accordance with UK GAAP of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those 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 accounting standards have been followed, 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal controls, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MURRAY PIPEWORK LIMITED

DIRECTORS' REPORT

FINANCIAL RISK MANAGEMENT

The company has not traded in the current or prior year and has no financial assets or liabilities. The directors therefore consider that the company is not exposed to any financial risks.

INDEPENDENT AUDITORS

A resolution to re appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board



D W M Horne

Secretary

25 August 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MURRAY PIPEWORK LIMITED

We have audited the financial statements of Murray Pipework Limited for the year ended 31 January 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 7. 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

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements

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 judgements 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 January 2006 and of its result for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Edinburgh

United Kingdom

11th September 2006

MURRAY PIPEWORK LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 January 2006**

The company did not trade during the current or preceding year and has made neither profit nor loss, nor any other recognised gain or loss

MURRAY PIPEWORK LIMITED

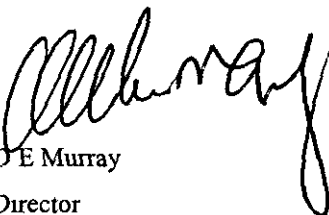
BALANCE SHEET 31 JANUARY 2006

	Note	2006 £	2005 £
CAPITAL AND RESERVES			
Called up share capital	2	22,859	22,859
Profit and loss account		(22,859)	(22,859)
SHAREHOLDERS' FUNDS		<u> </u>	<u> </u>

The accompanying notes form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 25 August 2006

Signed on behalf of the Board of Directors



D E Murray
Director

MURRAY PIPEWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2006

1. ACCOUNTING POLICIES

The principal accounting policy is summarised below. It has been applied consistently throughout the current and preceding year.

Basis of accounting

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

2. CALLED UP SHARE CAPITAL

	2006 £	2005 £
<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. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) *Contingent liabilities*

The company has guaranteed bank borrowings of its holding company and certain other subsidiary undertakings. The total contingency at 31 January 2006 amounts to £156,755,825 (31 January 2005 £234,345,552). Security for the bank facilities consists of cross guarantees and a bond and floating charge over the assets of the company.

4. ULTIMATE HOLDING COMPANY

The ultimate holding company is Murray International Holdings Limited and the immediate parent company is Murray Metals Group Limited, both of which are 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. Copies of Murray International Holdings Limited financial statements are available from the above address.

5. ULTIMATE CONTROL

Mr D E Murray, a director of the ultimate holding company (Note 4), 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.

6. CASH FLOW STATEMENT

The company is exempt from the requirements of Financial Reporting Standard 1 (Revised) to include a cash flow statement as part of its financial statements because it is a wholly owned subsidiary of Murray International Holdings Limited whose financial statements contain a consolidated cash flow statement and are available to the public.

7. RELATED PARTY TRANSACTIONS

In accordance with the exemptions provided under Financial Reporting Standard 8 for companies whose voting rights are 90% or more controlled within a group, the company has not disclosed transactions with other subsidiary undertakings of the ultimate holding company (Note 4).