

**MURRAY PIPEWORK LIMITED**

**Report and Financial Statements**

**31 January 2003**

**Deloitte & Touche  
Edinburgh**



**REPORT AND FINANCIAL STATEMENTS 2003**

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**REPORT AND FINANCIAL STATEMENTS 2003**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D E Murray  
K A Cockburn

**SECRETARY**

D W M Horne

**REGISTERED OFFICE**

9 Charlotte Square  
Edinburgh  
EH2 4DR

**SOLICITORS**

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

**AUDITORS**

Deloitte & Touche  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 0BR

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 January 2003.

### **ACTIVITIES**

The company did not trade during the year or the preceding year.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were:

D E Murray  
K A Cockburn

At 31 January 2003 none of the directors had any interest in the share capital of the company (31 January 2002 – 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**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **AUDITORS**

Deloitte & Touche were appointed to fill a casual vacancy during the year following the resignation of Arthur Andersen. Deloitte & Touche have expressed their willingness to seek appointment and a resolution to appoint them as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



D W M Horne  
Secretary

19 May 2003

**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 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 6. 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 transactions with the company 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.

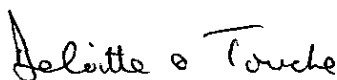
**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 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 of the state of the company's affairs at 31 January 2003 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors

Edinburgh

19 May 2003

**PROFIT AND LOSS ACCOUNT**

**Year ended 31 January 2003**

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.

**BALANCE SHEET**  
**31 January 2003**

	Note	2003 £	2002 £
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	2	22,859	22,859
Profit and loss account		(22,859)	(22,859)
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<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 19 May 2003

Signed on behalf of the Board of Directors



K A Cockburn  
Director

## NOTES TO THE ACCOUNTS

### Year ended 31 January 2003

#### 1. ACCOUNTING POLICIES

The principal accounting policy is summarised below. It has been applied consistently throughout the year and the 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 EQUITY SHARE CAPITAL

	2003 £	2002 £
<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) Capital commitments*

There were no capital commitments at 31 January 2003 (31 January 2002 - £nil).

##### *b) Contingent liabilities*

The company has guaranteed bank borrowings of its holding company and certain other subsidiary undertakings. The total contingency at 31 January 2003 amounts to £122,642,85 (31 January 2002 - £79,449,259). 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, 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. 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 82% 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.