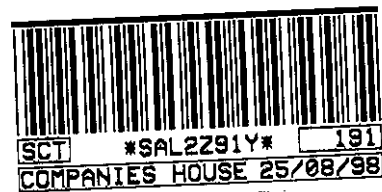


PLUMBING PENSIONS (UK) ADMINISTRATION LIMITED
5TH APRIL 1998

Company No:- SCO55959

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PLUMBING PENSIONS (UK) ADMINISTRATION LIMITED

ACCOUNTS

5TH APRIL 1998

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DIRECTORS AND OFFICERS

Directors

on behalf of the Federation

J.B. Park
A.B. Whyte
J.A. Wishart

on behalf of the Association

B.M. Rothwell
W.H. Sprague - deceased 27 March, 1998
L. Whitaker

on behalf of the Union

A.B. Davis
J.P. Egan
K.J. Jackson
A. Pickering

Secretary & Pensions Manager

R.D. Burgon

Auditors

Deloitte & Touche
39 George Street
Edinburgh
EH2 2HZ

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts for the year ended 5th April, 1998. This report has been prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985.

PRINCIPAL ACTIVITY

The principal activity of the company is the administration and management of Pension Schemes on behalf of the Plumbing and Mechanical Services Industry.

REVIEW OF THE BUSINESS

A contribution equal to the operating loss net of interest received amounting to £1,027,140 was received from Plumbing and Mechanical Services (UK) Industry Pension Scheme.

RESULTS AND DIVIDENDS

The results for the year are set out on page 6. The Directors recommend that no dividend be paid.

DIRECTORS

The Directors who served during the year were as follows:

on behalf of the Federation

J.B. Park
A.B. Whyte
J.A. Wishart

on behalf of the Association

B.M. Rothwell
W.H. Sprague - deceased 27 March, 1998
L. Whitaker

on behalf of the Union

A.B. Davis
J.P. Egan
K.J. Jackson
A. Pickering

The Directors have no beneficial or family interest in the shares of the company.

AUDITORS

A resolution for the re-appointment of Deloitte & Touche as Auditors of the company is to be proposed at the forthcoming Annual General Meeting

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



Director



Director

Edinburgh,
4 June 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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;
- 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. 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' REPORT TO THE MEMBERS OF PLUMBING PENSIONS (UK)
ADMINISTRATION LIMITED

We have audited the financial statements on pages 6 to 10 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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 as at 5th April, 1998 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
39 George Street
Edinburgh
EH2 2HZ

4 June, 1998

PROFIT AND LOSS ACCOUNT

for the year ended 5th April, 1998

	Note	1998 Continuing Operations £	1997 Continuing Operations £
TURNOVER			
Administration fees	2	10,728	-
Administration Expenses		(1,038,902)	(907,296)
OPERATING LOSS	3	(1,028,174)	(907,296)
Interest receivable		1,034	969
Rent receivable		-	5,901
Other income	4	<u>1,027,140</u>	<u>900,426</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		-	-
RETAINED PROFIT BROUGHT FORWARD		<u>88,218</u>	<u>88,218</u>
RETAINED PROFIT CARRIED FORWARD		88,218 =====	88,218 =====

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

BALANCE SHEET

5th April, 1998

	Note	1998	1997
		£	£
FIXED ASSETS			
Tangible Assets	6	44,334	54,724
CURRENT ASSETS			
Debtors	7	223,440	187,830
Bank Investment		23,437	2,878
Cash in hand		<u>342</u>	<u>167</u>
		<u>247,219</u>	<u>190,875</u>
CREDITORS - amounts falling due within one year			
Bank Overdraft		-	2,319
Sundry creditors		<u>203,235</u>	<u>154,962</u>
		<u>203,235</u>	<u>157,281</u>
NET CURRENT ASSETS		<u>43,984</u>	<u>33,594</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>88,318</u> =====	<u>88,318</u> =====
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account		<u>88,218</u>	<u>88,218</u>
EQUITY SHAREHOLDERS' FUNDS		<u>88,318</u> =====	<u>88,318</u> =====

These financial statements were approved by the Board of Directors.

This report has been prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985.

Signed on behalf of the Board of Directors on 4 June 1998

- Director

- Director

Edinburgh.




NOTES TO THE ACCOUNTS

5th April, 1998

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

(a) Convention

The financial statements have been prepared in accordance with the historical cost convention.

(b) Tangible Fixed Assets and Depreciation

Depreciation is provided on a straight line basis at the following rates:-

Computer	25% per annum
Computer programs	10% per annum
Office equipment	25% per annum

(c) Income and Expenditure

Administration expenditure is dealt with on an accruals basis.

2. TURNOVER

Turnover represents reinstatement fees, charged to insurance companies in respect of members reinstated to the Pension Scheme.

3. OPERATING LOSS

Operating loss is arrived at after charging:

	1998	1997
	£	£
Depreciation	13,668	14,119
Auditors' Remuneration	1,600	1,516
	=====	=====

The Directors received no remuneration for their services to the company (1997 - £nil).

4. OTHER INCOME

Other income includes £1,027,140 (1997: £861,286) in respect of the

contribution received from the Plumbing and Mechanical Services (UK) Industry Pension Scheme a Scheme which is managed by Plumbing Pensions (UK) Administration Limited. The contribution is equal to the operating loss net of interest received.

At the financial year end £172,749 (1997: £135,609) was due from the Plumbing and Mechanical Services (UK) Industry Pension Scheme. This amount is included within debtors.

NOTES TO THE ACCOUNTS

5th April, 1998

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

As the Company had no taxable income, no tax provision is necessary.

6. TANGIBLE ASSETS

	Computer	Computer Programs	Office Equipment	Total
	£	£	£	£
Cost or valuation at 5th April 1997	38,892	118,765	54,267	211,924
Additions	516	2,395	367	3,278
at 5th April 1998	39,408	121,160	54,634	215,202
Depreciation at 5th April 1997	38,711	67,551	50,938	157,200
Charge for the year	189	12,079	1,400	13,668
at 5th April 1998	38,900	79,630	52,338	170,868
Net Book Value at 5th April 1998	508	41,530	2,296	44,334
=====				
at 5th April 1997	181	51,214	3,329	54,724
=====				

7. RELATED PARTY TRANSACTIONS

Transactions and balances with the Plumbing and Mechanical Services (UK) Industry Pension Scheme, a pension scheme managed by the company, are disclosed in Note 4.

NOTES TO THE ACCOUNTS

5th April, 1998

	1998 £	1997 £
8. DEBTORS		
Due from Plumbing and Mechanical Services (UK) Industry Pension Scheme	172,749	135,609
Vat to be recovered from member firms	14,799	15,764
Sundry Debtors	<u>35,892</u>	<u>36,457</u>
	223,440	187,830
	=====	=====

9. SHARE CAPITAL

Authorised

50 'A' Shares of £1	50	50
50 'B' Shares of £1	<u>50</u>	<u>50</u>
	100	100
	===	===

Issued and Fully Paid

50 'A' Shares of £1	50	50
50 'B' Shares of £1	<u>50</u>	<u>50</u>
	100	100
	===	===

10 CAPITAL COMMITMENTS

Contracted but not provided	-	-
Authorised but not contracted	<u>-</u>	<u>-</u>
	-	-
	=====	=====

11 PENSION COSTS

Certain of the company's employees are members of the revalued career average pension scheme operated by Plumbing and Mechanical Services (UK) Industry Pension Scheme.

The pension cost charged to the Profit and Loss Account represents the amount of contributions payable in the period, which amounted to £25,529 (1997 - £25,956).