

MERSEYSIDE PIPELINE SUPPLIES LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1996



COMPANY REGISTRATION NUMBER: 2759967

AUDITORS' REPORT

TO THE DIRECTORS OF

MERSEYSIDE PIPELINE SUPPLIES LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 7 together with the financial statements of Merseyside Pipeline Supplies Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 4 and that the abbreviated accounts have been properly prepared from those financial statements.

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1996, and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.

On 27 March 1997 we reported, as auditors of Merseyside Pipeline Supplies Limited, to the shareholders on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, 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 judgments 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.

AUDITORS' REPORT

TO THE DIRECTORS OF

MERSEYSIDE PIPELINE SUPPLIES LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

(continued)

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'



David Evans & Co

Registered auditors

27 March 1997

8 Glovers Loom
Chester CH3 5TY

MERSEYSIDE PIPELINE SUPPLIES LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	2	14,046	21,841
CURRENT ASSETS			
Stocks		114,946	76,672
Debtors		358,988	421,330
Cash at bank and in hand		<u>203,930</u>	<u>147,285</u>
		677,864	645,287
CREDITORS: Amounts falling due within one year	3	(<u>377,243</u>)	(<u>441,635</u>)
NET CURRENT ASSETS		<u>300,621</u>	<u>203,652</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		314,667	225,493
PROVISIONS FOR LIABILITIES AND CHARGES		(60)	(901)
DEFERRED INCOME		<u>(602)</u>	<u>(903)</u>
		<u>314,005</u>	<u>223,689</u>
CAPITAL AND RESERVES			
Called up share capital	4	2,000	2,000
Profit and loss account		<u>312,005</u>	<u>221,689</u>
SHAREHOLDERS' FUNDS		<u>314,005</u>	<u>223,689</u>

MERSEYSIDE PIPELINE SUPPLIES LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 1996

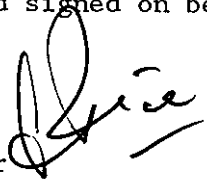
(continued)

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company. In preparing these abbreviated accounts, the directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

These abbreviated accounts were approved by the board of directors on 27 March 1997 and signed on behalf of the board by:

J Rice

Director

A handwritten signature in dark ink, appearing to read 'J Rice', is written over the printed name and title.

The notes on pages 5 to 7 form part of these abbreviated accounts.

MERSEYSIDE PIPELINE SUPPLIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material or critical in relation to the company's abbreviated accounts.

(a) ACCOUNTING STANDARDS

The abbreviated accounts have been prepared in accordance with applicable accounting standards.

(b) DEPRECIATION

Depreciation has been provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates:

Plant and machinery	25% straight line
Motor vehicles	25% straight line
Fixtures and fittings	20% straight line

(c) STOCKS

Stocks are stated at the lower of cost and net realisable value.

(d) DEFERRED TAXATION

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences.

(e) LEASING

Assets purchased under finance leases are capitalised as fixed assets. The net obligations payable under finance leases are included in creditors. Finance charges payable in respect of finance leases are included in the profit and loss account on a straight line basis over the term of the agreement.

(f) PENSION COSTS

The amounts included in the profit and loss account in respect of the company's defined contribution pension scheme are the contributions payable to the scheme during the accounting year.

(g) GOVERNMENT GRANTS

Government grants receivable in respect of assistance towards the cost of fixed assets are credited to the profit and loss account on a straight line basis over the estimated useful lives of the underlying assets.

MERSEYSIDE PIPELINE SUPPLIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

(continued)

2 TANGIBLE FIXED ASSETS

	Total £
COST	
As at 1 January 1996	33,509
Additions	<u>191</u>
As at 31 December 1996	<u>33,700</u>
DEPRECIATION	
As at 1 January 1996	11,668
Charge for the year	<u>7,986</u>
As at 31 December 1996	<u>19,654</u>
NET BOOK VALUE	
As at 31 December 1996	<u>14,046</u>
As at 31 December 1995	<u>21,841</u>

3 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The combined amount of taxation and social security as at 31 December 1996 was £55,846 (1995: £62,166).

4 SHARE CAPITAL

	1996 £	1995 £
Authorised:		
20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
Allotted, called up and fully paid:		
2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

MERSEYSIDE PIPELINE SUPPLIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

(continued)

5 DIRECTORS' MATERIAL INTERESTS IN CONTRACTS AND RELATED PARTY TRANSACTIONS

During the year ended 31 December 1996, the company purchased and sold goods to Knowsley Pipe & Fabrication Limited and Premier Valves Limited, as set out below:

	Purchases £	Sales £
Knowsley Pipe & Fabrication Limited	1,107	30,069
Premier Valves Limited	315	542
	<u> </u>	<u> </u>

As at 31 December 1996, the following amounts were due to and due from Knowsley Pipe & Fabrication Limited and Premier Valves Limited:

	Due to £	Due from £
Knowsley Pipe & Fabrication Limited	-	8,861
Premier Valves Limited	-	374
	<u> </u>	<u> </u>

Mr F T Glass and Mr D Mortimer are directors of Merseyside Pipeline Supplies Limited, Knowsley Pipe & Fabrication Limited and Premier Valves Limited.