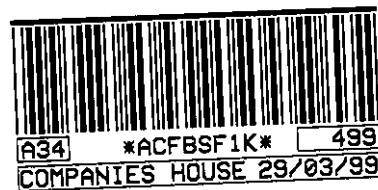


MERSEYSIDE PIPELINE SUPPLIES LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998



COMPANY REGISTRATION NUMBER: 2759967

AUDITORS' REPORT

TO MERSEYSIDE PIPELINE SUPPLIES LIMITED

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, 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 1998.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

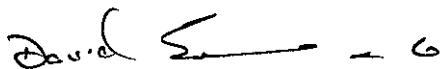
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared from those financial statements. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



David Evans & Co

Chartered Accountants and
Registered Auditors

24 March 1999

8 Glovers Loom
Chester
CH3 5TY

MERSEYSIDE PIPELINE SUPPLIES LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	2	29,628	25,004
CURRENT ASSETS			
Stocks		129,952	114,237
Debtors		393,421	326,565
Cash at bank and in hand		<u>294,004</u>	<u>223,823</u>
		817,377	664,625
CREDITORS: Amounts falling due within one year		<u>(447,846)</u>	<u>(336,217)</u>
NET CURRENT ASSETS		<u>369,531</u>	<u>328,408</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		399,159	353,412
PROVISIONS FOR LIABILITIES AND CHARGES		(801)	(455)
DEFERRED INCOME		<u>-</u>	<u>(301)</u>
NET ASSETS		<u>398,358</u>	<u>352,656</u>
CAPITAL AND RESERVES			
Called up share capital	3	2,000	2,000
Profit and loss account		<u>396,358</u>	<u>350,656</u>
SHAREHOLDERS' FUNDS		<u>398,358</u>	<u>352,656</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the board of directors on 24 March 1999 and signed on behalf of the board by:

J Rice

Director

The notes on pages 3 to 5 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 financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities.

(b) TURNOVER

Turnover consists of invoiced sales net of returns, trade discounts and value added tax.

(c) 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

(d) STOCKS

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

(e) TAXATION

Corporation tax payable is provided on taxable profits at the current rate. Advance corporation tax payable on dividends paid or provided for is deducted from corporation tax liabilities.

(f) DEFERRED TAXATION

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes.

(g) 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.

MERSEYSIDE PIPELINE SUPPLIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

(continued)

1 ACCOUNTING POLICIES (continued)

(h) 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.

2 TANGIBLE FIXED ASSETS

	Total £
COST	
As at 1 January 1998	46,118
Additions	14,338
Disposals	<u>(380)</u>
As at 31 December 1998	<u>60,076</u>
DEPRECIATION	
As at 1 January 1998	21,114
Charge for the year	9,714
On disposals	<u>(380)</u>
As at 31 December 1998	<u>30,448</u>
NET BOOK VALUE	
As at 31 December 1998	<u>29,628</u>
As at 31 December 1997	<u>25,004</u>

MERSEYSIDE PIPELINE SUPPLIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

(continued)

3 SHARE CAPITAL

	1998 £	1997 £
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>

4 DIRECTORS' MATERIAL INTERESTS IN CONTRACTS AND RELATED PARTY TRANSACTIONS

During the year ended 31 December 1998, the company sold goods to Knowsley Pipe & Fabrication Limited at an amount of £31,356. As at 31 December 1998, £5,102 was due from Knowsley Pipe & Fabrication Limited. Mr F T Glass and Mr D Mortimer are directors of Merseyside Pipeline Supplies Limited and Knowsley Pipe & Fabrication Limited.