

MUCKLOW HILL (TWO) LIMITED

Annual report

for the year ended 31 March 1998

Registered no: 2642859



MUCKLOW HILL (TWO) LIMITED

**Annual report
for the year ended 31 March 1998**

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**Directors report
for the year ended 31 March 1998**

The directors' present their report and the financial statements for the year ended 31 March 1998.

Review of business

During the year the company has not traded, has not incurred any liabilities and consequently has incurred neither profit nor loss.

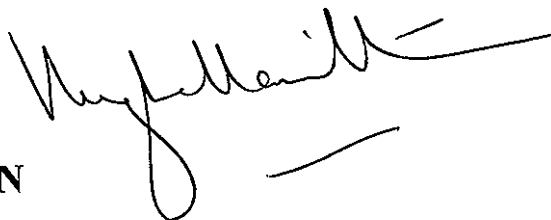
Directors and their interests

The directors who served during the period were :

C Edwards
H C Hamilton

No director had any beneficial interest in the shares of the company or any other group company at 31 March 1998. The interests of the directors in the loan notes issued by Avon Energy Partners PLC at 31 March 1998 were as follows: H C Hamilton held 22,352 loan notes and C Edwards held 60,104 loan notes.

By order of the Board

A handwritten signature in black ink, appearing to read 'H C Hamilton', with a long horizontal stroke extending to the right.

H C HAMILTON
Secretary
8 July 1998

MUCKLOW HILL (TWO) LIMITED

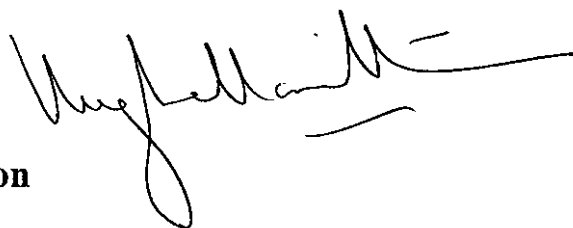
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Balance sheet at 31 March 1998

	Notes	1998	1997
Current assets			
Debtors	3	<u>£2</u>	<u>£2</u>
Capital and reserves			
Called -up share capital	4	<u>£2</u>	<u>£2</u>

The company was dormant (within the meaning of section 250 of the Companies Act 1985) throughout the year ended 31 March 1998.

The financial statements on pages 2 to 4 were approved by the Board of Directors on 8 July 1998 and were signed on its behalf by:



H C Hamilton
Director

**Notes to the financial statements
for the year ended 31 March 1998****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

The financial statements have been prepared under the historical cost convention.

Related party transactions

As permitted by paragraph 3(c) of Financial Reporting Standard No 8, the company has taken advantage of the exemption for 90% subsidiaries not to disclose related party transactions with group entities.

2 Turnover and profit on ordinary activities before taxation

During the period the company has not traded, has not incurred any liabilities and consequently has made neither profit nor loss.

None of the directors received any remuneration in respect of their services to the company during the period.

3 Debtors

	1998	1997
Amounts falling due within one year:		
Amounts due from group undertakings	<u>£2</u>	<u>£2</u>

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4 Share capital

	1998	1997
Authorised		
1000 ordinary shares of £1 each	<u>£1000</u>	<u>£1000</u>
Allotted, called up and unpaid		
2 ordinary shares of £1 each	<u>£2</u>	<u>£2</u>

5 Reconciliation of shareholders' funds

	1998	1997
Opening and closing shareholders' funds	<u>£2</u>	<u>£2</u>

6 Ultimate holding company

At 31 March 1998 the company's ultimate holding company was Avon Energy Partners Holdings. Copies of the parent company's consolidated financial statements may be obtained from The Secretary, Avon Energy Partners Holdings, Mucklow Hill, Halesowen, West Midlands.

The directors regard Cinergy Corp and General Public Utilities Corporation of the USA as the ultimate controlling parties by virtue that each has a 50% interest in Avon Energy Partners Holdings.