

Registration Number 03708185

Pipe Services Limited
Directors' Report and Financial Statements
for the year ended 31st March 2003



Pipe Services Limited

Company Information

Director	C D Willison
Secretary	Mrs M Willison
Company Number	03708185
Registered Office	Maybrook House 97 Godstone Road Caterham Surrey
Auditors	Axelsen Mills Limited Maybrook House 97 Godstone Road Caterham Surrey CR3 6RE
Business Address	Unit 7/8 VIP Trading Estates Anchor & Hope Lane Charlton London SE7 7RY
Bankers	Lloyds Bank plc

Pipe Services Limited

Contents

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 4
<i>Profit and Loss Account</i>	5
Balance Sheet	6
Notes to the Financial Statements	7 - 11

Pipe Services Limited

Directors' Report for the year ended 31st March 2003

The directors present their report and the financial statements for the year ended 31st March 2003.

Principal Activity and Review of the Business

The principal activity of the company continued to be that of industrial pipework fitters.

The company has performed in accordance with its plans and projections.

European Monetary Union

No costs have been incurred in respect of the possible move to European Monetary Union nor any provision considered necessary.

Director and Interest

The other shareholder is D Willison an employee and son of the director. The director who served during the year and interest in the company are as stated below:

	Ordinary shares	
	2003	2002
C D Willison	99	99

Small amounts were paid to local charities.

During the year the company contributed £1,018 to charities for medical purposes.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 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

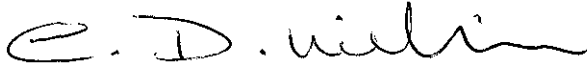
Axelsen Mills Limited were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Pipe Services Limited

**Directors' Report
for the year ended 31st March 2003**

This report was approved by the Board on 20th February 2004 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'C. D. Willison', written in a cursive style.

**C D Willison
Director**

Pipe Services Limited

Independent Auditors' Report to the Shareholders of Pipe Services Limited

We have audited the financial statements of Pipe Services Limited for the year ended 31st March 2003 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and 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 auditor's 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom 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 to you 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.

During the year under review the company has made a loan to its director and in so doing has contravened S330 of the Companies Act 1985. Details in respect of the loan are set out in note 13 to the accounts.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit 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 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.

Pipe Services Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Axelsen Mills Limited

**Chartered Accountants and
Registered Auditor**

**Maybrook House
97 Godstone Road
Caterham Surrey
CR3 6RE**

20th February 2004

Pipe Services Limited

**Profit and Loss Account
for the year ended 31st March 2003**

		2003	2002
	Notes	£	£
Turnover	2	2,628,707	2,174,961
Cost of sales		(2,242,003)	(1,837,375)
Gross profit		<u>386,704</u>	<u>337,586</u>
Administrative expenses		(177,530)	(162,790)
Operating profit	3	<u>209,174</u>	<u>174,796</u>
Interest receivable and similar income		358	-
Interest payable and similar charges	4	<u>(8,452)</u>	<u>(8,780)</u>
Profit on ordinary activities before taxation		201,080	166,016
Tax on profit on ordinary activities	6	<u>(39,115)</u>	<u>(34,679)</u>
Profit on ordinary activities after taxation		161,965	131,337
Dividends		(184,270)	(27,000)
(Loss)/retained profit for the year		<u>(22,305)</u>	<u>104,337</u>
Retained profit brought forward		165,346	61,009
Retained profit carried forward		<u><u>143,041</u></u>	<u><u>165,346</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 11 form an integral part of these financial statements.

Pipe Services Limited

**Balance Sheet
as at 31st March 2003**

		2003		2002	
Notes	£	£	£	£	
Fixed Assets					
Tangible assets	7		37,981	42,510	
Current Assets					
Work in progress	8	150,540		407,460	
Debtors	9	217,276		176,546	
Cash at bank and in hand		42		-	
		367,858		584,006	
Creditors: amounts falling due within one year	10	(262,698)		(458,269)	
Net Current Assets			105,160	125,737	
Total Assets Less Current Liabilities			143,141	168,247	
Creditors: amounts falling due after more than one year	11		-	(2,801)	
Net Assets			143,141	165,446	
Capital and Reserves					
Called up share capital	12		100	100	
Profit and loss account			143,041	165,346	
Shareholders' Funds			143,141	165,446	

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 20th February 2004 and signed on its behalf by



C D Willison
Director

The notes on pages 7 to 11 form an integral part of these financial statements.

Pipe Services Limited

Notes to the Financial Statements for the year ended 31st March 2003

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	13,693	14,170
Auditors' remuneration	2,500	1,500
	<u>16,193</u>	<u>15,670</u>

Pipe Services Limited

**Notes to the Financial Statements
for the year ended 31st March 2003**

..... continued

4.	Interest payable and similar charges	2003	2002
		£	£
	Included in this category is the following:		
	On loans and overdrafts	5,785	4,100
	Hire purchase interest	1,598	1,709
	On overdue tax	1,069	2,971
		<u> </u>	<u> </u>

5 Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2003	2002
Operations	54	64
	<u> </u>	<u> </u>

Employment costs

	2003	2002
	£	£
Wages and salaries	436,084	582,556
Social security costs	40,531	56,724
	<u> </u>	<u> </u>
	<u>476,615</u>	<u>639,280</u>

5.1. Director's emoluments

	2003	2002
	£	£
Remuneration and other emoluments	4,615	16,650
	<u> </u>	<u> </u>

Directors' emoluments are included in the total employment cost shown above.

6.	Taxation	2003	2002
		£	£
	UK current year taxation		
	UK Corporation Tax	39,115	34,679
		<u> </u>	<u> </u>

Pipe Services Limited

**Notes to the Financial Statements
for the year ended 31st March 2003**

..... continued

7. Tangible fixed assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1st April 2002	35,857	35,336	71,193
Additions	9,164	-	9,164
At 31st March 2003	45,021	35,336	80,357
Depreciation			
At 1st April 2002	13,628	15,055	28,683
Charge for the year	8,623	5,070	13,693
At 31st March 2003	22,251	20,125	42,376
Net book values			
At 31st March 2003	22,770	15,211	37,981
At 31st March 2002	22,229	20,281	42,510

Included above are assets held under finance leases or hire purchase contracts as follows:

	2003		2002	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Motor vehicles	15,211	5,070	20,281	6,760

8. Work in progress

	2003	2002
	£	£
Work in progress	150,540	407,460

Work in progress consist of valuations made by the director of work done as at year end and application for payment made but not yet paid.

Pipe Services Limited

Notes to the Financial Statements
for the year ended 31st March 2003

..... continued

9. Debtors

	2003 £	2002 £
Trade debtors	23,047	5,194
Other debtors	194,229	171,352
	<u>217,276</u>	<u>176,546</u>

10. Creditors: amounts falling due
within one year

	2003 £	2002 £
Bank overdraft	94,672	139,660
Net obligations under finance leases and hire purchase contracts	2,801	8,725
Trade creditors	13,120	233,010
Corporation tax	64,542	8,341
Other taxes and social security costs	56,576	48,286
Other creditors	2,518	16,247
Accruals and deferred income	28,469	4,000
	<u>262,698</u>	<u>458,269</u>

11. Creditors: amounts falling due
after more than one year

	2003 £	2002 £
Net obligations under finance leases and hire purchase contracts	-	2,801
	<u>-</u>	<u>2,801</u>

12. Share capital

	2003 £	2002 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Pipe Services Limited

Notes to the Financial Statements
for the year ended 31st March 2003

..... continued

13. Transactions with director

The following director had interest free loans during the year. The movements on these loans are as follows:

	Amount Owing		Maximum in year £
	2003 £	2002 £	
C D Willison	<u>160,993</u>	<u>133,810</u>	<u>160,993</u>

The loan to C D Willison was partially repaid on 30 April 2003. The loan was reduced by £150,000 on that date.

14. Related party transactions

Included in cost of sales is £358,100 transactions with Pipe Services (Fabrication) Limited, a company in which Mr C D Willison is a director and 50% shareholder. As at 31 March 2003, Pipe Services Ltd was owed £30,448 by Pipe Services (Fabrication) Ltd.