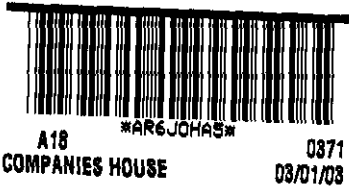


Registration Number 03708185

Pipe Services Limited
Directors' Report and Financial Statements
for the year ended 31st March 2002



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

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Pipe Services Limited
Directors' Report
for the year ended 31st March 2002

The directors present their report and the financial statements for the year ended 31st March 2002.

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 director who served during the year and interest in the company are as stated below:

	Ordinary shares	
	2002	2001
C D Willison	99	99

Small amounts were paid to local charities.

During the year the company contributed £800 to charities.

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 2002

This report was approved by the Board on 5th December 2002 and signed on its behalf by



Mrs M Willison
Secretary

Pipe Services Limited

Auditors' Report to the Shareholders of Pipe Services Limited

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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 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 31st March 2002 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**

5th December 2002

Pipe Services Limited

**Profit and Loss Account
for the year ended 31st March 2002**

		2002	2001
	Notes	£	£
Turnover	2	2,174,961	1,055,726
Cost of sales		(1,837,375)	(867,339)
Gross profit		<u>337,586</u>	<u>188,387</u>
Administrative expenses		(162,790)	(70,205)
Operating profit	3	<u>174,796</u>	<u>118,182</u>
Interest payable and similar charges	4	<u>(8,780)</u>	<u>(2,949)</u>
Profit on ordinary activities before taxation		166,016	115,233
Tax on profit on ordinary activities	6	<u>(34,679)</u>	<u>(23,470)</u>
Profit on ordinary activities after taxation		131,337	91,763
Dividends		(27,000)	(32,000)
Retained profit for the year		104,337	59,763
Retained profit brought forward		<u>61,009</u>	<u>1,247</u>
Retained profit carried forward		<u><u>165,346</u></u>	<u><u>61,010</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 6 to 10 form an integral part of these financial statements.

Pipe Services Limited

Balance Sheet
as at 31st March 2002

	Notes	2002		2001	
		£	£	£	£
Fixed Assets					
Tangible assets	7		42,510		42,128
Current Assets					
Work in progress	8	407,460		241,010	
Debtors	9	<u>176,546</u>		<u>52,772</u>	
		584,006		293,782	
Creditors: amounts falling due within one year	10	<u>(458,269)</u>		<u>(264,979)</u>	
Net Current Assets			<u>125,737</u>		<u>28,803</u>
Total Assets Less Current Liabilities			168,247		70,931
Creditors: amounts falling due after more than one year	11		<u>(2,801)</u>		<u>(9,821)</u>
Net Assets			<u><u>165,446</u></u>		<u><u>61,110</u></u>
Capital and Reserves					
Called up share capital	12		100		100
Profit and loss account			<u>165,346</u>		<u>61,010</u>
Shareholders' Funds			<u><u>165,446</u></u>		<u><u>61,110</u></u>

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 March 2000).

The financial statements were approved by the Board on 5th December 2002 and signed on its behalf by

C D Willison
Director



The notes on pages 6 to 10 form an integral part of these financial statements.

Pipe Services Limited

Notes to the Financial Statements for the year ended 31st March 2002

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

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	14,170	14,042
Auditors' remuneration	1,500	1,000
	<u>15,670</u>	<u>15,042</u>

Pipe Services Limited

Notes to the Financial Statements
for the year ended 31st March 2002

..... continued

4. Interest payable and similar charges	2002	2001
	£	£
Included in this category is the following:		
On loans and overdrafts	4,100	1,372
Hire purchase interest	1,709	1,577
On overdue tax	2,971	-
	<u> </u>	<u> </u>

5. Director's emoluments	2002	2001
	£	£
Remuneration and other benefits	16,650	-
	<u> </u>	<u> </u>

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

6. Taxation	2002	2001
	£	£
UK current year taxation		
UK Corporation Tax	34,679	23,470
	<u> </u>	<u> </u>

Pipe Services Limited

Notes to the Financial Statements
for the year ended 31st March 2002

..... continued

7. Tangible fixed assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1st April 2001	23,460	33,181	56,641
Additions	12,397	2,155	14,552
At 31st March 2002	<u>35,857</u>	<u>35,336</u>	<u>71,193</u>
Depreciation			
At 1st April 2001	6,218	8,295	14,513
Charge for the year	7,410	6,760	14,170
At 31st March 2002	<u>13,628</u>	<u>15,055</u>	<u>28,683</u>
Net book values			
At 31st March 2002	<u>22,229</u>	<u>20,281</u>	<u>42,510</u>
At 31st March 2001	<u>17,242</u>	<u>24,886</u>	<u>42,128</u>

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

Asset description	2002		2001	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Motor vehicles	<u>20,281</u>	<u>6,760</u>	<u>24,886</u>	<u>8,295</u>

8. Work in progress

	2002 £	2001 £
Work in progress	<u>407,460</u>	<u>241,010</u>

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 2002**

..... continued

9. Debtors

	2002	2001
	£	£
Trade debtors	5,194	52,748
Other debtors	171,352	24
	<u>176,546</u>	<u>52,772</u>

10. Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank overdraft	139,660	53,672
Net obligations under finance leases and hire purchase contracts	8,725	10,605
Trade creditors	233,010	116,435
Corporation tax	8,341	(26,338)
Other taxes and social security costs	48,286	83,778
Directors' accounts	-	2,753
Other creditors	16,247	22,074
Accruals and deferred income	4,000	2,000
	<u>458,269</u>	<u>264,979</u>

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

	2002	2001
	£	£
Net obligations under finance leases and hire purchase contracts	<u>2,801</u>	<u>9,821</u>

12. Share capital

	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Pipe Services Limited

Notes to the Financial Statements for the year ended 31st March 2002

..... 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 £
	2002 £	2001 £	
C D Willison	<u>133,810</u>	<u>-</u>	<u>133,810</u>

The loan to C D Willison was repaid on 30 April 2002.

14. Related party transactions

Included in cost of sales is £423,425 transactions with Pipe Services (Fabrication) Limited, a company in which Mr C D Willison is a director. As at 31 March 2002, Pipe Services Ltd owed Pipe Services (Fabrication) Ltd £154,905 on the suppliers ledger and was owed £37,542 on the nominal ledger by Pipe Services (Fabrication) Ltd.