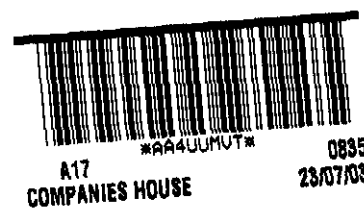


Registration Number 1056521

TUBES, FITTINGS, VALVES LIMITED

Directors' Report and Financial Statements

for the year ended 31 December 2002



TUBES, FITTINGS, VALVES LIMITED

Company Information

Directors	J E Wright P Vincent
Secretary	J E Wright
Company Number	1056521
Registered Office	Stanton Mill Bath Lane Mansfield Nottingham
Auditors	Gregory Priestley and Stewart Alexandra House 123 Priestsic Road Sutton in Ashfield Nottinghamshire NG17 4EA

TUBES, FITTINGS, VALVES LIMITED

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TUBES, FITTINGS, VALVES LIMITED

Directors' Report for the year ended 31 December 2002

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

Principal Activity

The principal activity of the company continued to be that of suppliers of steel tubes, fittings and valves.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares		'A' Ordinary Shares	
	31 December 2002	1 January 2002	31 December 2002	1 January 2002
J E Wright	540	540	-	1
P Vincent	260	260	99	99

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.

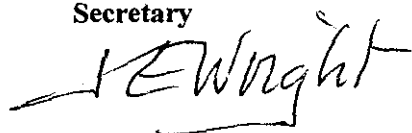
Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Gregory Priestley and Stewart be reappointed as auditors of the company 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.

This report was approved by the Board on 16 April 2003 and signed on its behalf by

J E Wright
Secretary



TUBES, FITTINGS, VALVES LIMITED

Independent Auditors' Report to the Shareholders of TUBES, FITTINGS, VALVES LIMITED

We have audited the financial statements of Tubes, Fittings, Valves Limited for the year ended 31 December 2002 which comprise the Profit and Loss Account, the Balance Sheet, and related notes. These financial statements have been prepared 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 companies members those matters we are required to state to them in an auditors 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 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.

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

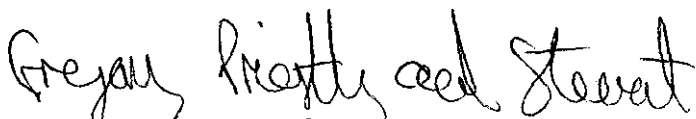
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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.

TUBES, FITTINGS, VALVES LIMITED

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gregory Priestley and Stewart

Chartered Accountants and

Registered Auditor

Alexandra House

123 Priestsic Road

Sutton in Ashfield

Nottinghamshire

NG17 4EA

16 April 2003

TUBES, FITTINGS, VALVES LIMITED

Profit and Loss Account for the year ended 31 December 2002

		2002	2001
	Notes	£	£
Turnover	2	968,086	902,621
Cost of sales		(613,531)	(557,565)
Gross profit		354,555	345,056
Distribution costs		(9,264)	(22,026)
Administrative expenses		(221,346)	(231,299)
Operating Profit	3	123,945	91,731
Interest receivable and similar income		15,290	18,832
Decrease in investments	4	(14,523)	(10,271)
Profit on ordinary activities before taxation		124,712	100,292
Tax on profit on ordinary activities	7	(26,748)	(21,415)
Profit on ordinary activities after taxation		97,964	78,877
Dividends	8	(51,170)	(23,000)
Retained Retained profit for the year		46,794	55,877
Retained profit brought forward		724,036	668,159
Retained profit carried forward		<u>770,830</u>	<u>724,036</u>

The notes on pages 6 to 11 form an integral part of these financial statements.

TUBES, FITTINGS, VALVES LIMITED

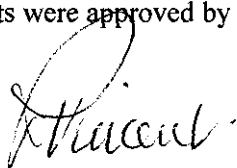
Balance Sheet as at 31 December 2002

		2002		2001	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	9		28,463		38,080
Investments	10		37,083		44,988
			<u>65,546</u>		<u>83,068</u>
Current Assets					
Stocks		96,576		90,511	
Debtors	11	212,780		205,344	
Investments	12	23,922		30,540	
Cash at bank and in hand		473,253		412,885	
		<u>806,531</u>		<u>739,280</u>	
Creditors: amounts falling due within one year	13	<u>(98,004)</u>		<u>(93,665)</u>	
Net Current Assets			<u>708,527</u>		<u>645,615</u>
Total Assets Less Current Liabilities			774,073		728,683
Creditors: amounts falling due after more than one year	14		-		(1,479)
Provision for Liabilities and Charges	15		<u>(2,044)</u>		<u>(2,018)</u>
Net Assets			<u><u>772,029</u></u>		<u><u>725,186</u></u>
Capital and Reserves					
Called up share capital	16		1,199		1,150
Profit and loss account			770,830		724,036
Shareholders' Funds			<u><u>772,029</u></u>		<u><u>725,186</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.

The financial statements were approved by the Board on 16 April 2003 and signed on its behalf by

P T Vincent
Director



The notes on pages 6 to 11 form an integral part of these financial statements.

TUBES, FITTINGS, VALVES LIMITED

Notes to the Financial Statements for the year ended 31 December 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:

Tools and equipment	-	15% Reducing Balance
Fixtures and fittings	-	15% Reducing Balance
Motor vehicles	-	25% Reducing Balance
Office equipment	-	15% Reducing Balance

1.4. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Current asset investments are at the lower of cost and net realisable value.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.7. Deferred taxation

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial year.

Full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at the balance sheet date.

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future.

2. Turnover

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

TUBES, FITTINGS, VALVES LIMITED

Notes to the Financial Statements for the year ended 31 December 2002

..... continued

3. Operating Profit	2002	2001
	£	£
Operating Profit is stated after charging:		
Depreciation of tangible assets	7,403	10,848
Auditors' remuneration	1,000	1,000
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	36	-
	<u> </u>	<u> </u>
 4. Reduction in value of investments	 2002	 2001
	£	£
- fixed and current assets	14,523	10,271
	<u> </u>	<u> </u>
 5. Directors' emoluments		
	2002	2001
Remuneration and other benefits	30,014	56,841
	<u> </u>	<u> </u>
 6. Pension costs		
The company operates a defined contribution pension scheme in respect of the directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £9,908 (2001 - £6,809).		
 7. Taxation	 2002	 2001
	£	£
UK current year taxation		
UK Corporation Tax	26,722	21,872
Transfer to deferred taxation	26	272
	<u> </u>	<u> </u>
	26,748	22,144
 Prior years		
UK Corporation Tax	-	(729)
	<u> </u>	<u> </u>
	26,748	21,415
	<u> </u>	<u> </u>

TUBES, FITTINGS, VALVES LIMITED

Notes to the Financial Statements for the year ended 31 December 2002

..... continued

8.	Dividends			2002	2001	
				£	£	
	'A' Ordinary Shares			51,170	23,000	
9.	Tangible fixed assets					
		Tools and Equipment	Fixtures and fittings	Motor vehicles	Office Equipment	Total
		£	£	£	£	£
	Cost					
	At 1 January 2002	6,947	1,696	71,020	39,347	119,010
	Additions	3,500	-	-	250	3,750
	Disposals	-	-	(18,850)	-	(18,850)
	At 31 December 2002	10,447	1,696	52,170	39,597	103,910
	Depreciation					
	At 1 January 2002	4,653	1,210	44,726	30,341	80,930
	On disposals	-	-	(12,886)	-	(12,886)
	Charge for the year	868	73	5,083	1,379	7,403
	At 31 December 2002	5,521	1,283	36,923	31,720	75,447
	Net book values					
	At 31 December 2002	4,926	413	15,247	7,877	28,463
	At 31 December 2001	2,294	486	26,294	9,006	38,080

TUBES, FITTINGS, VALVES LIMITED

Notes to the Financial Statements for the year ended 31 December 2002

..... continued

10. Fixed Asset Investments

	Other Unlisted Investments	Total
	£	£
Cost		
At 1 January 2002	44,988	44,988
Revaluations	(7,905)	(7,905)
At 31 December 2002	<u>37,083</u>	<u>37,083</u>
Net book values		
At 31 December 2002	<u>37,083</u>	<u>37,083</u>
At 31 December 2001	<u>44,988</u>	<u>44,988</u>

11. Debtors

	2002 £	2001 £
Trade debtors	194,602	188,492
Other debtors	2,622	2,160
Prepayments	15,556	14,692
	<u>212,780</u>	<u>205,344</u>

12. Current asset investments

	2002 £	2001 £
Other unlisted investments	<u>23,922</u>	<u>30,540</u>

TUBES, FITTINGS, VALVES LIMITED

Notes to the Financial Statements for the year ended 31 December 2002

..... continued

13. Creditors: amounts falling due within one year	2002 £	2001 £
Net obligations under finance leases and hire purchase contracts	1,479	3,550
Trade creditors	43,026	48,319
Corporation tax	26,722	21,876
Other taxes and social security costs	14,534	15,748
Directors' accounts	7,971	124
Accruals	4,272	4,048
	<u>98,004</u>	<u>93,665</u>

14. Creditors: amounts falling due after more than one year	2002 £	2001 £
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>1,479</u>

15. Provisions for liabilities and charges

Deferred tax is analysed over the following timing differences:

	2002 £	2001 £
Accelerated capital allowances	<u>2,044</u>	<u>2,018</u>

Movements on the provision for deferred taxation are:

	2002 £	2001 £
At 1 January 2002	2,018	1,746
Transferred from profit and loss account	26	272
At 31 December 2002	<u>2,044</u>	<u>2,018</u>

TUBES, FITTINGS, VALVES LIMITED

Notes to the Financial Statements for the year ended 31 December 2002

..... continued

16. Share capital	2002 £	2001 £
Authorised		
15,000 Ordinary shares of £1 each	15,000	15,000
10,000 Non-Voting Shares of £1 each	10,000	10,000
1,000 'A' ordinary shares of £1 each	1,000	1,000
	<u>26,000</u>	<u>26,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
99 'A' Ordinary shares of £1 each	99	150
100 Non-Voting shares of £1 each	100	-
	<u>1,199</u>	<u>1,150</u>

17. Control

The controlling party is Mr J E Wright, by virtue of his holding of 54% of the company's issued voting share capital.