REGISTERED NUMBER: 3509821 (England and Wales)

WORLDWIDE FITTINGS UK LTD

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

Weatherer Bailey Bragg
Chartered Certified Accountants
Registered Auditors
100 Boldmere Road
Sutton Coldfield
West Midlands
B73 5UB



WORLDWIDE FITTINGS UK LTD

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for the year ended 31 December 2000

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WORLDWIDE FITTINGS UK LTD

COMPANY INFORMATION
for the year ended 31 December 2000

DIRECTORS:	J A Sheil M Casey J McCarthy S McCarthy
SECRETARY:	P R Cotterill
REGISTERED OFFICE:	Victoria Chambers 100 Boldmere Road Sutton Coldfield West Midlands B73 5UB
REGISTERED NUMBER:	3509821 (England and Wales)
AUDITORS:	Weatherer Bailey Bragg Chartered Certified Accountants Registered Auditors 100 Boldmere Road Sutton Coldfield West Midlands B73 5UB
BANKERS:	National Westminster Bank plc 1st Floor, 6 Parade Sutton Coldfield West Midlands B72 1QT

WORLDWIDE FITTINGS UK LTD

REPORT OF THE DIRECTORS
for the year ended 31 December 2000

The directors present their report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the sale of hydraulic fittings.

DIRECTORS
The directors during the year under review were:

J A Sheil
M Casey
J McCarthy
S McCarthy

The beneficial interests of the directors holding office on 31 December 2000 in the issued share capital of the company were as follows:

	31/12/00	1/1/00
Ordinary £1 shares		
J A Sheil	3,000	3,000
M Casey	800	800
J McCarthy	1,800	1,800
S McCarthy	2,000	2,000

STATEMENT OF 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then 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
The auditors, Weatherer Bailey Bragg, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:

P Cotterill

P R Cotterill - SECRETARY

Dated: 24 August 2001

WORLDWIDE FITTINGS UK LTD

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF WORLDWIDE FITTINGS UK LTD

We have audited the financial statements on pages four to eight which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors
As described on page two 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 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.

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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Weatherer Bailey Bragg
Chartered Certified Accountants
Registered Auditors
100 Boldmere Road
Sutton Coldfield
West Midlands
B73 5UB

Dated: 24 August 2001

WORLDWIDE FITTINGS UK LTD

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2000

	Notes	31/12/00	31/12/99
		£	£
TURNOVER		**479,002**	149,738
Cost of sales		**359,222**	83,329
GROSS PROFIT		**119,780**	66,409
Administrative expenses		**159,743**	107,426
OPERATING LOSS	2	**(39,963)**	(41,017)
Interest receivable and similar income		**147**	26
		(39,816)	(40,991)
Interest payable and similar charges		**210**	6,278
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(40,026)**	(47,269)
Tax on loss on ordinary activities	3	**-**	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		**(40,026)**	(47,269)
Deficit brought forward		**(107,132)**	(59,863)
DEFICIT CARRIED FORWARD		**£(147,158)**	£(107,132)

The notes form part of these financial statements

WORLDWIDE FITTINGS UK LTD

BALANCE SHEET
31 December 2000

	Notes	31/12/00 £	31/12/00 £	31/12/99 £	31/12/99 £
FIXED ASSETS:					
Tangible assets	4		**13,993**		15,579
CURRENT ASSETS:					
Stocks	5	**109,663**		45,145	
Debtors	6	**150,332**		47,119	
Cash at bank and in hand		**91,386**		11,626	
		351,381		103,890	
CREDITORS: Amounts falling due within one year	7	**77,511**		26,381	
NET CURRENT ASSETS:			**273,870**		77,509
TOTAL ASSETS LESS CURRENT LIABILITIES:			**287,863**		93,088
CREDITORS: Amounts falling due after more than one year	8		**425,021**		190,220
			£(137,158)		£(97,132)
CAPITAL AND RESERVES:					
Called up share capital	9		**10,000**		10,000
Profit and loss account			**(147,158)**		(107,132)
SHAREHOLDERS' FUNDS:			**£(137,158)**		£(97,132)

These financial statements have been 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).

ON BEHALF OF THE BOARD:

J A Sheil - DIRECTOR

Approved by the Board on 24 August 2001

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

1. ACCOUNTING POLICIES

Basis of preparation - going concern
At 31 December 2000 the company's balance sheet as shown on page 5 shows an insolvent position amounting to £128,366(1999:£97,132). At this date the related company's loan account, as disclosed in note 8, totalled £423,557 (1999:£190,220). The related company has given a letter of postponement in respect of this loan and accordingly the directors' consider the going concern basis to be appropriate.

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks
Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. OPERATING LOSS

The operating loss is stated after charging:

	31/12/00	31/12/99
	£	£
Depreciation - owned assets	**1,945**	4,302
Depreciation - assets on hire purchase contracts	**525**	-
Loss on disposal of fixed assets	**5,633**	-
Auditors' remuneration	**1,500**	1,500
Foreign exchange differences	**31,032**	2,614
Directors' emoluments and other benefits etc	**31,020**	36,893

3. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2000 nor for the year ended 31 December 1999.

4. TANGIBLE FIXED ASSETS

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 January 2000	**7,669**	**16,645**	**24,314**
Additions	**10,767**	**-**	**10,767**
Disposals	**-**	**(16,645)**	**(16,645)**
At 31 December 2000	**18,436**	**-**	**18,436**
DEPRECIATION:			
At 1 January 2000	**1,973**	**6,762**	**8,735**
Charge for year	**2,470**	**-**	**2,470**
Eliminated on disposals	**-**	**(6,762)**	**(6,762)**
At 31 December 2000	**4,443**	**-**	**4,443**
NET BOOK VALUE:			
At 31 December 2000	**13,993**	**-**	**13,993**
At 31 December 1999	5,696	9,883	15,579

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery
	£
COST:	
Additions	**3,500**
At 31 December 2000	**3,500**
DEPRECIATION:	
Charge for year	**525**
At 31 December 2000	**525**
NET BOOK VALUE:	
At 31 December 2000	**2,975**

5. STOCKS

	31/12/00	31/12/99
	£	£
Stock	**109,663**	45,145

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/00 £	31/12/99 £
V.A.T.	**10,172**	2,070
Trade debtors	**139,160**	43,549
Employee loan	**1,000**	1,500
	150,332	47,119

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/00 £	31/12/99 £
Hire purchase contracts	**1,147**	-
Trade creditors	**65,058**	15,932
Other creditors	**588**	588
Wages control	**-**	281
Social security & other taxes	**6,948**	7,347
Accrued expenses	**3,770**	2,233
	77,511	26,381

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/00 £	31/12/99 £
Due to related undertaking	**423,557**	190,220
Hire purchase contracts	**1,464**	-
	425,021	190,220

9. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31/12/00 £	31/12/99 £
15,000	Ordinary	£1	**15,000**	15,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/00 £	31/12/99 £
10,000	Ordinary	£1	**10,000**	10,000

10. RELATED PARTY DISCLOSURES

During the year the company traded with World Wide Fittings Inc. of which certain directors of World Wide Fittings UK Limited are also directors, and majority shareholders. The amount of goods, services and additional loan advances from World Wide Fittings Inc. during the year was £233,337(1999:£88,288). The amount due to World Wide Fittings Inc. as at the balance sheet date is shown in note 8.