HOPKINSONS LIMITED
BRITANNIA WORKS
HUDDERSFIELD

ANNUAL

REPORT AND ACCOUNTS

52 WEEKS ENDED 28th DECEMBER 2001

To be presented at the Thirty-seventh Annual General Meeting
of the Company to be held on 26th March 2002

Registered Number 869208

HOPKINSONS LIMITED

N O T I C E I S H E R E B Y G I V E N

that the Annual General Meeting of the Company will be held at the Registered Office of the Company, Britannia Works, Huddersfield on 26th March 2002

1 To receive and adopt the Directors' Report and Accounts for the 52 weeks ended 28th December 2001, and the Auditors' report thereon.

2 To re-elect a Director.

3 To confirm that no Dividend will be paid

4 To authorise the Directors to fix the remuneration of the Auditors.

5 To re-appoint the Auditors

By Order of the Board

Secretary

5th March 2002
Britannia Works
Huddersfield

In accordance with Section 372 of the Companies Act 1985, notice is hereby given that a member entitled to attend and vote at this meeting is entitled to appoint another person, whether a member or not, as his proxy to attend and on a poll to vote in his stead. (The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for holding the meeting).

HOPKINSONS LIMITED

DIRECTORS

I. M. BOYD

J. STEELE

C. ENNIS

R. GRIFFIN

J. WARD

S. SMALLBURN

SECRETARY AND REGISTERED OFFICE

B. SPENCER

BRITANNIA WORKS, HUDDERSFIELD

AUDITORS

ERNST & YOUNG LLP

HOPKINSONS LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their Annual Report, together with the audited Accounts of the Company for the 52 weeks ended 28th December 2001.

Results and Dividends

The loss for the period after taxation was £1,074,000 (2000 - £644,000)

The Directors confirm that no dividend will be paid leaving a balance of £1,074,000 to be deducted from Reserves.

Review of the business

The principal activities of the Company are the manufacture of high and low pressure valves and boiler mountings.

Deterioration in this year's results reflects the fierce competitive nature of the current market place with margin erosion particularly evident on major contracts completed in the year.

Product improvement and development is an important on-going process. Research and development costs are written off in the year in which they are incurred.

Employee Involvement

The Company continues its policy of keeping all its employees informed on matters affecting them. This is carried out through meetings and briefing sessions with both management and trade union or employee representatives and these, together with newsletters, give information on orders, sales, cash, profits, pensions and capital expenditure. The interval between communications varies but is no longer than half-yearly.

Full and fair consideration is given to applications for employment from disabled persons, having regard to their particular aptitudes, abilities and suitability for employment in our industry. No special provision is made for their training or career development, but general facilities are adapted or arranged to meet the needs of the disabled, or employees who become disabled, to allow them to be employed or continue employment in their present or more suitable employment with regard to their disablement. Promotion opportunities are open to all employees irrespective of their disablement.

Supplier Payment Policy

It was the policy of the company to follow the CBI Prompt Payer's Code in the financial year to 28th December 2001. Copies of the Code, which promotes the agreement with and communication to suppliers of clear payment terms, are available from the Confederation of British Industry, Centre Point, 103, New Oxford Street, London WC1A 1DU. At the period end, the Company had an average of 60 days purchases, outstanding in trade creditors (2000-60)

HOPKINSONS LIMITED

DIRECTORS' REPORT

Directors and their Interests

The Directors during the year were

I. M.Boyd	
J. Steele	
C. Ennis	
R.Griffin	
J. Ward	
S. Smallburn	(appointed 11.12.01)
T.L. Hood	(resigned 31.12.01)
K. G. A. Gamble	(resigned 6.11.01)
M. P.Monks	(resigned 31.12.01)
A. L. Esson	(resigned 14.12.01)

K. G. A. Gamble was a Director and Mr. I.M. Boyd is a Director of the Weir Group PLC.

Except as noted below no Director other than those who are Directors of The Weir Group PLC had any interest in the share capital of The Weir Group PLC at any time during the year. Shareholdings of directors who are directors of The Weir Group PLC are noted in that company's accounts. No director has any interest in the shares of Hopkinsons Limited.

In accordance with the Articles of Association, I M. Boyd retires as a Director, and, being eligible, offers himself for re-election.

Auditors

On June 2001, Ernst & Young, the company's auditor, transferred it's entire business to Ernst and Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting

By Order of the Board

Secretary

26th March 2002
Britannia Works
Huddersfield

HOPKINSONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the Directors to prepare accounts for each financial period 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 the period. In preparing those accounts, the Directors are required to:

select suitable accounting policies and then apply them consistently;

state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the accounts;

make judgements and estimates that are reasonable and prudent; and

prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the accounts comply with the above requirements.

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 accounts 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.

HOPKINSONS LIMITED

REPORT OF THE AUDITORS

Independent Auditors' Report to the Members of Hopkinsons Limited

We have audited the company's accounts for the year ended 28th December 2001 which comprise the Profit and Loss Account, Balance Sheet and Cash Flow Statement, and the related notes 1 to 18. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of Directors Responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Accounting 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 28th December and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor

26th March 2002.

HOPKINSONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 28th DECEMBER 2001

		CONTINUING ACTIVITIES	
		2001	2000
	notes	£000	£000
TURNOVER		35,661	35,644
Costs and overheads	2	36,692	35,738
OPERATING PROFIT	3	(1,031)	(94)
Interest and other income	4	(1,044)	(1,174)
LOSS ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS		(2,075)	(1,268)
Gain on disposal of operating division		-	474
		(2,075)	(794)
Taxation	5	1,001	150
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	12	(1,074)	(644)

Notes on pages 10 to 17 are to be read as part of the Accounts
Movements on reserves are shown in Note 12.

A statement of total recognised gains and losses is not presented since there are no recognised gains or losses in the period other than the loss on ordinary activites after taxation amounting to £1,074,000 (2000 £644,000)

HOPKINSONS LIMITED

BALANCE SHEET AT 28th DECEMBER 2001

	notes	At 28.12.01 £000	At 29.12.00 £000
FIXED ASSETS			
Tangible assets	6	6,445	7,169
Investments	7	-	-
		6,445	7,169
CURRENT ASSETS			
Stocks	8	9,430	8,196
Debtors	8	17,365	18,124
Cash at bank and in hand		34	38
		26,829	26,358
CREDITORS (due within one year)	9	8,248	17,120
		18,581	9,238
TOTAL ASSETS AND NET CURRENT ASSETS		25,026	16,407
CREDITORS (due after more than one year)	10	(15,000)	(5,000)
		10,026	11,407
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Tax	5	774	1,081
		9,252	10,326
CAPITAL AND RESERVES			
Called up share capital	11	11,264	11,264
Profit and loss account	12	(3,509)	(2,444)
Revaluation reserve	13	1,497	1,506
EQUITY SHAREHOLDERS' FUNDS		9,252	10,326

Approved by the Board on the 26th March 2002

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) Directors
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Notes on pages 10 to 17 are to be read as part of the accounts

HOPKINSONS LIMITED

CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 28TH DECEMBER 2001

	Note	2001 £000	2000 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	I	81	1,723
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(1,054)	(1,169)
TAXATION - CORPORATION TAX (PAID)/RECEIVED		(90)	1,507
CAPITAL EXPENDITURE			
Sale of tangible assets		460	348
Purchase of tangible assets		(726)	(665)
Disposal of business		-	920
		(266)	603
NET CASH OUTFLOW BEFORE FINANCING		(1,329)	2,664
EQUITY DIVIDENDS PAID		-	-
FINANCING			
Issue of shares		-	-
Lease obligations repaid		-	-
Group loan repaid		(5,361)	-
Group loan received		15,000	-
Net movement in short term borrowings		-	-
		9,639	-
NET CASH INFLOW	II	8,310	2,664

Note I RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001	2000
Operating (loss)/profit	(1,031)	380
Depreciation of tangible fixed assets	1,332	1,437
Profit on disposal of fixed assets and investments	(717)	(133)
Increase in pension prepayments	(324)	(347)
Increase in stocks	(1,234)	(854)
Decrease in operating debtors and prepayments	2,898	312
(Decrease)/increase in operating creditors and accruals	(336)	554
Amount owed to/by group companies	(507)	374
	81	1,723

Note II RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2001	2000
Increase in cash in the period		8,310	2,664
Cash outflow in debt and lease financing		(9,639)	-
Movement in net debt in the period		(1,329)	2,664
Net debt at 29th December 2000		(15,438)	(18,102)
Net debt at 28th December 2001	III	(16,767)	(15,438)

Note III ANALYSIS OF NET DEBT

	2001	2000
Cash	34	38
Overdraft	(1,801)	(10,115)
Short term loans	-	(361)
Long term loans	(15,000)	(5,000)
Total	(16,767)	(15,438)

Notes on pages 10 to 17 are to be read as part of the accounts

HOPKINSONS LIMITED

NOTES ON ACCOUNTS

1 ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are set out below.

Accounting Period

The accounting period to 28th December 2001 includes fifty-two weeks. (Period to 29th December 2000 includes fifty-two weeks)

Accounting Convention

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings. The accounts are prepared in accordance with applicable accounting standards.

Government Grants

Grants related to expenditure on tangible assets are credited to profit at the same rate as the depreciation on the assets to which the grants relate.

Turnover

Turnover represents the value of goods sold and services supplied, excluding value added tax. An analysis of turnover by geographical market has not been disclosed. The Directors are of the opinion that to disclose such information could be seriously prejudicial to the interests of the company.

Depreciation

Depreciation is calculated to write off the cost of all assets, from the date of purchase by equal annual instalments over their estimated useful lives, which are principally as follows:

Freehold and leaseehold buildings	- 2.5% or life of lease if less
Plant and machinery	- 5% to 25%

The surplus arising on revaluation of buildings in 1989 included in the revaluation reserve is amortised over the estimated useful lives of these buildings by transfer to the profit and loss account reserve in annual statements.

Research and Development

Expenditure, except capital expenditure on buildings and plant, on research and development, patents, and trade marks is written off in the year in which it is incurred.

HOPKINSONS LIMITED

NOTES ON ACCOUNTS

Stocks

Stocks are valued at the lower of cost including appropriate production overheads and estimated net realisable value.

Cost comprises direct materials on a first-in, first-out basis and direct labour plus attributable production overheads based on a normal level of activity. Net realisable value is based on estimated selling price less anticipated costs to disposal. Provision is made for all foreseeable losses and, in the case of stocks, due allowance is made for obsolete and slow moving items.

Foreign currency

Monetary assets and liabilities stated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate.

Transactions in foreign currencies are converted at the rate ruling at the date of the transaction. Exchange differences are dealt with through the profit and loss account as they arise.

Deferred taxation

Provision is made for deferred taxation on the liability method, unless there is a reasonable probability that no payment will be made in the foreseeable future.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligation is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under other leases are charged to income on a straight line basis over the lease term.

Pension commitments

On the advice of an independent qualified actuary, contribution payments are made to the scheme to ensure that the schemes' assets are sufficient to cover future liabilities. Pension costs are charged to profit and loss account over the service lives of employees in the scheme and are assessed in accordance with the advice of the actuary. The excess of accumulated pension costs over the contributions paid is shown as a pension prepayment in the balance sheet. In each year interest is added to the provision and charged through the profit and loss account.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of the business and the aggregate fair value of its separable net assets. Purchased goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful life. Goodwill which arose on previous acquisitions has been written off against reserves.

HOPKINSONS LIMITED

NOTES ON ACCOUNTS

		2001	2000
		£000	£000
2	COSTS AND OVERHEADS		
	Cost of sales	29,557	28,987
	Distribution costs	3,907	3,265
	Administration costs	3,870	3,699
	Other operating income	(342)	(213)
		36,992	35,738
	Redundancy costs are included within the above heading as follows		
	Cost of sales	215	85
	Distribution costs	-	-
	Administration costs	-	-
		215	85
3	OPERATING PROFIT IS STATED AFTER CHARGING		
	Hire and lease of plant and equipment	275	259
	Auditors' remuneration - audit services	16	18
	- non audit services	6	24
	Depreciation - purchased assets	1,326	1,430
	- leased assets	6	6
	Research and development costs	530	720
	Staff costs		
	Wages and salaries	12,844	13,263
	Society secutiry costs	1,062	1,116
	Other pension costs	163	175
		14,069	14,554
		£000	£000
	Aggregate emoluments of directors	567	473
	Aggregate compensation for loss of office	62	-
	Number of directors to whom retirement benefits are accruing under:-		
	Defined benefit schemes	7	7
	Highest paid Director		
	Emoluments	137	128
	Total accrued pension at 28th December 2001	41	33

Two directors of the Company including the Chairman, are employed and remunerated by The Weir Group PLC

Two directors exercised share options during the year. J Steele exercised 40,000 at 234p per share and M. Monks exercised 12,371 at 242.5p per share

The average number of employees during the year was 535 (2000 - 589) and 529 (2000 - 584) were based in the United Kingdom.

HOPKINSONS LIMITED

NOTES ON ACCOUNTS

	2001	2000
	£000	£000

4 INTEREST AND OTHER INCOME

Group interest paid	(373)	(337)
Bank interest received	(744)	(837)
	(1,117)	(1,174)
Interest received on ACT	73	-
	(1,044)	(1,174)

5 TAXATION

Profit and loss account

Based on loss on ordinary activities		
for the year at 30% (2000 - 30%)	(641)	(185)
Prior year adjustments	(413)	-
Deferred tax - charge	53	35
	(1,001)	(150)

Deferred Tax

The potential and actual liability for deferred taxation is as follows:

Capital allowances in advance of depreciation	559	655
Other timing differences	524	426
Unutilised tax losses	(309)	
	774	1,081

HOPKINSONS LIMITED

NOTES ON ACCOUNTS

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Plant & Equipment £000	Total £000
COST/VALUATION			
At 29.12.00	2,553	16,996	19,549
Additions	-	725	725
Disposals	(113)	(157)	(270)
At 28.12.01	2,440	17,564	20,004
DEPRECIATION			
At 29.12.00	218	12,162	12,380
Charge	26	1,306	1,332
Disposals	-	(153)	(153)
At 28.12.01	244	13,315	13,559
Net book amount			
At 28.12.01	2,196	4,249	6,445
At 29.12.00	2,335	4,834	7,169

The Company's freehold factory was revalued on an open market value with vacant possession on 21st February 1989 at £2m and has been included in the accounts at this amount. Included within this amount is land valued at £1,162k which is not depreciated. A revalued amount totalling £113k was sold during the year. No provision has been made for capital gains tax on the surplus arising on the revaluation of the freehold land and buildings which may become payable in the future. For freehold land and buildings included at valuation:

	2001 £000	2000 £000
Historical cost	1,127	1,127
Cumulative depreciation based on cost	(632)	(606)
	495	521

The traditional rules of FRS 15 have been adopted for freehold land and buildings which permit the retention of the carrying values at previously revalued amounts. The assets valued in 1989 will not be subject to further revaluation.

Included in the net book value of fixed assets of £6,445k shown above is an amount of £12k relating to assets acquired under finance leases.

Future capital expenditure not provided in the accounts.

	2001 £000	2000 £000
Expenditure contracted	-	-

HOPKINSONS LIMITED

NOTES ON ACCOUNTS

7 INVESTMENTS

The entire issued share capital of the subsidiaries is in the form of £1 nominal value shares all of which is owned by Hopkinsons Limited. All companies are incorporated in Great Britain, registered in England and dormant at the end of the year. The subsidiaries are:-

Hopkinsons Spares and Service Limited
Hopkinsons Sales and Service (South East) Limited
Autotork Controls Limited

8 CURRENT ASSETS	2001 £000	2000 £000
Stocks		
Raw materials	522	346
Work in progress	6,863	7,209
Finished goods	2,045	641
	9,430	8,196
Debtors		
Amounts recoverable within one year		
Trade debtors	10,247	13,164
Amount owed by group companies	3,411	2,755
Prepayments and other debtors	654	260
Advanced corporation tax	-	361
Tax recoverable	1,281	136
Amounts recoverable after one year		
Pension costs	1,772	1,448
	17,365	18,124

9 CREDITORS - (due within one year)	2001 £000	2000 £000
Trade creditors	5,410	5,445
Other taxes and social security costs	313	463
Accruals and other creditors	192	374
Amount owed to Weir Finance Limited	-	361
Amount owed to other Weir group companies	392	222
Amount owed to subsidiary company	140	140
Bank overdraft	1,801	10,115
	8,248	17,120

HOPKINSONS LIMITED

NOTES ON ACCOUNTS

10 CREDITORS - (due after more than one year)

Group loan	15,000	5,000

The group loan is with Weir Finance Limited and is repayable on the 11th December 2006. Interest is payable at 7.49% per annum on the outstanding amount.

11 CALLED UP SHARE CAPITAL	2001 £000	2000 £000
Ordinary Shares of £1 each		
Authorised	12,000	12,000
Allotted and fully paid	11,624	11,624

12 PROFIT AND LOSS ACCOUNT

At 29th December 2000	(2,444)	(1,809)
Loss for the year	(1,074)	(644)
Transfer from revaluation reserve	9	9
At 28th December 2001	(3,509)	(2,444)

13 RECONCILIATION OF SHAREHOLDERS FUNDS

At 29th December 2000	1,506	1,515
Amortisation of property revaluation	(9)	(9)
At 28th December 2001	1,497	1,506

14 RECONCILIATION OF SHAREHOLDERS FUNDS

At 29th December 2000	10,326	10,970
Loss on ordinary activities after taxation	(1,074)	(644)
At 28th December 2001	9,252	10,326

15 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

The commitments under non-cancellable operating leases are as follows:-

	2001		2000	
	Land and Buildings £000	Other £000	Land & Buildings £000	Other £000
Operating leases which expire				
within one year	-	55	-	21
in the second fifth year	-	167	-	228
	-	222	-	249

16 CONTINGENT LIABILITIES

The Company has given a guarantee is relation to the overdraft facilities extended to The Weir Group PLC and certain subsidiary companies. The net debt of the other companies party to these facilities at 28th December 2001 amounted to £ 85,835,000 (2000 - £71,920,000)

The Company has also given guarantees/indemnities to customers amounting to £3,199,000 (2000-£3,212,000)

17 PENSION COMMITMENTS

The Company participates in the Weir Group Pension and Life Assurance Scheme, a defined benefits scheme operated by The Weir Group PLC in the UK. The scheme has a FRS17 deficit as at 28th December 2001. It is not possible to separately identify each UK subsidiary's share of the underlying assets and liabilities in the scheme and hence FRS17 allows the company to account for its contributions to the scheme as if it were a defined contribution scheme. Under FRS17 the pension prepayment currently in the balance sheet will be released and the pension cost charged to the profit and loss account will equate to the contributions payable to the scheme for the year.

All UK Subsidiaries pay the same employer contribution rate which is calculated taking into account the funding level of the entire scheme. A full actuarial valuation of the scheme was carried out at 6th April 2000. Following a review of the financial position of the scheme completed in January 2002 the employer contribution rate increases from 6% to 10.5% of total contribution salaries with effect from March 2002 to maintain the Minimum Funding Requirement. The next actuarial valuation is due as at 6th April 2003.

18 ULTIMATE PARENT COMPANY

The Directors report that The Weir Group PLC is the Company's ultimate Parent Company and ultimate controlling party. This is the only parent undertaking for which group accounts are drawn up and of which the company is a member. The Company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of The Weir Group PLC group. The address from which copies of these group accounts are available to the public is: The Weir Group PLC, 149 Newlands Road, Cathcart, Glasgow, G44 4EX