

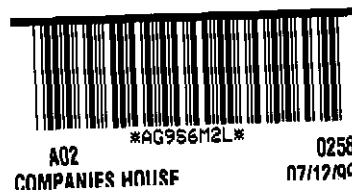
**THE NORTH EASTERN
IRON REFINING COMPANY**



**THE NORTH EASTERN IRON REFINING COMPANY
LIMITED**

ACCOUNTS - 31 DECEMBER 1998

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS



THE NORTH EASTERN IRON REFINING COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1998

1. BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention and in accordance with UK accounting standards.

b) Tangible fixed assets

The company has not traded during the year and accordingly no profit and loss account is included within these accounts.

2. DEBTORS

The debtor of £472,793 is receivable from the parent company (Note 4). This amount is due within one year.

3. CALLED-UP SHARE CAPITAL

Authorised:	1998	1997
37,104 Ordinary shares of £1 each	£37,104	£37,104
20,000 10% redeemable preference shares of £1 each	20,000	20,000
Allotted, called-up and fully-paid:		
37,104 ordinary shares of £1 each	£37,104	£37,104

4. PARENT AND ULTIMATE PARENT COMPANY:

The Company is a wholly-owned subsidiary of Metabrasive Limited, a Company incorporated in the UK. The ultimate parent company is Compagnie Générale d'Industrie et de Participations, 89 rue Taitbout, 75009, Paris, France

BALANCE SHEET - 31 DECEMBER 1998

	NOTE	1998	1997	NOTE	1998	1997
LIABILITIES						
CAPITAL & RESERVES						
Called up share capital	3	37,104	37,104			
Capital redemption reserve		20,000	20,000			
		<u>415,689</u>	<u>415,689</u>			
		<u>£ 472,793</u>	<u>£ 472,793</u>			
CURRENT ASSETS						
Debtors	2				472,793	472,793

The company was dormant throughout the financial year.

SIGNED ON BEHALF OF THE BOARD



Mr A Palmer

Approved by the Board of Directors on 22 SEPTEMBER 1999

The accompanying notes are an integral part of this balance sheet

THE NORTH EASTERN IRON REFINING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1998

The directors present their report on the affairs of the Company, together with the accounts and auditors' report for the year ended 31 December 1998.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW :

The Company has not traded during the year

DIRECTORS AND THEIR INTERESTS :

The directors who served during the year were -

Mr A Palmer
Mr C D Scarrott

The directors do not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

AUDITORS :

The directors will place a resolution before the Annual General Meeting not to appoint auditors for the ensuing year, in accordance with Section 250 of the Companies Act 1985.

BY ORDER OF THE BOARD

Capponfield Works
Bilston
West Midlands
WV14 0RJ



Mr A Palmer
Secretary