

PIPE & TUBE SUPPLIES LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

31 December 1998

Registered number : 668370

KIDSONS IMPEY

CHARTERED ACCOUNTANTS

MANCHESTER



PIPE & TUBE SUPPLIES LIMITED

COMPANY INFORMATION

31 December 1998

DIRECTORS

R E Dugard
D Neylon (retired 30 June 1998)
S Storer
W H Johnson (appointed 3 February 1999)

SECRETARY

W H Johnson

REGISTERED OFFICE

New Progress Works
Crompton Way
Bolton
BL1 8TY

AUDITORS

Kidsons Impey
Devonshire House
36 George Street
Manchester
M1 4HA

PIPE & TUBE SUPPLIES LIMITED

DIRECTORS' REPORT

31 December 1998

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 1998.

Principal Activities

The company did not trade during the year and accordingly has made neither a profit nor a loss.

Financial Position

The company's balance sheet as detailed on page 4 shows a satisfactory position.

Year 2000

Many computer and digital systems express date using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruptions. The company does not use a computer system and therefore the Year 2000 is not expected to affect the company.

Euro

The introduction of the euro is not expected to have a significant impact to the company.

Directors

The directors who have served during the period were:

R E Dugard

D Neylon (retired 30 June 1998)

S Storer

W H Johnson (appointed 3 February 1999)

The directors have no beneficial interest in the share capital of the company. Their interests in the share capital of the holding company are shown in that company's financial statements.

PIPE & TUBE SUPPLIES LIMITED

DIRECTORS' REPORT

31 December 1998

Statement of Directors' Responsibilities

We are required under company law to prepare accounts 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 these accounts we are required to:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- state whether accounting standards have been followed, and give details of any departures
- prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business.

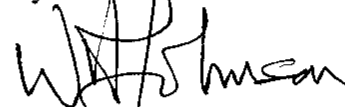
We are also responsible for:

- keeping proper accounting records
- safeguarding the company's assets
- taking reasonable steps for the prevention and detection of fraud.

Auditors

A resolution to reappoint Kidsons Impey as auditors to the company will be proposed at the forthcoming annual general meeting.

By Order of the Board



W H Johnson
Secretary

New Progress Works
Crompton Way
Bolton
BL1 8TY

25 February 1999

PIPE & TUBE SUPPLIES LIMITED

AUDITORS' REPORT

Auditors' report to the members of Pipe and Tube Supplies Limited

We have audited the financial statements on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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 these statements and to report our opinion to you.

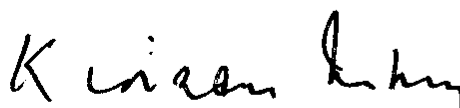
Basis of opinion

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 at 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditors
Chartered Accountants

Devonshire House
36 George Street
Manchester
M1 4HA

15 March 1999

PIPE & TUBE SUPPLIES LIMITED

BALANCE SHEET

at 31 December 1998

	1998 £	1997 £
Current Assets		
Amounts owed by parent undertaking	500	500
Represented by :		
Called up share capital (equity)		
Authorised - 500 ordinary shares of £1 each		
Issued, Allotted and Fully paid		
- 500 ordinary shares of £1 each	500	500

The company was dormant throughout the financial year. The financial statements were approved by the Board Directors on 25 February 1999.

R E Dugard

} Director



PIPE & TUBE SUPPLIES LIMITED
NOTES ON THE FINANCIAL STATEMENTS
at 31 December 1998

1. Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historic cost accounting convention and in accordance with applicable accounting standards.

b) Cash Flow Statements

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No.1 on the grounds that it is entitled to the exemptions available in sections 246 to 247 of the Companies Act 1985 for small companies.

2. Ultimate Parent Company

The ultimate parent company and ultimate controlling party is Benteler A G, a company incorporated and registered in Germany. Copies of the financial statements of the ultimate parent company can be obtained from Residenzstrasse 1, 33104 Paderborn, Germany.

United Tube Stockholders Limited, an intermediate parent company registered in England and Wales, prepares consolidated accounts. These can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

3. Related Parties

The company has taken advantage of the exemptions contained in Financial Reporting Standard No. 8 from disclosing group transactions on the grounds that 100% of the company's voting rights are controlled within the group.