

SENTINEL GARDEN PRODUCTS LIMITED

Report and Financial Statements

31 December 2004

**Deloitte & Touche LLP
Leeds**



SENTINEL GARDEN PRODUCTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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SENTINEL GARDEN PRODUCTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J.A. Buckingham
D.J.C. Berten

SECRETARY

J.A. Buckingham

REGISTERED OFFICE

P O Box 119
Shepcote Lane
Sheffield
S9 1TY

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

SENTINEL GARDEN PRODUCTS LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company did not trade during the year, but received investment income, incurred interest on a loan from another group company and made a provision to cover the impairment of its investment in a subsidiary undertaking.

The company made a profit for the year of £45,000.

No dividend is proposed.

DIRECTORS AND THEIR INTERESTS

The directors of the company are listed below:

D.J.C. Berten (appointed 1 March 2005)

J.A. Buckingham

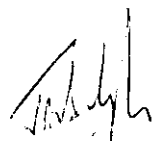
D.R. Hawkes (resigned 1 March 2005)

None of the directors has any interest which is required to be disclosed under Section 234 of the Companies Act 1985.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



J.A. Buckingham

Secretary

24 October 2005

SENTINEL GARDEN PRODUCTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed;
- *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 enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SENTINEL GARDEN PRODUCTS LIMITED

We have audited the financial statements of Sentinel Garden Products Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 7. These financial statements have been prepared under 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 company's 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 the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of 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.

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 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Leeds

31 October 2005

SENTINEL GARDEN PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2004

	Note	2004 £'000	2003 £'000
Impairment losses in respect of subsidiary undertakings	4	(1,341)	-
Investment income		1,450	-
Profit on ordinary activities before interest		109	-
Interest payable to another group company		(64)	-
Profit on ordinary activities before taxation	2	45	-
Tax on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL YEAR	6	45	-

There are no recognised gains and losses in either year other than the profit for the year, accordingly no Statement of Total Recognised Gains and Losses is presented.

The accompanying notes are an integral part of this profit and loss account.

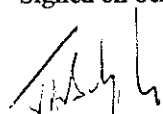
SENTINEL GARDEN PRODUCTS LIMITED

BALANCE SHEET 31 December 2004

	Note	2004 £'000	2003 £'000
FIXED ASSETS			
Investments	4	444	1,785
CREDITORS: amounts falling due after more than one year			
Amounts owed to group undertakings		(398)	(1,784)
NET ASSETS		<u>46</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital			
Share capital allotted and fully paid	5	1	1
Profit and loss account		45	-
	6	<u>46</u>	<u>1</u>
EQUITY SHAREHOLDER'S FUNDS			

These financial statements were approved by the Board of Directors on 24 October 2005.

Signed on behalf of the Board of Directors



J. A. Buckingham
Director

The accompanying notes are an integral part of this balance sheet

SENTINEL GARDEN PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2004

1. ACCOUNTING POLICIES

The principal accounting policies are set out below. These have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. No cash flow statement has been provided as the company is a wholly-owned subsidiary of N.V. Bekaert S.A., a company incorporated in Belgium, which prepares consolidated financial statements which are publicly available. Group financial statements have not been presented as permitted by Section 228 of the Companies Act 1985.

Taxation

Current tax is provided at amounts expected to be paid (or recovered). Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Both current and deferred tax are measured using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Investments in subsidiary undertakings

Investments in subsidiary undertakings including loans are stated at cost less provisions for impairment.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the year but received investment income and made a provision to cover the impairment of its investment in a subsidiary undertaking.

No emoluments were received by the directors (2003: nil) who held office during the year in respect of their services as directors of the company.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

The differences between the current tax charge and the amount calculated by applying the standard rate of UK corporation tax to the profit on ordinary activities before tax is as follows:-

	2004 £'000	2003 £'000
Profit on ordinary activities before taxation	45	-
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2003 - 30%)	14	-
Effects of:		
Group relief	19	-
Non-deductible impairment losses	402	-
Non-taxable group income	(435)	-
Tax on profit on ordinary activities	-	-

SENTINEL GARDEN PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

At 31 December 2004 and 31 December 2003, there were no recognised deferred tax assets or liabilities.

4. FIXED ASSET INVESTMENTS

The movement in the year was as follows:

	Shares in subsidiary companies £'000	Loans to subsidiary companies £'000	Total £'000
Cost			
At 1 January 2004 and 31 December 2004	1,785	6,078	7,863
Provision for impairment losses			
At 1 January 2004	-	6,078	6,078
Charge	1,341	-	1,341
At 31 December 2004	1,341	6,078	7,419
Net book value			
At 31 December 2004	444	-	444
At 31 December 2003	1,785	-	1,785

At 31 December 2004, the subsidiary undertakings were as set out below. All these subsidiary undertakings were 100% owned and incorporated in the United Kingdom.

Nature of Business

Direct subsidiaries

Barnards Limited	Dormant
Sentinel Wire Fencing Limited	Dormant
Sentinel (Wire Products) Limited	Dormant
Taylor Sharp Wire Limited	Dormant
TWIL Company	Dormant

Indirect subsidiaries – held by Barnards Limited

Rylands-Whitecross Limited	Dormant
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Indirect subsidiaries – held by TWIL Company

Tinsley Wire Limited	Dormant
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At 31 December 2004, the company also owned 50% of the issued share capital of Netlon Sentinel Limited (a company incorporated in the United Kingdom) and had a 50% indirect interest in European Bridge Wire Limited through its holding in Rylands-Whitecross Limited.

5. CALLED-UP SHARE CAPITAL

	2004 £'000	2003 £'000
Authorised, allotted, called-up and fully paid		
1,000 ordinary shares of £1 each	1	1

SENTINEL GARDEN PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2004 £'000	2003 £'000
Profit for the financial year	45	-
Opening equity shareholder's funds	<u>1</u>	<u>1</u>
Closing equity shareholder's funds	<u>46</u>	<u>1</u>

7. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is N.V. Bekaert S.A., a company incorporated in Belgium, which heads the only group in which the results of Sentinel Garden Products Limited are consolidated. The consolidated financial statements of this group are available to the public and may be obtained from N.V. Bekaert S.A., Corporate Communication, President Kennedypark 18, BE-8500 Kortrijk, Belgium and are also available on the internet.