

BENTELER (UK) LIMITED

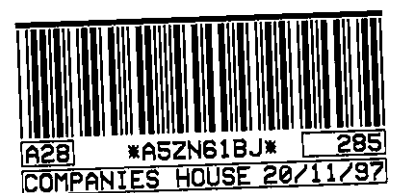
STATEMENT OF ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 1996

COMPANY NUMBER: 2172472

F M C B
Chartered Accountants
Hathaway House
Popes Drive
Finchley
London N3 1QF



AUDITORS' REPORT

1.

TO BENTELER (UK) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Benteler (UK) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1996.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st December 1996 and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 3 March 1997 we reported, as auditors of Benteler (UK) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1996 and our audit report was as follows:

"We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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.

continued.../

AUDITORS' REPORT

1a.

TO BENTELER (UK) LIMITED PURSUANT TO PARAGRAPH 24 OF

SCHEDULE 8 TO THE COMPANIES ACT 1985

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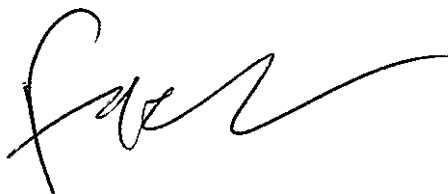
BASIS OF OPINION

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 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985".



F M C B
Chartered Accountants and
Registered Auditor
Hathaway House
Popes Drive
Finchley
London N3 1QF

3 March 1997

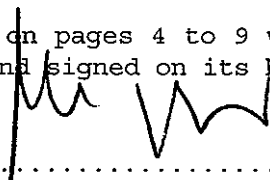
ABBREVIATED BALANCE SHEET AT 31ST DECEMBER 1996

<u>FIXED ASSETS</u>	<u>Notes</u>		<u>1995</u>
Tangible Assets	5	28,128	37,572
<u>CURRENT ASSETS</u>			
Debtors		18,122	81,111
Cash at bank and in hand		486,287	364,253
		-----	-----
		504,409	445,364
<u>CREDITORS</u>			
Amounts falling due within one year		425,505	379,776
		-----	-----
Net Current Assets		78,904	65,588
		-----	-----
<u>NET ASSETS</u>		£107,032	£103,160
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	3	100,000	100,000
Profit and Loss Account		7,032	3,160
		-----	-----
		£107,032	£103,160
		=====	=====

The notes on pages 3 and 4 form part of these Accounts.

The directors have taken advantage of the exemptions conferred by Part III, Schedule 8 of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small sized company.

The full financial statements on pages 4 to 9 were approved by the Board of Directors on 16 January 1997 and signed on its behalf by:

.....

E Mager

.....

R Fuess

Directors

30 January 1997

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS FOR THE
YEAR ENDED 31ST DECEMBER 1996

1. ACCOUNTING POLICIES

There have been no changes in accounting policies during the year.

The accounts have been prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life on a straight line basis:

	<u>Annual Rate</u>
Leasehold Property	4%
Computer	25%
Fixtures and Fittings	15%
Vehicles	25%

Turnover

Turnover represents commission receivable.

Pension Contributions

The costs of providing pensions for the company's employees are taken into account in arriving at the operating profit, in the year during which the company derives benefit from the employees services.

Cashflow Statement

The company is exempt from preparing the cash flow statement on the grounds of its size.

2. FOREIGN CURRENCY

Assets and Liabilities in foreign currencies are converted at the rate of exchange ruling at the date of transaction.

<u>SHARE CAPITAL</u>	<u>1996</u>	<u>1995</u>
Authorised, Issued and Fully Paid:		
100,000 Ordinary Shares of £1 each	£100,000	£100,000
	=====	=====

4. ULTIMATE PARENT COMPANY

Benteler Aktiengesellschaft, incorporated in West Germany is regarded as the company's ultimate parent company.

NOTES CONTINUED

5.	<u>TANGIBLE ASSETS</u>	<u>Leasehold</u>	<u>Computer</u>	<u>Fixtures</u>	<u>Vehicles</u>	<u>Total</u>
		<u>Land and</u>		<u>and</u>		
	<u>Cost</u>	<u>Buildings</u>		<u>Fittings</u>		
	At beginning of year	6,688	6,669	11,862	49,103	74,322
	Additions	-	4,950	778	-	5,728

	At end of year	£6,688	11,619	12,640	49,103	80,050
		=====				
	<u>Depreciation</u>					
	At beginning of year	6,688	3,899	10,524	15,639	36,750
	Charge for year	-	2,328	568	12,276	15,172

	At end of year	£6,688	6,227	11,092	27,915	51,922
		=====				
	<u>Net Book Value</u>					
	At 31st December 1996	£ -	5,392	1,548	21,188	28,128
		=====				
	At 31st December 1995	£ -	2,770	1,338	33,464	37,572
		=====				