

Stainless Steel Tubes Limited

Annual report and financial statements
for the year ended 31 December 2002

Registered number: 3193046



Directors' report

For the year ended 31 December 2002

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 December 2002.

Principal activity and business review

The company did not trade during this or the previous year.

The directors have no current intentions for the company to recommence trading in the foreseeable future.

Directors and their interests

The directors who served during the year and subsequently were as follows:

P N Baldrey

R L Burdett

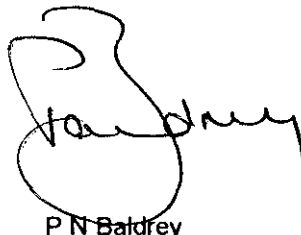
None of the directors have any interests in the shares of the company. P N Baldrey and R L Burdett are also directors of the parent undertaking and their interests in its share capital are disclosed in the financial statements of that company.

Auditors

Arthur Andersen resigned as auditors on 31 July 2002. Deloitte & Touche were appointed to fill the resulting vacancy. On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 16(5) of the Companies Act 1989. The directors will place a resolution before the Annual General Meeting to appoint Deloitte & Touche LLP as auditors for the ensuing year.

Hay Hall Works
Redfern Road
Tyseley
Birmingham
West Midlands
B11 2BE

By order of the Board,



P N Baldrey

Secretary

28 October 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 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, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

Independent auditors' report

To the Shareholders of Stainless Steel Tubes Limited

We have audited the financial statements of Stainless Steel Tubes Limited for the year ended 31 December 2002, which comprise the balance sheet and the related notes numbered 1 to 6. 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 Director's 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 to you 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 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 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 circumstances of the company, 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.

Independent auditors' report

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 2002 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

Birmingham

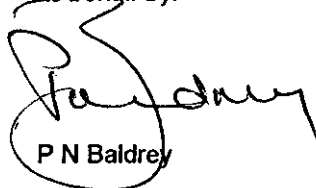
29 October 2003

Balance sheet

31 December 2002

	Notes	2002 £'000	2001 £'000
Current assets			
Creditors: Amounts falling due after more than one year	2	<u>(1,236)</u>	<u>(1,236)</u>
Net liabilities		<u>(1,236)</u>	<u>(1,236)</u>
Capital and reserves			
Called-up share capital	4	-	-
Profit and loss account	3	<u>(1,236)</u>	<u>(1,236)</u>
Total shareholders' deficit - all equity		<u>(1,236)</u>	<u>(1,236)</u>

The financial statements on pages 5 to 7 were approved by the board of directors on 28 October 2003 and signed on its behalf by:



P N Baldrey

Director

28 October 2003

The accompanying notes are an integral part of this balance sheet.

Notes to financial statements (continued)

31 December 2002

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption allowed by Financial Reporting Standard 1 not to prepare a cash flow statement because the company's results are included in the publicly available consolidated financial statements of the parent undertaking.

The accounts have been prepared on a going concern basis as the ultimate parent company has undertaken to continue to provide the company with sufficient financial support to meet its liabilities as they fall due for the foreseeable future.

2 Creditors: Amounts falling due after more than one year

	2002 £'000	2001 £'000
Amounts owed to the parent undertaking	<u>1,236</u>	<u>1,236</u>

The ultimate parent company has undertaken not to require repayment of the above balance and to continue to provide the company with sufficient financial support to meet its liabilities as they fall due for the foreseeable future.

3 Reserves

	£'000
Profit and loss account	
At the beginning and end of the year	<u>(1,236)</u>

4 Called-up share capital

	2002 £'000	2001 £'000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
<i>Allotted, called-up and fully paid</i>		
2 ordinary shares of £1 each	<u>-</u>	<u>-</u>

Notes to financial statements (continued)

31 December 2002

5 Related party disclosures

In accordance with Financial Reporting Standard 8, transactions with other members of the group headed by The Hay Hall Group Limited are not disclosed because 100% of the voting rights of the company are controlled within the group for which consolidated financial statements are publicly available.

6 Ultimate parent company

The company's ultimate and immediate parent undertaking is The Hay Hall Group Limited, a company registered in England and Wales. Copies of the group financial statements can be obtained from The Hay Hall Group Limited, Group Headquarters, PO Box 5114, Redfern Road, Tyseley, Birmingham, B11 2DQ.