

DURHAM TUBE LIMITED
Registered No. SC38309

ACCOUNTS - 31 DECEMBER 1998
TOGETHER WITH DIRECTORS' REPORT

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DURHAM TUBE LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report and accounts for the year ended 31 December 1998.

BUSINESS REVIEW:

The Company has not traded during the year and accordingly no Profit and Loss Account is presented. There is no current intention that it should trade in the future. Any expenses have been met by the ultimate holding company, Senior Engineering Group plc.

DIRECTORS:

The following Directors have held office during the year:

T B Garthwaite
F H Fermor
N V Turnbull

The directors who held office at 31 December 1998 had no interests in the shares of the Company, other than by virtue of their interests (which are all beneficial) in the shares of Senior Engineering Group plc. The interests of T B Garthwaite and N V Turnbull are disclosed in the accounts of Senior Engineering Group plc. The interests of F H Fermor in the 10p ordinary shares of Senior Engineering Group plc are as follows:

	Shares 31 December 1998	Shares 31 December 1997
F H Fermor	300,000	150,000

Performance Awards under the Senior Engineering Group Long Term Share Incentive Scheme were granted to F H Fermor in January 1997 in respect of 17,250 shares at 120p per share and in January 1998 in respect of 16,050 shares at 140p per share. These awards have potential release three years after grant.

At 31 December 1998 F H Fermor held the following options to subscribe for shares in Senior Engineering Group plc:

	31 December 1998	31 December 1997	Exercise period	Subscription price (pence)
Executive options	45,192	45,192	7 years to 6 May 2002	78.38
Sharesave options	10,156	10,156	6 months to 30 June 2000	96.00

AUDITORS:

The Directors are of the opinion that the Company satisfies the conditions laid down in Section 250 of the Companies Act 1985 and that it is entitled to the benefits of the exemptions for individual accounts applicable in the case of a small company which has been dormant since the end of the financial year. Accordingly the provisions of Section 384 of the Companies Act 1985 do not apply and no Auditors will be appointed until such time as the Company is no longer dormant.

Registered Office

Senior House
59/61 High Street
Rickmansworth
Herts WD3 1RH

8 March 1999

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'F H Fermor', with a long horizontal flourish extending to the right.

F H Fermor
Secretary

DURHAM TUBE LIMITED

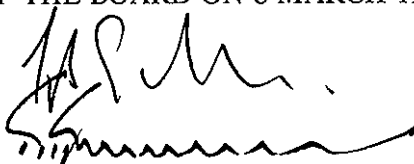
BALANCE SHEET - 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
CURRENT ASSETS			
Due from parent	1	<u>300,000</u>	<u>300,000</u>
CAPITAL AND RESERVES			
Called up share capital	2	200,000	200,000
Capital redemption reserve		<u>100,000</u>	<u>100,000</u>
		<u>300,000</u>	<u>300,000</u>

The Company was dormant, within the meaning of Section 250 of the Companies Act 1985, throughout the financial year ending 31 December 1998.

APPROVED ON BEHALF OF THE BOARD ON 8 MARCH 1999.

T B Garthwaite)
) Directors
F H Fermor)



NOTES TO THE BALANCE SHEET - 31 DECEMBER 1998

1. OWNERSHIP OF THE COMPANY:

The Company is a wholly-owned subsidiary undertaking of Senior Engineering Investments Limited, a company registered in England and Wales.

The Company's ultimate holding company is Senior Engineering Group plc, a company registered in England and Wales.

2. CALLED UP SHARE CAPITAL:

The share capital comprises 300,000 authorised ordinary shares of £1 each of which 200,000 are issued and fully paid.

3. DIRECTORS' REMUNERATION:

None of the Directors received any emoluments from the Company during the year.

4. PROFIT AND LOSS ACCOUNT:

The Company did not trade during either of the last two financial years and accordingly no Profit and Loss Account is presented.