

Company Registered No. 00032668

**STEEL BROTHERS AND COMPANY LIMITED**

**DIRECTORS' REPORT  
AND  
FINANCIAL STATEMENTS  
31 DECEMBER 1999**



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**STEEL BROTHERS AND COMPANY LIMITED**

**REPORT AND FINANCIAL STATEMENTS 1999**

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**STEEL BROTHERS AND COMPANY LIMITED**

**1**

**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

T V Lakshmikanthan  
G M K Lodhi  
J A Melrose

**Secretary**

J A Melrose

**Registered Office**

75 Westow Hill  
London SE19 1TX

**Solicitors**

Butcher Burns  
Beaumont House  
47 Mount Pleasant  
London WC1X OAE

**Auditors**

Chandler & Georges  
Chartered Accountants  
75 Westow Hill  
Crystal Palace  
London SE19 1TX

## DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 1999.

## PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company owns land and buildings in Myanmar and did not carry out any business in the United Kingdom. No changes are anticipated in its activities in the short term.

## RESULTS AND DIVIDEND

The results for the year are set out in the attached accounts.

As stated in note 6 to the accounts the company declared and distributed in specie a dividend of £3,980,920 on 30 April 1999.

## DIRECTORS

The present directors of the company are shown on page 1.

## DIRECTOR'S INTERESTS

In accordance with the register maintained for the purposes of sections 324 to 328 Companies Act 1985 none of the directors had any interests requiring disclosure.

## AUDITORS

A resolution for the re-appointment of Messrs Chandler & Georges, Chartered Accountants is to be proposed at the forthcoming Annual General Meeting.

By order to the Board



J A Melrose  
Secretary

6 April 2001

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
IN RESPECT OF THE FINANCIAL STATEMENTS**

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 and of the profit or loss 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF  
STEEL BROTHER AND COMPANY LIMITED**

We have audited the financial statements on pages 5 to 9.

**Respective responsibilities of directors and auditors**

As described on page 3 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.

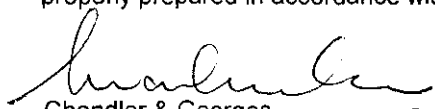
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards. 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 1999 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chandler & Georges  
Chartered Accountants & Registered Auditors

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1999**

	Note	1999 £'000	1998 £'000
Net operating loss	2	(7)	(4)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(7)	(4)
Tax on loss on ordinary activities	4	—	—
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(7)</u>	<u>(4)</u>

As a result of contractual difficulties with the tenants, no rent was collected or provided for by the Myanmar branch.

Movements on reserves are set out in note 9.

The company's results are all from continuing operations.

A statement of recognised gains and losses is not shown separately as the company has no recognised gains and losses other than those passing through the profit and loss account.

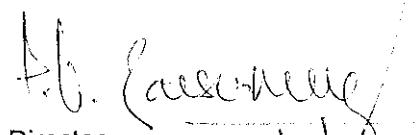
**RECONCILIATION OF MOVEMENT IN SHAREHOLDER' S FUNDS**

	1999 £'000	1998 £'000
Loss for the financial year	(7)	(4)
Opening shareholders' funds	<u>4089</u> 4082	<u>4093</u> 4089
Dividend	(3981)	—
Closing shareholders' funds	<u>101</u>	<u>4089</u>

**BALANCE SHEET**  
**31 DECEMBER 1999**

	Note	1999 £'000	1998 £'000
<b>FIXED ASSETS</b>			
Tangible assets	5	<u>1</u>	<u>1</u>
<b>CURRENT ASSETS</b>			
Debtors	6	78	4061
Cash at bank	10	<u>22</u>	<u>28</u>
		100	4089
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>(--)</u>	<u>(1)</u>
<b>NET CURRENT ASSETS</b>		<u>100</u>	<u>4088</u>
<b>NET ASSETS</b>		<u>101</u>	<u>4089</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	10	10
Other reserves	9	52	4033
Profit and loss account	9	<u>39</u>	<u>46</u>
		<u>101</u>	<u>4089</u>

Approved by the board on

  
 Director  
 6/4/01



**NOTES TO THE ACCOUNTS  
31 DECEMBER 1999**

**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

**Basis of preparation**

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

The company is exempt from the requirements of Financial Reporting Standard Number 1 to prepare a cash flow statement as it is a wholly owned subsidiary of Somerton Trading Group S A and its cash flows are included within the consolidated cash flow statement of that company.

**Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions.

All assets and liabilities nominated in foreign currencies are translated into sterling at the rates ruling at the end of the financial year and the resulting exchange differences are dealt with in the determination of profit for the financial year.

**2. NET OPERATING LOSS**

This is stated after (charging)/crediting

	1999 £'000	1998 £'000
Exchange gain (loss)	1	(2)
	<hr/>	<hr/>

**3. EMPLOYEES AND DIRECTORS' REMUNERATION**

The company did not employ any staff in 1999 and 1998.

The directors received no fees during 1999 and 1998.

**4. TAXATION**

Due to continuing trading losses, the company had no liability to UK Corporation tax or the overseas tax for the years 1999 & 1998.

**NOTES TO THE ACCOUNTS**  
**31 DECEMBER 1999**

**5. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £'000
Cost	
At 1 January and 31 December 1999	158
Depreciation	
At 1 January and 31 December 1999	<u>157</u>
Net book value at	
31 December 1999	<u>1</u>
31 December 1998	<u>1</u>

**6. DEBTORS**

	1999 £'000	1998 £'000
Debtors	78	4061
	<u>      </u>	<u>      </u>

The company declared and paid a dividend of £3,980,920 by distribution "in specie" by transferring the Loan Stock to its immediate parent company, Bricom Holdings Limited.

**7. CREDITORS**

	1999 £'000	1998 £'000
Amounts falling due within one year		
Other creditors and accruals	<u>      </u>	<u>1</u>

**NOTES TO THE ACCOUNTS**  
**31 DECEMBER 1999**

**8. CALLED UP SHARE CAPITAL**

	1999 £'000	1998 £'000
Authorised		
2,710,000 ordinary shares of £1 each	<u>2710</u>	<u>2710</u>
Balance at 31 December	<u>2710</u>	<u>2710</u>
Allocated, issued and fully paid ordinary shares of £1 each	<u>10</u>	<u>10</u>

**9. RESERVES**

	Profit & Loss Account £'000	Other Reserves £'000
Balance at 1 January 1999	46	4033
Dividend		(3981)
Loss for the year	<u>(7)</u>	<u>--</u>
Balance at 31 December 1999	<u>39</u>	<u>52</u>

**10. NET ASSETS OVERSEAS**

Cash at bank and in hand comprises fund, which are not readily remittable, held in the following country:

	1999 £'000	1998 £'000
Myanmar	<u>22</u>	<u>28</u>

The company is unable to dispose of its properties in Myanmar due to the local statutory restrictions.

**11. ULTIMATE HOLDING COMPANY**

The ultimate company is Somerton Trading Group S.A. a company registered in the British Virgin Islands.