

**Firsteel Steel Processing Limited**

**Directors' report and consolidated  
financial statements**

**30 September 1993**

**Registered number 39563**



# Firststeel Steel Processing Limited

## Directors' report and consolidated financial statements

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# Firsteel Steel Processing Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 1993.

### Principal activities

The principal activities of the group consist of the manufacture of precision cold rolled steel strip and precoated aluminium and steel strip and the processing and distribution of a total range of wide steel strip products.

### Business review

The financial statements for the year ended 30 September 1993 show a profit on ordinary activities before taxation of £2,269,000 (1992:loss £7,182,000). After a taxation charge of £1,000 (1992:£33,000) there is a profit attributable to shareholders of £2,268,000 (1992:loss £7,215,000).

Total dividends for the year amount to £1,426,000 (1992:£4,138,000) and the retained profit is £842,000 (1992:deficit £11,353,000).

### Significant changes in fixed assets

Details of the fixed assets and the changes which have taken place during the year are given in the notes to the financial statements.

### Directors and directors' interests

The directors who held office during the year were as follows:

TL Adams (Chairman)  
JV Palmer  
GH Craine  
TR Dell  
RK Hammond  
NJ Oseland  
AA Vurlan

The interest of TL Adams and JV Palmer are disclosed in the directors' report of Firsteel Holdings Limited.

The interests of GH Craine are disclosed in the directors' report of Firsteel Group Limited.

# Firsteel Steel Processing Limited

## Directors' report

### Directors and directors' interests *(continued)*

The other directors who held office at the end of the financial year had the following interests in Firsteel Holdings Limited, the company's ultimate holding company, as recorded in the register of director's share and debenture interests:

	Interest at end of year	Interest at beginning of year
<i>A Ordinary shares of 1p fully paid</i>		
TR Dell	9,251	9,167
RK Hammond	9,251	9,167
NJ Oseland	5,251	9,167
AA Vurlan	9,251	9,167

According to the register of directors' interests, no right to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### Statement of directors' responsibilities

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 group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the group 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 the group and to 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Firsteel Steel Processing Limited

## Directors' report

### Employment of disabled persons

The group gives full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities, and wherever possible the group continues the employment of, and arranges for the appropriate training for, employees who become disabled persons while employed by the group. Disabled employees are treated no differently from other employees as regards training, career development and promotion opportunities. This policy was operated by the group, where appropriate, throughout the year.

### Employee involvement

The group has maintained arrangements by way of discussion meetings and the distribution of information annually and periodically, as relevant, aimed at promoting the co-operation and involvement of its employees in the future of the business.

### Political and charitable contributions

The group made no political contributions during the year. Donations to UK charities amounted to £483 (1992:£584).

### Liability insurance

During the year the company maintained liability insurance for its directors and officers.

### Auditors

Further to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG Peat Marwick will therefore continue in office.

By order of the board

**GH Craine**  
*Director*

Brockhurst Crescent  
Bescot  
Walsall  
West Midlands  
WS5 4AX

2 December 1993

The Fountain Precinct  
1 Balm Green  
Sheffield  
S1 3AF

## Report of the auditors to the members of Firsteel Steel Processing Limited

We have audited the financial statements on pages 5 to 29.

### 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.

### 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 affairs of the company and the group as at 30 September 1993 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Walter Pearce-Harrison*  
Chartered Accountants  
Registered Auditors  
2 December 1993

Sheffield

# Firsteel Steel Processing Limited

Consolidated profit and loss account  
for the year ended 30 September 1993

	Note	1993 £000	1992 as restated £000
Turnover	2	54,573	54,029
Cost of sales		(46,049)	(50,090)
Gross profit			
Distribution costs and administrative expenses	3	8,524 (6,110)	3,939 (7,957)
Trading profit/(loss)		2,414	(4,018)
Loss on disposal of subsidiary undertakings		-	(2,605)
Profit on disposal of tangible fixed assets and assets held for realisation		-	310
Income from fixed asset investments	7	5	4
Other interest receivable and similar income	8	1	43
Interest payable and similar charges	9	(151)	(916)
Profit/(loss) on ordinary activities before taxation	4-6	2,269	(7,182)
Tax on profit/(loss) on ordinary activities	10	(1)	(33)
Profit/(loss) on ordinary activities after taxation		2,268	(7,215)
Dividends paid and proposed		(1,426)	(4,138)
Retained profit/(loss) for the financial year		842	(11,353)

In both the current and preceding years, the company and its subsidiary undertakings made no material acquisitions and had no discontinued operations.

A statement of movements on reserves is given in note 22.

# Firsteel Steel Processing Limited

## Statement of total recognised gains and losses for the year ended 30 September 1993

	1993 £000	1992 as restated £000
Profit/(loss) on ordinary activities after taxation	2,268	(7,215)
Reduction in revaluation reserve on transfer of land to assets held for realisation	-	(315)
Total recognised gains and losses relating to the year	2,268	(7,530)
Prior year adjustment (see note 21)	-	(143)
Total gains and losses recognised since last annual report	2,268	(7,673)

## Note of historical cost profits and losses for the year ended 30 September 1993

	1993 £000	1992 as restated £000
Reported profit/(loss) on ordinary activities before taxation	2,269	(7,182)
Realisation of property revaluation gains of previous years	-	152
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	14	22
Historical cost profit/(loss) on ordinary activities before taxation	2,283	(7,008)
Retained historical cost profit/(loss) for the financial year	856	(11,179)



# Firsteel Steel Processing Limited

Consolidated balance sheet  
at 30 September 1993

	Note	1993 £000	1992 £000
<b>Fixed assets</b>			
Intangible assets	11	-	-
Tangible assets	12	13,747	13,814
Investments	13	-	-
		<u>13,747</u>	<u>13,814</u>
<b>Current assets</b>			
Stocks	14	8,956	7,962
Assets held for realisation	15	110	110
Debtors	16	12,686	12,573
Cash at bank and in hand		674	1,660
		<u>22,426</u>	<u>22,305</u>
Creditors: amounts falling due within one year	17	(11,929)	(14,370)
		<u>10,497</u>	<u>7,935</u>
<b>Net current assets</b>			
		<u>24,244</u>	<u>21,749</u>
<b>Total assets less current liabilities</b>			
		<u>24,244</u>	<u>21,749</u>
<b>Creditors: amounts falling due after more than one year</b>	18	15,734	14,081
<b>Capital and reserves</b>			
Called up share capital	20	7,500	7,500
Share premium	22	12	12
Revaluation reserve	22	1,326	1,340
Capital reserve	22	1,431	1,431
Profit and loss account	22	(1,759)	(2,615)
		<u>24,244</u>	<u>21,749</u>

These financial statements were approved by the board of directors on 2 December 1993 and were signed on its behalf by:

TL Adams  
Director



# Firststeel Steel Processing Limited

Balance sheet  
at 30 September 1993

	Note	1993 £000	1992 £000
<b>Fixed assets</b>			
Investments	13	13,515	13,515
<b>Current assets</b>			
Debtors	16	-	210
Creditors: amounts falling due within one year	17	-	(300)
<b>Net current liabilities</b>		-	(90)
<b>Total assets less current liabilities</b>		<u>13,515</u>	<u>13,425</u>
<b>Creditors: amounts falling due after more than one year</b>	18	6,003	5,913
<b>Capital and reserves</b>			
Called up share capital	20	7,500	7,500
Share premium	22	12	12
		<u>13,515</u>	<u>13,425</u>

These financial statements were approved by the board of directors on 2 December 1993 and were signed on its behalf by:

TL Adams  
Director



# Firsteel Steel Processing Limited

## Consolidated cash flow statement for the year ended 30 September 1993

	Note	1993		1992	
		£000	£000	£000	£000
Net cash inflow from operating activities	26		204		13,099
Returns on investments and servicing of finance					
Interest received		1		43	
Interest paid		-		(660)	
Interest element of finance lease rental payments		(151)		(176)	
Dividends received from fixed asset investments		5		4	
Dividends paid		-		(4,138)	
		<u>          </u>		<u>          </u>	
Net cash outflow from returns on investment and servicing of finance			(145)		(4,927)
Taxation					
UK corporation tax paid		-		(12)	
Overseas tax paid		(1)		(1)	
		<u>          </u>		<u>          </u>	
Tax paid			(1)		(13)
Investing activities					
Purchase of intangible fixed assets		-		(1)	
Purchase of tangible fixed assets		(690)		(607)	
Sale of tangible fixed assets		99		875	
Sale of assets held for realisation		-		272	
		<u>          </u>		<u>          </u>	
Net cash (outflow)/inflow from investing activities			(591)		539
Net cash (outflow)/inflow before financing			(533)		8,698
Financing					
Capital element of finance lease rental payments		453		511	
		<u>          </u>		<u>          </u>	
Net cash outflow from financing			453		511
(Decrease)/increase in cash and cash equivalents	28		(986)		8,187
			<u>          </u>		<u>          </u>
			(533)		8,698

# Firsteel Steel Processing Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of land and buildings.

The presentation of the financial statements has changed this year as a result of the adoption of Financial Reporting Standard 3, and the comparative figures have been restated accordingly.

#### *Basis of consolidation*

The group financial statements consolidate the financial statements of Firsteel Steel Processing Limited and all its subsidiary undertakings. These financial statements are made up to 30 September 1993.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is written off against reserves on acquisition. On disposal goodwill previously written off to reserves is written back and the profit or loss adjusted accordingly. Any excess of the aggregate of the fair value of the separable net assets acquired over the fair value of the consideration given (negative goodwill) is credited direct to reserves.

In the company's financial statements, investments in subsidiary and associated undertakings are stated at cost less amounts written off. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

In accordance with Section 230(4) of the Companies Act 1985 Firsteel Steel Processing Limited is exempt from the requirement to present its own profit and loss account.

The amount of the profit for the financial year dealt with in the financial statements of Firsteel Steel Processing Limited is disclosed in note 22 to these financial statements.

# Firsteel Steel Processing Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### *Fixed assets and depreciation*

Depreciation is provided by group companies to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold and long leasehold buildings	-	2% per annum
Short leasehold buildings	-	20% per annum
Plant and machinery	-	6 2/3% to 25% per annum
Fixtures, fittings and equipment	-	10% to 25% per annum

No depreciation is provided on freehold land and capital work in progress.

#### *Leases*

Where a group company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Pension costs*

The group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group.

#### *Research and development expenditure*

Expenditure on research and development is written off against profits in the year in which it is incurred.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

# Firststeel Steel Processing Limited

## Notes (continued)

### 2 Turnover

Turnover represents sales of goods and services net of discounts, allowances and value added tax. Turnover is all derived from metal processing and the result before taxation attributable to this business is shown in the profit and loss account.

The analysis of turnover by geographical area is as follows:

	1993 £000	1992 £000
United Kingdom	49,738	49,865
Africa	724	1,286
Europe and other	4,111	2,878
	<u>54,573</u>	<u>54,029</u>

### 3 Distribution costs and administrative expenses

	1993 £000	1992 £000
Distribution costs	2,488	2,368
Administrative expenses	3,622	5,589
	<u>6,110</u>	<u>7,957</u>

# Firsteel Steel Processing Limited

## Notes (continued)

### 4 Profit/(loss) on ordinary activities before taxation

	1993		1992	
	£000	£000	£000	£000
<i>Profit/(loss) on ordinary activities before taxation is stated</i>				
<i>after charging</i>				
Auditors' remuneration:				
Audit		87		93
Other services		10		6
Depreciation of tangible fixed assets:				
Owned		760		804
Leased		144		204
Amortisation of intangible fixed assets		-		1
Hire of plant and machinery - rentals payable under operating leases		30		34
Hire of other assets - operating leases		303		268
Group management charges		1,617		2,305
Exceptional items:				
Re-organisation costs	-		2,207	
Additional depreciation	-		699	
Additional amortisation	-		5	
				2,911

The profit and loss account for the year ended 30 September 1992 disclosed an exceptional charge of £5,005,000. The comparative figures for 1992 have been restated as follows:

	£000
Cost of sales	2,253
Administrative expenses	578
Interest payable and similar charges	80
	<hr/>
Exceptional items	2,911
Profit on disposal of tangible fixed assets and assets held for realisation	(359)
Loss on disposal of subsidiary undertakings	2,605
	<hr/>
	5,157
Adjustment required to profit on disposal of tangible fixed assets when calculated in accordance with FRS 3	(152)
	<hr/>
	5,005

# Firsteel Steel Processing Limited

## Notes (continued)

### 4 Profit/(loss) on ordinary activities before taxation (continued)

A loss of £49,000 on disposal of fixed assets in 1992, previously included in administrative expenses, has also been restated.

### 5 Remuneration of directors

	1993 £000	1992 £000
Directors' emoluments:		
Remuneration as executives	<u>212</u>	<u>258</u>

The emoluments, excluding pension contributions, of the chairman were £Nil (1992:£Nil) and those of the highest paid director were £56,000 (1992:£58,000).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

	Number of directors	
	1993	1992
£0 - £5,000	3	2
£45,001 - £50,000	-	2
£50,001 - £55,000	3	2
£55,001 - £60,000	1	1

### 6 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1993	1992
Management, administration and sales	170	177
Production	<u>322</u>	<u>324</u>
	<u>492</u>	<u>501</u>



# Firststeel Steel Processing Limited

## Notes (continued)

### 6 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	1993 £000	1992 £000
Wages and salaries	7,533	7,109
Social security costs	608	542
	<u>8,141</u>	<u>7,651</u>

### 7 Income from fixed asset investments

	1993 £000	1992 £000
Listed investments (see note 13)	<u>5</u>	<u>4</u>

### 8 Other interest receivable and similar income

	1993 £000	1992 £000
Bank interest receivable	1	1
Interest receivable from group undertakings	-	42
	<u>1</u>	<u>43</u>

# Firststeel Steel Processing Limited

## Notes (continued)

### 9 Interest payable and similar charges

	1993 £000	1992 £000
On bank loans, overdrafts and other loans wholly repayable within five years	-	659
Finance charges payable in respect of finance leases and hire purchase contracts	151	256
Other interest	-	1
	<u>151</u>	<u>916</u>

### 10 Taxation

	1993 £000	1992 £000
UK corporation tax at 33% (1992:33%) on the profit/(loss) for the year on ordinary activities	-	-
Overseas taxation	1	1
Advance Corporation Tax written off	-	20
Adjustment relating to an earlier year	-	12
	<u>1</u>	<u>33</u>

UK corporation tax on the results for the year has been reduced by £499,000 (1992:£43,000) because of losses surrendered for no consideration by other group companies.

There are tax losses of approximately £4,300,000 (1992:£6,600,000) carried forward in the group.

# Firsteel Steel Processing Limited

## Notes (continued)

### 11 Intangible fixed assets

	Patents and licences £000
<b>Group</b>	
<i>Cost</i>	
At beginning of year	7
Disposals	(7)
	<hr/>
At end of year	-
	<hr/>
<i>Amortisation</i>	
At beginning of year	7
Disposals	(7)
	<hr/>
At end of year	-
	<hr/>
<i>Net book value</i>	
At 30 September 1993	-
	<hr/>
At 30 September 1992	-
	<hr/>

# Firststeel Steel Processing Limited

## Notes (continued)

### 12 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures fittings tools and equipment	Capital work in progress	Total
	£000	£000	£000	£000	£000
<b>Group</b>					
<i>Cost or valuation</i>					
At beginning of year	9,222	11,364	1,511	12	22,109
Additions	-	531	273	130	934
Transfers between items	-	3	-	(3)	-
Disposals	-	(153)	(291)	-	(444)
Intra group transfers	-	-	(7)	-	(7)
At end of year	9,222	11,745	1,486	139	22,592
<i>Depreciation</i>					
At beginning of year	862	6,475	958	-	8,295
Charge for year	111	630	163	-	904
On disposals	-	(107)	(238)	-	(345)
Intra group transfers	-	-	(9)	-	(9)
At end of year	973	6,998	874	-	8,845
<i>Net book value</i>					
At 30 September 1993	8,249	4,747	612	139	13,747
At 30 September 1992	8,360	4,889	553	12	13,814

# Firsteel Steel Processing Limited

## Notes (continued)

### 12 Tangible fixed assets (continued)

The net book value of land and buildings comprises:

	Group	
	1993	1992
	£000	£000
Freehold	8,242	8,347
Short leasehold	7	13
	<hr/>	<hr/>
	8,249	8,360
	<hr/>	<hr/>

Particulars relating to revalued assets are given below:

	Group	
	1993	1992
	£000	£000
<i>Land and buildings</i>		
At 1990 open market value	694	694
At 1991 open market value	2,036	2,036
Aggregate depreciation thereon	(154)	(119)
	<hr/>	<hr/>
Net book value	2,576	2,611
	<hr/>	<hr/>
Historical cost of revalued assets	1,524	1,524
Aggregate depreciation based on historical cost	(274)	(253)
	<hr/>	<hr/>
Historical cost net book value	1,250	1,271
	<hr/>	<hr/>

The gross book value of land and buildings includes £6,679,000 (1992:£6,679,000) of depreciable assets.

Included in the total net book value of tangible fixed assets is £1,478,000 (1992:£1,935,000) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £144,000 (1992:£204,000).

# Firsteel Steel Processing Limited

## Notes (continued)

### 13 Fixed asset investments

#### (i) Listed investments

##### Group

The group, through a subsidiary undertaking, owns 91,392 ordinary shares of 10 rupees each, representing 7.1% of the equity of Graham Firth Steel Products (India) Limited, a company incorporated in India.

The shares of this company are listed on the Bombay Stock Exchange and at 30 September 1993 the listed value was £70,000 (1992:£147,000). However, in the opinion of the directors, the investment is of nominal value whilst currency exchange restrictions exist between the United Kingdom and India.

#### (ii) Shares in group undertakings

£000

##### Company

##### Cost

At beginning and end of year	13,901
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##### Provisions

At beginning and end of year	386
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##### Net book value

At 30 September 1993	13,515
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At 30 September 1992	13,515
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# Firsteel Steel Processing Limited

## Notes (continued)

### 13 Fixed asset investments (continued)

#### (ii) Shares in group undertakings (continued)

During the year the following companies, which operate in the United Kingdom, materially contributed to the assets and results of the Group. They have been classified according to their main activity. Each company is incorporated in England and the share capital is wholly owned.

	Principal location	Principal activity
Firsteel Cold Rolled Products Limited	Walsall	Manufacture of precision cold rolled steel strip in a range of qualities from low carbon deep drawing to high carbon and alloy grades.
Firsteel Coated Strip Limited	Walsall	Manufacture of precoated aluminium and steel strip with liquid organic coatings and with film laminates.
Firsteel Strip Mill Products Limited	Brierley Hill	Service centres and processors for the total range of wide steel strip products and other special purpose steels.

During the previous year the company disposed of 13 non-trading subsidiary undertakings (see note 27).

### 14 Stocks

	1993 £000	1992 £000
Group		
Raw materials and consumables	7,787	6,613
Work in progress	1,169	1,349
	<u>8,956</u>	<u>7,962</u>

# Firsteel Steel Processing Limited

## Notes (continued)

### 15 Assets held for realisation

	1993 £000	1992 £000
Group		
Land and property	<u>110</u>	<u>110</u>

### 16 Debtors

	Group		Company	
	1993 £000	1992 £000	1993 £000	1992 £000
<i>Amounts falling due within one year</i>				
Trade debtors	12,142	11,651	-	-
Amounts owed by parent and fellow subsidiary undertakings	252	270	-	-
Other debtors	14	232	-	-
Prepayments and accrued income	<u>278</u>	<u>420</u>	<u>-</u>	<u>210</u>
	<u>12,686</u>	<u>12,573</u>	<u>-</u>	<u>210</u>



# Firststeel Steel Processing Limited

## Notes (continued)

### 17 Creditors: amounts falling due within one year

	Group		Company	
	1993 £000	1992 £000	1993 £000	1992 £000
Obligations under finance leases and hire purchase contracts	334	462	-	-
Trade creditors	10,315	12,453	-	-
Amounts owed to parent and fellow subsidiary undertakings	40	38	-	-
Other creditors including taxation and social security:				
Other taxes and social security	367	194	-	-
Other creditors	295	165	-	-
Accruals and deferred income	578	1,058	-	300
	<u>11,929</u>	<u>14,370</u>	<u>-</u>	<u>300</u>

### 18 Creditors: amounts falling due after more than one year

	Group		Company	
	1993 £000	1992 £000	1993 £000	1992 £000
Repayable within five years:				
Unsecured loan	378	378	-	-
Obligations under finance leases and hire purchase contracts	448	591	-	-
Amounts owed to parent and fellow subsidiary undertaking	14,908	13,112	6,003	5,913
	<u>15,734</u>	<u>14,081</u>	<u>6,003</u>	<u>5,913</u>

# Firsteel Steel Processing Limited

## Notes (continued)

### 18 Creditors: amounts falling due after more than one year (continued)

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	Group	
	1993	1992
	£000	£000
Within one year	334	462
In the second to fifth years	448	591
	<u>782</u>	<u>1,053</u>

### 19 Provisions for liabilities and charges

#### Group

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1993		1992	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Difference between accumulated depreciation and capital allowances	-	1,283	-	1,818
Tax losses and other timing differences	-	(1,283)	-	(1,818)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contingent liability for deferred taxation on the revaluation of land and buildings is £111,000.

#### Company

There is no potential liability for deferred taxation in respect of the company (1992:£Nil).

# Firststeel Steel Processing Limited

## Notes (continued)

### 20 Called up share capital

	1993 £000	1992 £000
<i>Authorised</i>		
Ordinary shares of £1 each	<u>7,500</u>	<u>7,500</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>7,500</u>	<u>7,500</u>

### 21 Reconciliation of movements in shareholders funds

	Group 1993 £000	1992 as restated £000
Profit/(loss) on ordinary activities after taxation	2,268	(7,215)
Dividends paid and proposed	<u>(1,426)</u>	<u>(4,138)</u>
Loss for the financial year	842	(11,353)
Goodwill previously written off relating to subsidiary undertakings sold during the year	-	2,937
Reduction in revaluation reserve on transfer of land to assets held for realisation	<u>-</u>	<u>(315)</u>
Net increase/(reduction) in shareholders funds	842	(8,731)
Opening shareholders funds (1992: originally £16,542,000 before deducting prior year adjustments of £143,000)	<u>7,668</u>	<u>16,399</u>
Closing shareholders funds	<u>8,510</u>	<u>7,668</u>

Following a change in accounting policy during the year ended 30 September 1992, a prior year adjustment was made in that year to reflect the revised treatment of development costs previously capitalised.

# Firsteel Steel Processing Limited

## Notes (continued)

### 22 Share premium and reserves

	Share premium	Revaluation reserve	Capital reserve	Profit and loss account
	£000	£000	£000	£000
At beginning of year	12	1,340	1,431	(2,615)
Transfer to profit and loss account	-	(14)	-	14
Retained profit for the financial year	-	-	-	842
	<u>12</u>	<u>1,326</u>	<u>1,431</u>	<u>(1,759)</u>

The transfer to the profit and loss account represents the additional depreciation charge following the revaluation of land and buildings.

The company's profit for the financial year was £1,426,000 (1992:£508,000).

### 23 Contingent liabilities

Contingent liabilities exist in respect of:

	Group		Company	
	1993	1992	1993	1992
	£000	£000	£000	£000
Group bank guarantees	7,049	8,662	7,612	9,040
Group VAT liability	-	178	46	90
	<u>7,049</u>	<u>8,840</u>	<u>7,658</u>	<u>9,130</u>

# Firsteel Steel Processing Limited

## Notes (continued)

### 24 Commitments

- (i) Capital commitments at the end of the financial year for which no provision has been made.

	Group	
	1993	1992
	£000	£000
Contracted	84	76
Authorised but not contracted	131	5

- (ii) Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	1993	1992
	£000	£000
Group		
Operating leases which expire:		
Within one year	16	15
In the second to fifth years inclusive	30	46
Over five years	243	243
	<u>289</u>	<u>304</u>

The company has no commitments at the year end.

### 25 Pension scheme

The group participated in the funded defined benefit pension scheme operated by the Firsteel group. The pension cost for the year, which is based on pension costs across the Firsteel group as a whole, amounted to £Nil (1992:£Nil). This cost has been assessed in accordance with the advice of qualified actuaries based on a formal valuation carried out as at 30 September 1991 using the projected unit method of valuation. Particulars of this valuation, which indicated that the pension scheme is in surplus, are contained in the financial statements of Firsteel Holdings Limited.

# Firsteel Steel Processing Limited

## Notes (continued)

### 26 Reconciliation of trading profit/(loss) to net cash inflow from operating activities

	1993 £000	1992 as restated £000
Trading profit/(loss)	2,414	(4,018)
Depreciation charge	904	1,008
Additional depreciation	-	699
Amortisation charge	-	1
Additional amortisation	-	5
Increase in stocks	(994)	(427)
(Increase)/decrease in debtors	(113)	1,701
(Decrease)/increase in creditors	(2,007)	14,150
Advance corporation tax written off	-	(20)
	<hr/>	<hr/>
Net cash inflow from operating activities	204	13,099

### 27 Sale of subsidiary undertakings

	1993 £000	1992 £000
Debtors	-	965
Creditors	-	(522)
	<hr/>	<hr/>
	-	443
Loss on sale	-	(2,605)
Goodwill previously written off	-	2,937
	<hr/>	<hr/>
Consideration received	-	775
	<hr/>	<hr/>
Satisfied by		
Amounts due from fellow subsidiary undertaking	-	775
	<hr/>	<hr/>

# Firsteel Steel Processing Limited

## Notes (continued)

### 28 Analysis of changes in cash and cash equivalents

	Cash £000	Overdraft £000	Net £000
Balance at 1 October 1991	4	(6,531)	(6,527)
Net cash inflow	1,656	6,531	8,187
	<hr/>	<hr/>	<hr/>
Balance at 30 September 1992	1,660	-	1,660
Net cash inflow	(986)	-	(986)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 1993	674	-	674
	<hr/>	<hr/>	<hr/>

### 29 Analysis of changes in financing during the year

	Share capital (including premium) £000	Loans and finance lease obligations £000
Balance at 1 October 1991	7,512	1,888
Cash outflow from financing	-	(511)
Inception of finance lease contracts	-	54
	<hr/>	<hr/>
Balance at 30 September 1992	7,512	1,431
Cash outflow from financing	-	(453)
Inception of finance lease contracts	-	182
	<hr/>	<hr/>
Balance at 30 September 1993	7,512	1,160
	<hr/>	<hr/>

### 30 Ultimate parent company and parent undertaking of larger group

The company's ultimate parent company is Firsteel Holdings Limited, registered in England and Wales.

The only group in which the results of the company are consolidated is that headed by Firsteel Holdings Limited registered in England and Wales. The consolidated accounts of this group are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.