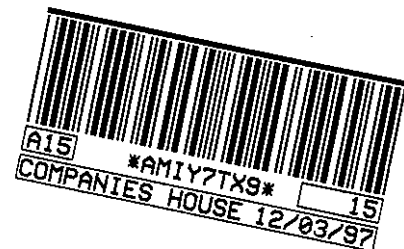


Firsteel Engineering Limited

Directors' Report & Financial Statements

30th September 1996

Registered Number: 224239



Firsteel Engineering Limited

Directors' Report & Financial Statements

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Firsteel Engineering Limited

Directors' Report

The directors present their annual report and the financial statements for the year ended 30th September, 1996.

Business Review

The company did not trade during the year and has made neither profit or loss.

Directors & Directors' Interests

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

Firsteel Investments Limited

Firsteel Management Services Limited

Mistbury Investments Limited acquired the whole of the issued share capital of the company on 31st January 1996 and continued to hold the shares at 30th September 1996.

The directors who held office at the end of the financial year did not have any disclosable interest in the shares of the company.

According to the register of the directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors during the financial year.

Firsteel Engineering Limited

Directors' Report (Continued)

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 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 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 an appropriate basis reflecting that the company has ceased its activities.

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 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.

Auditors

In accordance with Section 250 of the Companies Act 1985, a special resolution has been passed which exempts the company from the obligation to appoint auditors.
By order of the Board.

G.H. Craine,

G.H. Craine
For and on behalf of
Firsteel Investments Limited
Secretary

Address of
Registered Office
Brockhurst Crescent
Bescot
WALSALL
West Midlands
WS5 4AX

20th November 1996

Firsteel Engineering Limited

Balance sheet

30th September 1996

| | Note | 1996 £000 | 1995 £000 |
|--|------|--------------|--------------|
| Creditors: amounts falling due after more than one year. | | | |
| Amounts due to parent undertaking | | <u>1,118</u> | <u>1,118</u> |
| Net assets | | <u>1,118</u> | <u>1,118</u> |
| Capital and reserves | | | |
| Called up share capital | 4 | 839 | 839 |
| Profit and loss account | | 279 | 279 |
| Equity Shareholders Funds | | <u>1,118</u> | <u>1,118</u> |

Throughout the financial year ending on the above date, the company was dormant within the meaning of Section 250 of the Companies Act 1985.

These financial statements were approved by the board of directors on 20th November 1996, and were signed on its behalf by:



G.H. Craine
For and behalf of
Firsteel Investments Limited
Director

Firsteel Engineering 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 company's financial statements.

Basis of preparation

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

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

2. Profit and loss account

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit or a loss. The company has no other recognised gains or losses for the financial year.

3. Remuneration of directors

No emoluments were received by the directors during the year in respect of their services as directors of the company (1995: £NIL)

4. Called up share capital

| | 1996 | 1995 |
|---|--------------|--------------|
| | £000 | £000 |
| Authorised | | |
| Ordinary shares of £1 each | 1,750 | 1,750 |
| | <hr/> | <hr/> |
| | 1,750 | 1,750 |
| | <hr/> | <hr/> |
| Allotted, called up and fully paid | | |
| Ordinary shares of £1 each. | 839 | 839 |
| | <hr/> | <hr/> |
| | 839 | 839 |
| | <hr/> | <hr/> |

Firsteel Engineering Limited

Notes (Continued)

5. Reconciliation of movements in shareholders funds

| | 1996 £000 | 1995 £000 |
|---|----------------------|----------------------|
| Profit/(Loss) for the Financial year | — | — |
| Opening shareholders funds | 1,118 | 1,118 |
| Closing shareholders funds | <u>1,118</u> | <u>1,118</u> |

6. Ultimate parent company and parent undertaking of larger group of which the company is a member.

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

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