

FIRSTEEL STRIP MILL PRODUCTS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 3 APRIL 1999



Registered No. 914205

Firsteel Strip Mill Products Limited

Directors

British Steel Directors (Nominees) Limited (appointed 1 March 1999)

Mr A M Leggett (resigned 1 March 1999)

Mr G D Duffell (resigned 1 March 1999)

Mr A J Jackson (resigned 1 March 1999)

Mr D P Rodgers (resigned 1 March 1999)

Mr D F Pell (resigned 1 March 1999)

Secretary

Mrs A L Scandrett

Registered office

15 Marylebone Road

London

NW1 5JD

Firsteel Strip Mill Products Limited

Directors' report for the year ended 3 April 1999

The directors present herewith their report and balance sheet for the year ended 3 April 1999.

Principal activities

The principal activities of the company to 27 September 1997, when the company ceased to trade, were the processing and distribution of cold reduced, hot dipped galvanised and hot rolled steel in coil and sheet form.

Business Review

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

Directors & Directors' Interests

The directors of the company who held office during the year are listed on page 1.

The directors had no interest, as defined by the Companies Act 1985, in the shares of any member of the group during the year covered by these financial statements.

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.

Firststeel Strip Mill Products Limited

Directors' report for the year ended 3 April 1999 (continued)

Statement of Directors' Responsibilities (continued)

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.

Special resolution not to re-appoint auditors

The company passed a special resolution whereby it was resolved that no auditors be reappointed by the Company in accordance with the provisions of S250 of the Companies Act 1985 in that it is a dormant company and meets the other requirements of the aforesaid section in this regard.



Mrs A L Scandrett
Secretary

2 July 1999

Firststeel Strip Mill Products Limited

Profit and loss account for the year ended 3 April 1999

	Notes	3 April 1999 £'000	18 month period ended 28 March 1998 £'000
Turnover	2	-	35,258
Cost of sales		<u>-</u>	<u>(32,976)</u>
Gross profit		-	2,282
Net operating expenses	3	-	(1,454)
Other operating income		<u>-</u>	<u>147</u>
Operating profit		-	975
Interest payable and similar charges	6	<u>-</u>	<u>(194)</u>
Profit on ordinary activities before taxation	7	-	781
Tax on profit on ordinary activities	8	-	(273)
		<u>-</u>	<u>-</u>
Profit for the period		-	508
Dividends paid and proposed		<u>-</u>	<u>(742)</u>
Retained profit/(loss) for the financial year		<u>-</u>	<u>(234)</u>

Note of historical cost profits and losses

	3 April 1999 £'000	18 month period ended 28 March 1998 £'000
Reported profit on ordinary activities before taxation	-	781
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>-</u>	<u>9</u>
Historical cost profit on ordinary activities before taxation	<u>-</u>	<u>790</u>
Retained historical cost loss for the financial year	<u>-</u>	<u>(225)</u>

Firststeel Strip Mill Products Limited

Balance sheet as at 3 April 1999

	Notes	3 April 1999 £'000	28 March 1998 £'000
Fixed assets			
Investments	9	30	30
Current assets			
Debtors: Amounts falling due after more than one year	10	10,193	10,193
		<hr/>	<hr/>
Net assets		10,223	10,223
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	8,700	8,700
Revaluation reserve		1,022	1,022
Profit and loss account		501	501
		<hr/>	<hr/>
Total equity shareholders' funds		10,223	10,223
		<hr/>	<hr/>

The company was a dormant company within the meaning of Section 250 of the Companies Act 1985 throughout the accounting period ending at the date of this balance sheet.

These accounts were approved by the Board on 2 July 1999.



Authorised signatory of British Steel Directors (Nominees) Limited
Director

The Notes on pages 6 to 10 form part of these accounts.

Firsteel Strip Mill Products Limited

Notes to the accounts for the year ended 3 April 1999

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Cashflow statement

Under Financial Standard 1 (Revised), the company is exempt from the requirement to prepare a cashflow statement on the grounds that it is a wholly owned subsidiary undertaking, and its cashflows are included within the consolidated cashflow statement of British Steel plc.

Taxation

The charge for taxation is based on the profit for the period 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.

Turnover

Turnover represents the amounts (excluding value added tax and net of discounts and allowances) derived from the provisions and services to customers during the period.

Firststeel Strip Mill Products Limited

Notes to the accounts for the year ended 3 April 1999 (cont'd)

2 Analysis of turnover

	3 April 1999 £'000	18 month period ended 28 March 1998 £'000
By geographical market		
United Kingdom	-	34,549
Europe and other	<u>-</u>	<u>709</u>
	-	35,258
	<u>==</u>	<u>=====</u>

3 Net operating expenses

	3 April 1999 £'000	18 month period ended 28 March 1998 £'000
Distribution costs	-	636
Administration expenses	<u>-</u>	<u>818</u>
	-	1,454
	<u>==</u>	<u>=====</u>

4 Directors emoluments

	3 April 1999 £'000	18 month period ended 28 March 1998 £'000
Aggregate emoluments and benefits	-	264
	<u>==</u>	<u>=====</u>
Highest paid director		
Aggregate emoluments and benefits	-	155
	<u>==</u>	<u>=====</u>

Firststeel Strip Mill Products Limited

Notes to the accounts for the year ended 3 April 1999 (cont'd)

5 Employee information

Average number of employees	3 April 1999	18 month period ended 28 March 1998
	Number	Number
By activity		
Production	-	49
Selling and distribution	<u>-</u>	<u>36</u>
	-	85
	==	==

Staff costs	3 April 1999	18 month period ended 28 March 1998
	£'000	£'000
Wages and salaries	-	2,341
Social security costs	<u>-</u>	<u>183</u>
	-	2,524
	===	===

6 Interest payable and similar charges

	3 April 1999	18 month period ended 28 March 1998
	£'000	£'000
On bank loans	-	64
Interest payable to group undertakings	-	122
On finance leases and hire purchase contracts	<u>-</u>	<u>8</u>
	-	194
	===	===

Firsteel Strip Mill Products Limited

Notes to the accounts for the year ended 3 April 1999 (cont'd)

7 Profit on ordinary activities before taxation

	3 April 1999 £'000	18 month period ended 28 March 1998 £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation charge for the period:		
Tangible owned fixed assets	-	641
Tangible fixed assets held under finance leases	-	39
Auditors' remuneration	-	20
Group management charges	-	35
	==	===

8 Tax on profit on ordinary activities

	3 April 1999 £'000	18 month period ended 28 March 1998 £'000
United Kingdom corporation tax at 31.5%		
Current year	-	98
Prior periods	-	2
Advance Corporation Tax	-	173
	-	273
	==	===

9 Fixed asset investments

	3 April 1999 £'000	18 month period ended 28 March 1998 £'000
Shares in subsidiary undertakings	<u>30</u>	<u>30</u>

Firsteel Strip Mill Products Limited

Notes to the accounts for the year ended 3 April 1999 (cont'd)

10 Debtors: Amounts falling due after more than one year

The amounts owed by group undertakings are free of interest and no date has been fixed for the discharge of the debts.

11 Share Capital

	1999 and 1998	
	Authorised	Allotted called up and fully paid
	£'000	£'000
8,700,000 Ordinary shares of £1 each	8,700	8,700
	<hr/>	<hr/>
	8,700	8,700
	<hr/> <hr/>	<hr/> <hr/>

12 Directors' remuneration

No director received any remuneration during the period in respect of his services to the company.

13 Ultimate holding company

The directors regard British Steel plc, a company registered in England and incorporated in England and Wales, as the ultimate holding company. The registered office of British Steel plc is at 15 Marylebone Road, London NW1 5JD.