

Leah and Rowbotham Limited

Directors' report and financial statements

30 September 2000

Registered number 2049361



Leah and Rowbotham Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1-2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Reconciliation of movement in shareholder's funds	7
Notes	8-13

Leah and Rowbotham Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2000.

Principal activities

The principal activity of the company is that of steel stockholders.

Business review

The results for the year are set out on page 5 of the financial statements.

On the 1 October 2000 the net assets and business of Leah and Rowbotham Limited were transferred to its parent company, Royton Steelstock Limited.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of dividend.

The profit for the year retained in the company is £4,849.

Directors and directors' interests

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

J R Dutton

F M Makinson

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Both directors have interests in the ordinary shares of the parent company. The directors' interests in the ordinary shares of the parent company are disclosed in the directors' report of Royton Steelstock Limited.

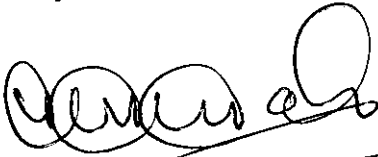
Leah and Rowbotham Limited

Directors' report *(continued)*

Auditors

In accordance with section 384(1) of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'F M Makinson', written over a horizontal line.

F M Makinson
Secretary

Caldershaw Steel Centre
Ings Lane
Rochdale
OL12 7LQ

Leah and Rowbotham Limited

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 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 maintaining 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 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.



St James' Square
Manchester M2 6DS

Auditors' report to the members of Leah and Rowbotham Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 the company's affairs as at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

*Chartered Accountants
Registered Auditors*

7 February 2001

Leah and Rowbotham Limited

Profit and loss account

for the year ended 30 September 2000

	<i>Note</i>	2000 £	1999 £
Turnover from discontinuing/continuing operations	2	556,052	545,882
Cost of sales		(436,286)	(414,765)
Gross profit		119,766	131,117
Distribution costs		(33,472)	(39,608)
Administrative expenses		(74,501)	(88,160)
Operating profit from discontinuing/continuing operations		11,793	3,349
Interest payable and similar charges	6	(7,149)	(1,555)
Profit on ordinary activities before taxation	2-6	4,644	1,794
Tax on profit on ordinary activities	7	205	(375)
Profit on ordinary activities after taxation and retained for the financial year		4,849	1,419
Retained profit brought forward		9,969	8,550
Retained profit carried forward		14,818	9,969

The company has no recognised gains or losses other than the profit in the current and preceding years and therefore no statement of total recognised gains and losses has been presented.

Leah and Rowbotham Limited

Balance sheet at 30 September 2000

		2000	1999
		£	£
Fixed assets			
Tangible assets	8	6,031	7,140
Current assets			
Debtors	9	217,912	166,919
Cash at bank and in hand		21,069	39,704
		<u>238,981</u>	<u>206,623</u>
Creditors: amounts falling due within one year	10	(87,229)	(60,624)
Net current assets		<u>151,752</u>	<u>145,999</u>
Total assets less current liabilities		<u>157,783</u>	<u>153,139</u>
Provisions for liabilities and charges	11	(1,236)	(1,441)
Net assets		<u>156,547</u>	<u>151,698</u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Share premium account	13	131,729	131,729
Profit and loss account	13	14,818	9,969
Equity shareholder's funds		<u>156,547</u>	<u>151,698</u>

These financial statements were approved by the board of directors on 1 February 2001 and were signed on its behalf by:



J R Dutton
Director

Leah and Rowbotham 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 the historical cost accounting rules.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard Number 1 (Revised 1996), and have not prepared a cash flow statement in the financial statements of the company on the grounds of its size.

Related party transactions

The directors have taken advantage of the exemption in Financial Reporting Standard Number 8, paragraph 3(c), and have not disclosed related party transactions with its parent company.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Plant and machinery	-	10% on written down value
Fixtures, fittings, tools & equipment	-	10% on written down value
Motor vehicles	-	25% on written down value

Taxation

The charge for taxation is based on the result 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.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers during the year.

2 Analysis of turnover and profit on ordinary activities before taxation

All of the company's turnover and profit on ordinary activities before taxation are derived in the UK from its principal activity.

Leah and Rowbotham Limited

Profit and loss account

for the year ended 30 September 2000

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Leah and Rowbotham Limited

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J R Dutton
Director

Leah and Rowbotham Limited

Reconciliation of movement in shareholder's funds *for the year ended 30 September 2000*

	2000 £	1999 £
Profit for the financial year	4,849	1,419
Net addition to shareholder's funds	4,849	1,419
Opening shareholder's funds	151,698	150,279
Closing shareholder's funds	156,547	151,698

Leah and Rowbotham Limited

Notes

(forming part of the financial statements)

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Leah and Rowbotham Limited

Notes (continued)

3 Profit on ordinary activities before taxation

	2000 £	1999 £
<i>Profit on ordinary activities before taxation is stated:</i>		
<i>after charging</i>		
Auditors' remuneration	3,306	3,210
Depreciation and other amounts written off tangible fixed assets	1,109	1,360
	<u> </u>	<u> </u>

4 Remuneration of directors

None of the directors who held office during the year received any remuneration from the company during the current or preceding year.

5 Staff numbers and costs

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

	Number of employees	
	2000	1999
Warehousing and transport	1	1
Administration	2	2
	<u> </u>	<u> </u>
	3	3
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2000 £	1999 £
Wages and salaries	11,782	19,068
Social security costs	953	1,692
	<u> </u>	<u> </u>
	12,735	20,760
	<u> </u>	<u> </u>

Leah and Rowbotham Limited

Notes (continued)

6 Interest payable and similar charges

	2000 £	1999 £
On bank overdrafts wholly repayable within five years	7,149	1,555

7 Taxation

	2000 £	1999 £
UK corporation tax at 20% (1999: 20%) on the profit for the year on ordinary activities	-	625
Deferred taxation (see note 11)	(205)	(250)
	(205)	375

8 Tangible fixed assets

	Plant and machinery £	Fixtures fittings tools and equipment £	Motor vehicles £	Total £
Cost				
At beginning and end of year	24,300	4,241	34,464	63,005
Depreciation				
At beginning of year	21,060	2,891	31,914	55,865
Charge for year	324	135	650	1,109
At end of year	21,384	3,026	32,564	56,974
Net book value				
At 30 September 2000	2,916	1,215	1,900	6,031
At 30 September 1999	3,240	1,350	2,550	7,140

Leah and Rowbotham Limited

Notes (continued)

9 Debtors

	2000 £	1999 £
Trade debtors	127,620	139,991
Amounts owed by parent company	90,292	26,928
	<u>217,912</u>	<u>166,919</u>

All debtors fall due within one year

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Other creditors including taxation and social security:		
Corporation tax	-	624
Other taxes and social security	3,730	1,729
Other creditors	77,712	51,681
	<u>81,442</u>	<u>54,034</u>
Accruals and deferred income	5,787	6,590
	<u>87,229</u>	<u>60,624</u>

Other creditors are secured by a charge over the company's trade debtors.

11 Provisions for liabilities and charges

	Deferred taxation £
At beginning of year	1,441
Credit for the year in the profit and loss account (see note 7)	(205)
At end of year	<u>1,236</u>

Leah and Rowbotham Limited

Notes (continued)

11 Provisions for liabilities and charges (continued)

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

	2000		1999	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Difference between accumulated depreciation and capital allowances	1,236	-	1,441	-

12 Called up share capital

	2000	1999
	£	£
<i>Authorised</i>		
10,000 ordinary shares of £1 each	10,000	10,000
<i>Allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each	10,000	10,000

13 Share premium and reserves

	Share premium account	Profit and loss account
	£	£
At beginning of year	131,729	9,969
Profit for the year	-	4,849
At end of year	131,729	14,818

Leah and Rowbotham Limited

Notes (*continued*)

14 **Contingent liabilities**

The company has guaranteed the bank loans and overdraft of its parent company. The amount of bank loans and overdrafts outstanding in the parent company at the year end was £71,037 (1999: £20,000).

The company also has a cross guarantee with its parent company over other creditors. The amount of other creditors subject to this cross guarantee outstanding in the parent company at the year end was £459,338 (1999:£325,762).

15 **Ultimate parent company**

The company is a wholly owned subsidiary undertaking of Royton Steelstock Limited, a company incorporated in England and Wales.

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

No other group financial statements include the results of the company.