KPMG Peat Marwick

Mistbury Investments Limited

Directors' report and financial statements

30 September 1994

Registered number 2727544



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 1994.

Principal activities

The principal activity of the company is the purchase and subsequent disposal of the subsidiary undertakings of Firsteel Group Limited which were considered to carry out non-core activities.

Business review

The financial statements for the year ended 30 September 1994 show a loss of £35,000 (1993:£Nil).

The directors do not recommend the payment of a dividend.

Directors and directors' interests

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

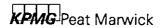
TL Adams
JV Palmer

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



Directors' report

Statement of directors' responsibilities (continued)

• prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 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

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board

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Secretary

Brockhurst Crescent Bescot Walsall West Midlands WS5 4AX

4 January 1995



The Fountain Precinct 1 Balm Green Sheffield S1 3AF

Report of the auditors to the members of Mistbury Investments Limited

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

As described on pages 1 and 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 the company's affairs as at 30 September 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KIMA Run Mannet
Chartered Accountants
Registered Auditors

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Sheffield



Profit and loss account for the year ended 30 September 1994

	Note	Year ended 30 September 1994 £000	15 month period ended 30 September 1993 £000
Administrative expenses		(35)	(13)
Operating loss		(35)	(13)
Loss on disposal of subsidiary undertakings		•	(582)
Unsecured loan stock waived		•	500
Loan waived by parent undertaking		-	82
Interest receivable and similar income	4	-	31
Interest payable and similar charges	5	-	(18)
Loss on ordinary activities before taxation		(35)	<u> </u>
Tax on loss on ordinary activities			-
Loss for the financial year		(35)	_
Retained profit brought forward		-	-
Profit and loss reserve carried forward		(35)	-

The company has no recognised gains or losses other than the loss for the financial year.

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

Balance sheet at 30 September 1994

at 30 September 1994	Note	1994		1993	
	11000	£000	£000	£000	£000
Debtors: amounts falling due after after more than one year	7		600		-
Current assets Debtors: amounts falling due within one year Cash at bank and in hand	7	1 29	_	53 7	
Creditors: amounts falling due within one year	9 -	(15)		(60)	
Net current assets			15		-
Total assets less current liabilities			615		-
Creditors: amounts falling due after more than one year	10		650		-
Capital and reserves Called up share capital Profit and loss account	11 -	(35)		- -	
Total equity shareholders' funds			(35)		-
			615		-

These financial statements were approved by the board of directors on 4 January 1995 and were signed on its behalf by:

TL Adams

Director

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.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts.

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.

Deferred tax

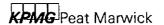
The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability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

2 Directors' remuneration

No emoluments were received by any of the directors during the year in respect of their services as directors of the company.

3 Staff numbers

The average number of persons employed by the company (including directors) during the period was 3 (1993:3)



Notes (continued)

4 Other interest receivable and similar income

	Bank interest	Year ended 30 September 1994 £000	15 month period ended 30 September 1993 £000
	Other	-	28 3
			
		-	31
5	Interest payable and similar charges		
		Year ended 30 September 1994 £000	15 month period ended 30 September 1993 £000
	Payable to parent undertaking		18
6	Tangible fixed assets		
	Cost and net book value At beginning of period	1994 £000	1993 £000
	Additions	- 650	-
	Disposals	(650)	-
	At end of period	-	-

Under the terms of a put and call option, the company acquired a property at Wakefield for £650,000 on 14 March 1994. The property was subsequently sold to a third party for £650,000.





Notes (continued)

7	The E 4
/	Debtors

		1994		1993
		Due within one year £000	Due after more than one year £000	Due within one year £000
	Trade debtors Other debtors	1	600	53
		1	600	53
8	Investments			
	Gest-and Met book value		1994 £000	1993 £000
	At beginning of period Additions		-	-
	Disposals		-	1,250
	-3.7.	-		(1,250)
	At end of period	-	<u>-</u>	<u>.</u>

The company owns all of the issued share capital of two non-trading companies, Firsteel Roberts Limited and Roberts Transporters Limited both of which are registered in England and Wales.

9 Creditors: amounts falling due within one year

	1994 £000	1993 £000
Trade creditors Amounts owed to parent undertaking Accruals and deferred income	15	8 38 14
	15	60

Notes (continued)

10 Creditors: amounts falling due after more than one year

	 		
		1994	1993
		£000	£000
	Unsecured loan - due January 1996	379	_
	Amounts owed to parent undertaking	271	_
		650	
		_	
11	Called up share capital		
		1994	1993
	Authorised	£	£
	Ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid		
	Ordinary shares of £1 each	2	2
12	Reconciliation of movements in shareholders' funds	1994	1993
		£	£
	Loss for the financial year	(35,095)	
	New share capital subscribed	-	2
	Net (decrease)/increase in shareholders' funds	(35,095)	2
	Opening shareholders' funds	2	- -
	Closing shareholders' funds	(35,093)	2

Notes (continued)

13 Contingent liabilities

A contingent liability exists in respect of:

g and an in respect of.	1994 £000	1993 £000
Group value added tax	175	

The company became a member of the Firsteel Group VAT Registration on 25 March 1994.

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, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Firsteel Holdings Limited registered in England and Wales. 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.