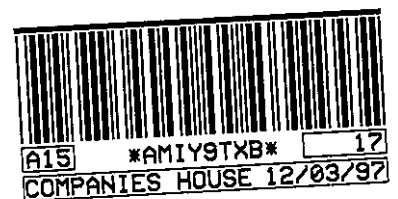


Mistbury Investments Limited

Directors' report and financial statements

30 September 1996

Registered number 2727544



Mistbury Investments Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes	6 - 9

Mistbury Investments Limited

Directors' report

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

Principal activities

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

Business review

The financial statements for the year ended 30 September 1996 show neither a profit nor a loss (1995: loss of £2,000).

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 in Firststeel Holdings Limited, the company's ultimate parent company are disclosed in the directors' report of that company.

None of the directors who held office at the end of the year had any disclosable interest in the shares of Mistbury Investments Limited.

Mistbury Investments Limited

Directors' report

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
- 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 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



GH Craine
Secretary

Brockhurst Crescent
Bescot
Walsall
West Midlands
WS5 4AX

20 November 1996



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 9.

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 the company's affairs as at 30 September 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG
Chartered Accountants
Registered Auditors
20 November 1996

Sheffield

Mistbury Investments Limited

Profit and loss account

for the year ended 30 September 1996

	<i>Note</i>	1996 £000	1995 £000
Administrative expenses		-	(3)
Operating loss		-	(3)
Interest receivable and similar income	4	-	1
Result/(loss) on ordinary activities before and after taxation		-	(2)
Retained loss brought forward		(37)	(35)
Profit and loss reserve carried forward		(37)	(37)

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

During the year, the company acquired shares in certain non-trading companies.

There is no material difference between the historical cost result for the year and the retained result for the year.

Mistbury Investments Limited

Balance sheet
at 30 September 1996

	Note	1996		1995	
		£000	£000	£000	£000
Fixed assets					
Investments	5		13,133		
Current assets					
Debtors	6	-		600	
Asset held for resale	7	1,153		-	
Cash at bank and in hand		-		13	
		<u>1,153</u>		<u>613</u>	
Creditors: amounts falling due within one year	8	-		(613)	
		<u>-</u>		<u>(613)</u>	
Net current assets			<u>1,153</u>		-
Total assets less current liabilities			<u>14,286</u>		-
Creditors: amounts falling due after more than one year	9		14,323		37
Capital and reserves					
Called up share capital	10	-		-	
Profit and loss account		(37)		(37)	
		<u>(37)</u>		<u>(37)</u>	
Total equity shareholders' funds			<u>(37)</u>		(37)
			<u>14,286</u>		-

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

TL Adams
Director



Mistbury Investments 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.

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, and its cash flows are included within the consolidated cash flow statement of Firststeel Holdings Limited.

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 year was 3 (1995:3)

Mistbury Investments Limited

Notes (continued)

4 Other interest receivable and similar income

	1996 £000	1995 £000
Bank interest	-	1

5 Fixed asset investments

	Shares in subsidiary undertakings £000
Shares	
At beginning of year	-
Additions	13,133
At end of year	13,133

During the year, the company has acquired investments in other subsidiary undertakings which were either not trading or not significant. Since the year end steps have been taken to voluntarily wind up certain of these subsidiaries.

In compliance with s231 and Part II of Schedule 5 of the Companies Act 1985 details of all subsidiary companies will be annexed to the company's next annual return.

The company owns all of the issued share capital of seven subsidiary undertakings which have not traded during the year. All the companies are registered in England and Wales.

6 Debtors

	1996 £000	1995 £000
Trade debtors	-	600

Mistbury Investments Limited

Notes (continued)

7 Asset held for resale

	1996 £000	1995 £000
Land and buildings at Darlaston	1,153	-

These assets are subject to a fixed charge in favour of the bank.

8 Creditors: amounts falling due within one year

	1996 £000	1995 £000
Unsecured loan	-	379
Amounts owed to parent undertaking	-	234
	-	613

9 Creditors: amounts falling due after more than one year

	1996 £000	1995 £000
Amounts owed to parent undertaking	1,190	37
Amounts owed to subsidiary undertakings	13,133	-
	14,323	37

10 Called up share capital

	1996 £	1995 £
<i>Authorised</i>		
Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2

Mistbury Investments Limited

Notes (continued)

11 Reconciliation of movements in shareholders' funds

	1996 £000	1995 £000
Loss for the financial year	-	(2)
Opening shareholders' funds	(37)	(35)
Closing shareholders' funds	(37)	(37)

12 Contingent liabilities

A contingent liability exists in respect of:

	1996 £000	1995 £000
Group value added tax	366	192

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

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

The only group in which the results of the company are consolidated is that headed by Firststeel 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.