

CORUS HOLDINGS LIMITED

**(FORMERLY BRITISH STEEL
HOLDINGS LIMITED)**

REPORT AND ACCOUNTS

FOR THE FINANCIAL YEAR ENDED

1 APRIL 2000

Registered No. 29016



Corus Holdings Limited
(formerly British Steel Holdings Limited)

Directors

Mr G H Craine
Mr R J Reeves
Mr N Chatterton
Mr R D Thomas

Secretary

Mrs A L Scandrett

Registered office

Ravenscraig Works
Motherwell
Lanarkshire
ML1 1SW
Scotland

Corus Holdings Limited
(formerly British Steel Holdings Limited)
Directors' Report
for the year ended 1 April 2000

The directors present their report and the audited accounts for the year ended 1 April 2000.

With effect from 30 March 2000 the Company changed its name from British Steel Holdings Limited to Corus Holdings Limited.

Principal Activity

The principal activity of the Company is that of a property dealing and development Company.

No change in the Company's activities in the foreseeable future is envisaged.

Directors & directors' interests

The directors of the Company at 1 April 2000, are listed on page 1.

The interest of the directors at 1 April 2000 in the ordinary shares of Corus Group plc, the Company's ultimate holding company, were:

	Shares		
	3 April 1999	Acquired/ Disposed	1 April 2000
	Number		Number
R D Thomas	27,942	-	27,942
G H Craine	-	-	-
R J Reeves	32,211	129	32,340
N Chatterton	2,750	(2,750)	-
	Options		
	3 April 1999	Granted	Total prior to conversion
	Number		
R D Thomas	25,641	23,900	49,541
G H Craine	5,176	46,300	51,476
R J Reeves	125,328	65,000	190,328
N Chatterton	13,931	19,600	33,531
	Converted		
	Options	Granted	1 April 2000
	6 October 1999		Number
R D Thomas	63,277	56,400	119,677
G H Craine	65,749	80,800	146,549
R J Reeves	243,102	110,100	353,202
N Chatterton	42,826	46,500	89,326

Corus Holdings Limited
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Directors' Report
for the year ended 1 April 2000

On 6 October 1999 each British Steel plc share was exchanged for one Corus Group plc share under the scheme of arrangement outlined in note 12. At the same date, all outstanding options were converted to Corus Group plc options maintaining the same value but at a revised price for a revised number of shares.

The Company's Register of Directors' interests which is open to inspection contains full details of directors' shareholdings and options to subscribe.

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

Results and Dividends

The profit for the year after taxation amounted to £1,757,000 (1999: Profit £2,591,000)

A final dividend for the year of £34,000,000 was proposed on 1 April 2000, payable to the parent company Corus UK Limited.

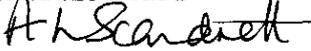
EMU

The parent company, Corus Group plc, on a group basis, is addressing the EMU. A project has been undertaken to ensure all businesses will be able to trade in the Euro with customers and suppliers.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board


A L Scandrett
Secretary

12 January 2001

15 Great Marlborough Street
London W1F 7AS

**Corus Holdings Limited
(formerly British Steel Holdings Limited)**

**Statement of Directors' Responsibilities
In Relation to Financial Statements**

The following statement, which should be read in conjunction with the statement of auditors' responsibilities set out on page 6 is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year, and of the profit or loss of the Company for the year then ended.

The directors consider that in preparing the financial statements on pages 7 to 13 which have been prepared on a going concern basis, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with 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.

By order of the Board



**A.L. Scandrett
Secretary**

12 January 2001

**Corus Holdings Limited
(formerly British Steel Holdings Limited)**

Valuation Report

To The Directors of Corus Holdings Limited (formerly British Steel Holdings Limited)

In accordance with your instructions we have reviewed, for the purposes of valuation, the properties owned by Corus Holdings Limited (formerly British Steel Holdings Limited).

In our opinion the aggregate open market value in the ordinary course of business of the properties held at 1 April 2000 is £4,234,401



N. Chatterton BSc FRICS



A. Pickford BSc ARICS

22nd December 2000

Corus Holdings Limited (formerly British Steel Holdings Limited)

Report of the Auditors to the members of Corus Holdings Limited (formerly British Steel Holdings Limited)

We have audited the financial statements on pages 7 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. As described on page 4, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements

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 at 1 April 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London 16 January 2001

Corus Holdings Limited
(formerly British Steel Holdings Limited)

Profit and Loss Account
for the year ended 1 April 2000

	Notes	2000 £000	1999 £000
Turnover	1 (ii)	2,897	1,315
Operating costs	2	<u>(384)</u>	<u>(438)</u>
Operating profit		2,513	877
Investments struck off		-	(180)
Amounts provided against investments		<u>-</u>	<u>180</u>
Profit on ordinary activities before interest and taxation		2,513	877
Interest receivable	4	1	-
Profit on ordinary activities before taxation		2,514	877
Taxation	5	<u>(757)</u>	<u>1,714</u>
Profit for financial year		1,757	2,591
Dividends		<u>(34,000)</u>	<u>-</u>
Retained profit/(loss) for the year		<u>(32,243)</u>	<u>2,591</u>
Retained profit at the beginning of the year		<u>33,255</u>	<u>30,644</u>
Retained profit at the end of the year		<u>1,012</u>	<u>33,255</u>

The Company has no gains or losses other than as above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and the historical cost equivalents.

Turnover and operating profit derive entirely from continuing activities.

The notes on pages 9 to 13 form part of these accounts.

Corus Holdings Limited
(formerly British Steel Holdings Limited)

Balance Sheet
as at 1 April 2000

	Notes	2000 £000	1999 £000
Current Assets			
Stock	6	1,158	1,548
Debtors	7	<u>34,402</u>	<u>32,280</u>
		35,560	33,828
Creditors: amounts falling due within one year	8	<u>(34,298)</u>	<u>(323)</u>
Net current assets		<u>1,262</u>	<u>33,505</u>
Total assets less current liabilities		1,262	33,505
Net Assets		<u>1,262</u>	<u>33,505</u>
Capital and reserves			
Called up share capital	9	250	250
Profit and loss account		<u>1,012</u>	<u>33,255</u>
Shareholders funds (equity)	10	<u>1,262</u>	<u>33,505</u>

These accounts were approved by the Board on *12 January* 2001.

G H Craine

G H Craine
 Director

The notes on pages 9 to 13 form part of these accounts.

**Corus Holdings Limited
(formerly British Steel Holdings Limited)**

**Notes to the accounts
for the year ended 1 April 2000**

1. Principal accounting policies

The financial statements have been prepared in accordance with the Companies' Act 1985 and applicable Accounting Standards in the UK. The more important accounting policies, which have been applied consistently, are set out below.

i. Basis of accounting

The financial statements are prepared in accordance with the historical cost convention. Group financial statements have not been prepared as the Company is a wholly owned subsidiary of Corus Group plc

ii. Turnover

Turnover represents the gross proceeds from the properties sold.

iii. Taxation

Corporation tax is provided on the profits for the year at the rate of taxation ruling during the year.

iv. Properties acquired for resale and development

The properties and developments are valued at the lower of cost and net realisable value. Cost includes all direct costs of acquisition and development, but does not include interest. The net realisable value of properties is the open market value, based on a professional valuation by a Director of Corus Holdings Limited (formerly British Steel Holdings Limited) and a member of staff of Corus UK Limited which has been reviewed by all the Directors.

v. Acquisition and disposal of properties

Acquisitions and disposals of properties are considered to have taken place where, by the end of the accounting period, there is a legally binding, unconditional and irrevocable contract.

In determining the profits or loss upon the disposal of property all costs of acquisition and development, less grants receivable and any amounts written off, are included in the cost of the property sold.

Corus Holdings Limited
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Notes to the accounts
for the year ended 1 April 2000

v. cont'd

Where part of the property is sold the allocation of a proportion of the total cost of the whole property to the part being sold is made upon the most appropriate basis which will normally be on a pro rata basis by reference to the total cost of the whole property, or by estimating the actual costs of the part being sold where the unit cost of that area differs from the unit cost of other areas of the property.

vi. Interest received

Interest is earned on monies outstanding from the date of completion of certain sales and is accounted for as it is received.

vii. Cash Flow Statement

In accordance with the exemption allowed by paragraph 5(a) of Financial Reporting Standard 1 (revised 1996), a cash flow statement for the Company has not been provided.

viii. Related Party Disclosures

In accordance with the exemption allowed by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with other member companies of the Corus Group or investees of the Group qualifying as related parties.

2. Operating costs

	2000	1999
	£000	£000
Cost of sales	390	466
Net rental income	(58)	(34)
Exchange (profit)/loss on loans	-	(32)
Other operating charges	<u>52</u>	<u>38</u>
	<u>384</u>	<u>438</u>

Auditors' remuneration of £2,000 (1999:£2,000) is included in other operating charges.

Corus Holdings Limited
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Notes to the accounts
for the year ended 1 April 2000

3. Employees

The Company has no employees other than the directors.

4. Interest receivable	2000	1999
	£000	£000
Other interest receivable	<u>1</u>	<u>-</u>
5. Taxation	2000	1999
	£000	£000
Corporation tax at 30% (1999:31%)	757	270
Prior year credit	<u>-</u>	<u>(1,984)</u>
	<u>757</u>	<u>(1,714)</u>

Corus Holdings Limited
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Notes to the accounts
for the year ended 1 April 2000

6. Stock	2000	1999
	£000	£000
Properties for resale	666	784
Development properties	492	764
	<u>1,158</u>	<u>1,548</u>
7. Debtors	2000	1999
	£000	£000
Amounts falling due within one year:		
Trade debtors	1,420	1,417
Corporation Tax	1,232	1,720
Other debtors	5	-
Amounts owed by parent undertaking	31,745	27,722
	<u>34,402</u>	<u>30,859</u>
Amounts falling due after one year:		
Trade debtors	-	1,417
Other debtors	-	4
	<u>-</u>	<u>1,421</u>
	<u>34,402</u>	<u>32,280</u>

The amounts falling due from the parent company are free of interest and no date has been fixed for the discharge of the debt.

8. Creditors amounts falling due within one year	2000	1999
	£000	£000
Trade creditors	101	121
Other creditors	197	202
Proposed Dividends	34,000	-
	<u>34,298</u>	<u>323</u>

Corus Holdings Limited
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Notes to the accounts
for the year ended 1 April 2000

9	Called up share capital	2000 £000	1999 £000
	Authorised and allotted:		
	500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>
	Called up and fully paid up:		
	499,998 ordinary shares of £1 each (50p paid)	<u>250</u>	<u>250</u>
		<u>250</u>	<u>250</u>
10.	Reconciliation of movement in shareholders' funds		
		2000 £000	1999 £000
	Opening shareholders' funds	33,505	30,914
	(Loss)/ profit for the year	<u>(32,243)</u>	<u>2,591</u>
	Closing shareholders' funds	<u>1,262</u>	<u>33,505</u>

11. **Directors' emoluments**

No Director received any remuneration during the period in respect of their services to the company. (1999 : Nil)

12. **Ultimate holding company**

The Company is a subsidiary of Corus UK Limited (formerly British Steel plc) which is registered in England and Wales. Copies of Corus UK Limited's report and accounts may be obtained from The Secretary, Corus Group plc, 15 Great Marlborough Street, London, W1F 7AS.

During the financial year, the ultimate parent Company, British Steel plc, was acquired by Corus Group plc (formerly BSKH plc) pursuant to a scheme of arrangement of British Steel plc under section 425 of the Companies Act. Consequently, the ultimate parent Company and ultimate controlling party is now Corus Group plc.