

**BRITISH STEEL HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**3 APRIL 1999**

**Registered No. 29016**



29016

# **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

## **British Steel Holdings Limited**

### **Directors' Report for the year ended 3 April 1999**

The directors present their report and the audited accounts for the year ended 3 April 1999.

#### **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 3 April 1999, are listed on page 1. Mr G H Craine and Mr R J Reeves were appointed directors on 1 February 1999 replacing Mr D N Bright and Mr W J Cain who resigned on 1 February 1999. Mr M D Bayne resigned as director on 2 April 1998.

The interest of the directors at 3 April 1999 in the ordinary shares of British Steel plc, the company's ultimate holding company, were:

	<b>Ordinary Shares</b>		<b>Options</b>	
	<b>3 April 1999</b>	<b>28 March 1998 (or Appointment Date)</b>	<b>3 April 1999</b>	<b>28 March 1998 (or Appointment Date)</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Mr G H Craine	0	0	5,176	5,176
Mr R J Reeves	32,211	32,211	125,328	125,328
Mr N Chatterton	2,750	0	13,931	21,181
Mr R D Thomas	27,942	13,442	25,641	40,141

	<b>Options</b>	
	<b>Granted during year Number</b>	<b>Exercise during year Number</b>
Mr G H Craine	0	0
Mr R J Reeves	0	0
Mr N Chatterton	0	7,250
Mr R D Thomas	0	14,500

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.

# **British Steel Holdings Limited**

## **Directors' Report for the year ended 3 April 1999**

### **Results and Dividends**

The profit for the year after taxation amounted to £2,591,000 (1998: £6,066,000).

The directors do not recommend the payment of a dividend.

### **EMU and Year 2000**

The parent company, British Steel plc, on a group basis, is addressing the EMU and Year 2000. A project has been undertaken to ensure all businesses will be able to trade in the Euro with customers and suppliers. The company recognises the risks arising from the Year 2000 date change and is carrying out a comprehensive programme with a view to renovating or replacing essential systems and equipment. Further detailed disclosure was made of the issues and the steps taken to address these items in the group accounts.

As at the date of this report, monitoring has not identified any significant adverse impact from the year 2000 problem on the Company.

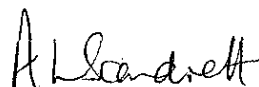
### **Close Company Provisions**

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company. There has been no change in this respect since the end of the financial year.

### **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**

*20 January 2000*

15 Marylebone Road  
London NW1 5JD

## **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 that period.

The directors consider that in preparing the financial statements on pages 7 to 14 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 the financial position of the Company and which enable them to ensure that the financial statements comply with Companies Act 1985.

The directors 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.

**By order of the Board**



**A.L. Scandrett  
Secretary**

*20 January 2000*

# **British Steel Holdings Limited**

## **Valuation Report**

### **To The Directors of British Steel Holdings Limited**

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

In our opinion the aggregate open market value in the ordinary course of business of the properties held at 3 April 1999 is £4,167,651.



**N. Chatterton BSc FRICS**



**A. Pickford BSc ARICS**

18 January 2000

# **British Steel Holdings Limited**

## **Report of the Auditors to the members of British Steel Holdings Limited**

We have audited the financial statements on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Report and Accounts including the financial statements as described on page 4. Our responsibilities, as independent auditors, are established 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 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.

### **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 3 April 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
LONDON,

26 January 2000

## British Steel Holdings Limited

### Profit and Loss Account for the year ended 3 April 1999

	Notes	1999 £000	1998 £000
Turnover	1 (ii)	1,315	8,250
Operating costs	2	<u>(438)</u>	<u>(992)</u>
<b>Operating profit</b>		877	7,258
Release by subsidiary undertaking of amounts owing		-	240
Loss on disposal of subsidiary undertakings	4	-	(5)
Investments struck off		(180)	-
Amounts provided against investments		<u>180</u>	<u>(180)</u>
<b>Profit on ordinary activities before interest and taxation</b>		877	7,313
Interest receivable	5	-	6
Dividends received from subsidiary undertakings		<u>-</u>	<u>999</u>
<b>Profit on ordinary activities before taxation</b>		877	8,318
Taxation	6	<u>1,714</u>	<u>(2,252)</u>
<b>Retained profit for the year</b>		<u>2,591</u>	<u>6,066</u>
Retained profit at the beginning of the year		<u>30,664</u>	<u>24,598</u>
Retained profit at the end of the year		<u>33,255</u>	<u>30,664</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 14 form part of these accounts.



# British Steel Holdings Limited

## Balance Sheet as at 3 April 1999

	Notes	1999 £000	1998 £000
<b>Fixed Assets</b>			
<b>Investments:</b>			
Investments in group undertakings	7	-	862
Investments in associate undertakings	8	<u>-</u>	<u>600</u>
		-	1,462
<b>Current Assets</b>			
Stock	9	1,548	2,013
Debtors	10	<u>32,280</u>	<u>30,082</u>
		33,828	32,095
<b>Creditors: amounts falling due within one year</b>	11	<u>(323)</u>	<u>(2,643)</u>
<b>Net current assets</b>		<u>33,505</u>	<u>29,452</u>
<b>Total assets less current liabilities</b>		33,505	30,914
<b>Net Assets</b>		<u>33,505</u>	<u>30,914</u>
<b>Capital and reserves</b>			
Called up share capital	12	250	250
Profit and loss account		<u>33,255</u>	<u>30,664</u>
<b>Shareholders funds</b>	13	<u>33,505</u>	<u>30,914</u>

These accounts were approved by the Board on 20 January 2000.



G H Craine  
Director

The notes on pages 9 to 14 form part of these accounts.

# **British Steel Holdings 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 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 British Steel 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 British Steel Holdings Limited and a member of staff of British Steel plc 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.

# British Steel Holdings Limited

## Notes to the accounts for the year ended 3 April 1999

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, 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 British Steel Group or investees of the Group qualifying as related parties.

## 2. Operating costs

	1999	1998
	£000	£000
Cost of sales	466	881
Net rental income	(34)	(52)
Exchange (profit)/loss on loans	(32)	33
Other operating charges	<u>38</u>	<u>130</u>
	<u>438</u>	<u>992</u>

Auditors' remuneration of £2,000 (1998:£2,000) is included in other operating charges.

# British Steel Holdings Limited

## Notes to the accounts for the year ended 3 April 1999

### 3. Employees

The Company has no employees other than the directors.

### 4. Loss on disposal of subsidiary undertaking

The prior year loss relates to the sale of shares in Colormetall Vertrieb GmbH, Profil 2000 BV and DSRM International Stahlhandel GmbH. These shares were acquired and sold during the course of the prior financial year.

5	Interest receivable	1999 £000	1998 £000
	Interest receivable from group undertakings	-	5
	Other interest receivable	<u>-</u>	<u>1</u>
		<u>-</u>	<u>6</u>

6	Taxation	1999 £000	1998 £000
	Corporation tax at 31% (1998:31%)	270	2,252
	Prior year credit	<u>(1,984)</u>	<u>-</u>
		<u>(1,714)</u>	<u>2,252</u>

7	Investments in group undertakings	Shares in group undertakings £000	Loans to group undertakings £000	Total £000
	Cost			
	At 28 March 1998	180	862	1,042
	Exchange movements	-	32	32
	Disposals	-	(894)	(894)
	Investments struck off	<u>(180)</u>	<u>-</u>	<u>(180)</u>
	At 3 April 1999	<u>-</u>	<u>-</u>	<u>-</u>

# British Steel Holdings Limited

## Notes to the accounts for the year ended 3 April 1999

### 7 Investments in group undertakings (ctd)

	Shares in group undertakings £000	Loans to group undertakings £000	Total £000
<b>Provisions</b>			
At 28 March 1998	(180)	-	(180)
Investments struck off	180	-	180
At 3 April 1999	—	—	—
<b>Net book value at 3 April 1999</b>	-	-	-
Net book value at 28 March 1998	-	862	862

The company owned 100% of the issued share capital of The British Steam Shipping Company Limited, registered in England. It should be noted that this company was struck off during the period.

### 8 Investments - Associated Undertakings

	Shares in associated undertakings unlisted £000
<b>Cost and Net Book Value</b>	
At 28 March 1998	600
Disposals	<u>(600)</u>
At 3 April 1999	<u>—</u>

During the period, the company sold a 14.9% interest in EP Malaysia Limited.

# British Steel Holdings Limited

## Notes to the accounts for the year ended 3 April 1999

9	<b>Stock</b>	<b>1999</b>	<b>1998</b>
		<b>£000</b>	<b>£000</b>
	Properties for resale	784	784
	Development properties	<u>764</u>	<u>1,229</u>
		<u><b>1,548</b></u>	<u><b>2,013</b></u>
10	<b>Debtors</b>	<b>1999</b>	<b>1998</b>
		<b>£000</b>	<b>£000</b>
	Amounts falling due within one year:		
	Trade debtors	1,417	992
	Corporation Tax	1,720	-
	Other debtors	-	5
	Amounts owed by parent undertaking	<u>27,722</u>	<u>26,248</u>
		<u><b>30,859</b></u>	<u><b>27,245</b></u>
	Amounts falling due after one year:		
	Trade debtors	1,417	2,833
	Other debtors	<u>4</u>	<u>4</u>
		<u><b>1,421</b></u>	<u><b>2,837</b></u>
		<u><b>32,280</b></u>	<u><b>30,082</b></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.

11	<b>Creditors amounts falling due within one year</b>	<b>1999</b>	<b>1998</b>
		<b>£000</b>	<b>£000</b>
	Short term loans and overdrafts	-	8
	Trade creditors	121	199
	Other creditors	202	184
	Corporation tax	<u>-</u>	<u>2,252</u>
		<u><b>323</b></u>	<u><b>2,643</b></u>

# British Steel Holdings Limited

## Notes to the accounts for the year ended 3 April 1999

12	<b>Called up share capital</b>	<b>1999</b>	<b>1998</b>
		<b>£000</b>	<b>£000</b>
	Authorised and allotted:		
	500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>
	Called up and fully paid up:		
	2 ordinary shares of £1 each	-	-
	499,998 ordinary shares of £1 each (50p paid)	<u>250</u>	<u>250</u>
		<u>250</u>	<u>250</u>

### 13. Reconciliation of movement in shareholders' funds

	<b>1999</b>	<b>1998</b>
	<b>£000</b>	<b>£000</b>
Opening shareholders' funds	30,914	24,848
Profit for the year	<u>2,591</u>	<u>6,066</u>
Closing shareholders' funds	<u>33,505</u>	<u>30,914</u>

### 14. Directors' emoluments

No Director received any remuneration during the period in respect of their services to the company. (1998 : Nil)

### 15. Ultimate holding company

The Company is a subsidiary of British Steel plc which is registered in England and Wales. Copies of British Steel plc's consolidated report and accounts may be obtained from The Secretary, British Steel plc, 15 Marylebone Road, London NW1 5JD.

Subsequent to the financial year end 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 is now Corus Group plc.