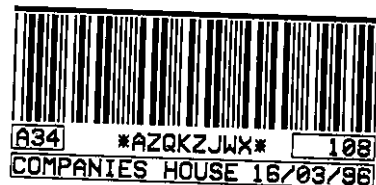


U K STEEL EXPORTS LTD  
NORTH BLACKVEIN INDUSTRIAL ESTATE,  
WATTSVILLE,  
CROSS KEYS,  
GWENT NP1 7PX.

DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31ST DECEMBER 1995

COMPANY NO: 1968136 (England and Wales)

DYKE, RUSCOE, & HAYES,  
REGISTERED AUDITORS  
AND CERTIFIED ACCOUNTANTS,  
40 TEME STREET,  
TENBURY WELLS,  
WORCS.



U K STEEL EXPORTS LTD

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U K STEEL EXPORTS LTD

COMPANY INFORMATION

Directors:

Mr T P MacDonald  
Mr C E J Anthony  
Mr D Doorduyn

Secretary:

Mrs J A Hoskins

Registered  
Office:

U K Steel Exports Ltd.,  
North Blackvein Industrial Estate,  
Wattsville,  
Cross Keys,  
Gwent NP1 7PX.

Auditors:

Dyke Ruscoe & Hayes,  
Registered Auditors and  
Certified Accountants  
40 Teme Street,  
Tenbury Wells  
Worcs.

## U K STEEL EXPORTS LTD

### 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 of the company 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;
- 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 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 are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention of fraud and other irregularities.

# U K STEEL EXPORTS LTD

## DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1995

The Directors present their report and the financial statements for the year ended 31st December 1995.

### Principal Activity

The company's principal activity continues to be that of steel exporters and fabricators.

### Directors

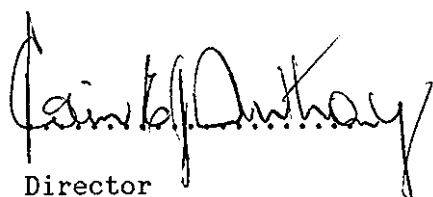
The Directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	Number of shares			
	1995		1994	
	A	B	A	B
Mr T P MacDonald	8,040	35	8,040	35
Mr C E J Anthony	8,040	35	8,040	35
Mr D Doorduyn	4,020	20	4,020	20

### Auditors

The auditors, Dyke, Ruscoe & Hayes will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 13th March 1996 and signed on their behalf.

  
Director

U K STEEL EXPORTS LTD

AUDITORS' REPORT TO THE MEMBERS OF  
U K STEEL EXPORTS LTD.

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors.

As described on page 1, 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 mis-statement, 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 31st December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

40 Teme Street,  
Tenbury Wells,  
Worcs.  
14th March 1996

*Dyke. Ruscoe Hayes*  
Dyke, Ruscoe & Hayes,  
Registered Auditors and  
Certified Accountants.

U K STEEL EXPORTS LTD

PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST DECEMBER 1995.

	Note	1995	1994
TURNOVER	2	2,126,182	1,922,883
Cost of sales		1,798,816	1,731,939
GROSS PROFIT		327,366	190,944
Distribution and administrative expenses		203,579	191,985
OPERATING PROFIT	3	123,787	(1,041)
Profit/(Loss) on disposal of assets		(934)	2,633
Profit on ordinary activities before interest		122,853	1,592
Other income	4	3,628	7,476
Interest payable	5	2,104	3,426
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		124,377	5,642
Tax on ordinary activities	6	33,021	1,939
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		91,356	3,703
RETAINED PROFIT FOR THE YEAR		£91,356	£3,703
RETAINED PROFIT BROUGHT FORWARD		95,322	91,618
RETAINED PROFIT CARRIED FORWARD		186,678	95,321

There were no recognised gains and losses for 1995 other than those included in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

U K STEEL EXPORTS LTD.

BALANCE SHEET AS AT 31ST DECEMBER 1995.

	Note	1995	1994
<b>FIXED ASSETS</b>			
Tangible Assets	7	25,810	60,084
		<u>25,810</u>	<u>60,084</u>
<b>CURRENT ASSETS:</b>			
Stock		13,360	1,494
Debtors	8	678,968	907,828
Cash at bank and in hand		39,849	18,354
		<u>732,177</u>	<u>927,676</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	551,109	871,558
		<u>551,109</u>	<u>871,558</u>
<b>NET CURRENT ASSETS</b>		181,068	56,118
		<u>181,068</u>	<u>56,118</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		206,878	116,202
		<u>206,878</u>	<u>116,202</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	10	-	681
		<u>-</u>	<u>681</u>
<b>NET ASSETS</b>		£206,878	£115,521
		<u>£206,878</u>	<u>£115,521</u>
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	11	20,200	20,200
Profit and loss account	12	186,678	95,321
		<u>186,678</u>	<u>95,321</u>
<b>SHAREHOLDER'S FUNDS</b>		£206,878	£115,521
		<u>£206,878</u>	<u>£115,521</u>

The directors have taken advantage, in the preparation of these financial statements, of special exemptions to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985. The financial statements were approved by the board on 13th March 1996 and signed on its behalf.

Director.



The notes on pages 6 to 11 form part of these financial statements.

U K STEEL EXPORTS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1995

1 ACCOUNTING POLICIES

**Basis of preparation of accounts**

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	25% reducing balance basis
Office and General equipment	20% reducing balance basis

Depreciation has not been provided on freehold property. The directors are of the opinion that its current value considerably exceeds the book figure.

**Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation in each period.

# U K STEEL EXPORTS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1995

### Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

### Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account arriving at the operating profit.

### Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

## 2 TURNOVER

In the year to 31st December 1995 99.9% of the company's turnover was to markets outside the United Kingdom (1994 99.9%).

## 3 OPERATING PROFIT

	1995	1994
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	8,235	9,794
Operating lease rentals	-	773
Bad debts written off	5,256	467
Accountants and Auditors remuneration	4,918	5,665
Legal fees	85	125
Directors emoluments	46,508	50,008
Directors pension	11,992	10,409

U K STEEL EXPORTS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1995

4 OTHER INCOME:

Profit on exchange	3,002	7,149
Bank account interest received	626	327
	<u>£3,628</u>	<u>£7,476</u>

5 INTEREST PAYABLE

Bank interest	1,067	2,359
Hire purchase interest	1,037	1,067
	<u>£2,104</u>	<u>£3,426</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

U.K. Current year taxation		
Corporation tax provision for year	32,500	2,000
Prior years:		
Adjust corporation tax provision in previous years	521	(61)
	<u>£33,021</u>	<u>£1,939</u>

U K STEEL EXPORTS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1995

7 TANGIBLE FIXED ASSETS

	Motor Vehicles	Furniture & Fittings	Office Equip.	Property	Total
COST					
At 1st January 1995	38,145	13,009	3,338	26,489	80,981
Additions	-	450	-	-	450
Disposals	-	-	-	(26,489)	(26,489)
At 31st December 1995	£38,145	£13,459	£3,338	-	£54,942
DEPRECIATION					
At 1st January 1995	12,465	9,733	1,569	-	23,767
Charge for the year	4,270	745	350	-	5,365
At 31st December 1995	£16,735	£10,478	£1,919	-	£29,132
NET BOOK VALUE					
At 31st December 1995	£21,410	£2,981	£1,419	-	£25,810
At 31st December 1994	£28,550	£3,276	£1,769	£26,489	£60,084

8 DEBTORS: DUE WITHIN ONE YEAR

	1995	1994
Trade debtors	309,941	800,026
Prepayments and accrued income	226,476	3,871
Sundry debtors	142,551	103,931
	£678,968	£907,828

U K STEEL EXPORTS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1995

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank overdraft	79,151	36,198
Trade creditors	418,863	712,250
Sundry creditors	19,914	111,919
Hire purchase accounts	681	9,191
Corporation Tax	32,500	2,000
	<u>£551,109</u>	<u>£871,558</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Hire purchase accounts	-	681
	<u>-</u>	<u>681</u>

11 CALLED UP SHARE CAPITAL

Authorised		
175000 'A' Ordinary shares of £1 each	175,000	175,000
25000 'B' Ordinary shares of £1 each	25,000	25,000
	<u>175,000</u>	<u>175,000</u>
Issued		
20100 'A' Ordinary shares of £1 each	20,100	20,100
100 'B' Ordinary shares of £1 each	100	100
	<u>20,200</u>	<u>20,200</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995	1994
Total recognised profit	91,356	3,703
Opening shareholders funds	115,522	111,818
	<u>206,878</u>	<u>115,521</u>
Closing shareholders funds	£206,878	£115,521

13 CONTINGENT LIABILITIES

At the year end the company did not have any contingent liabilities.

U K STEEL EXPORTS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1995

14 CAPITAL COMMITMENTS

At the year end the company did not have any capital commitments

U K STEEL EXPORTS LTD

PROFIT AND LOSS ACCOUNT SCHEDULE FOR THE  
YEAR ENDED 31ST DECEMBER 1995

	1995	1994
DISTRIBUTION AND ADMINISTRATIVE EXPENSES		
Directors emoluments	46,508	50,008
Directors pension	11,992	10,409
Wages and P.A.Y.E contributions	47,233	39,208
Commission	26,362	10,953
Rent	1,875	1,875
Rates and water rates	335	783
Insurance	4,157	6,607
Repairs and renewals	-	3,714
Property expenses	221	684
Motor and travelling expenses	12,839	17,002
Equipment rental and leasing	-	773
Light and heat	932	855
Accountants and auditors charges	4,918	5,665
Legal fees	85	125
Telephone charges	11,451	10,370
Printing, postage, stationery and advertising	7,330	4,436
Bank charges	4,962	7,561
Incidental expenses	7,151	4,570
Machine hire	1,633	390
Bad debts	5,256	467
Depreciation	8,235	9,794
Loss on Foreign exchange	104	5,736
	<u>£203,579</u>	<u>£191,985</u>