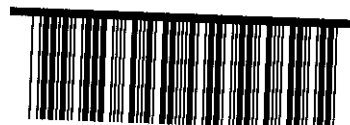


**UK STEEL ENTERPRISE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 9 MONTHS ENDED 30 DECEMBER 2000**

**Registered number: 535960**



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COMPANIES HOUSE 13/06/01

# UK STEEL ENTERPRISE LTD

## DIRECTORS' REPORT FOR THE PERIOD ENDED 30 DECEMBER 2000

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### 1. Financial Statements

The directors submit herewith the audited financial statements of the Company for the 9 months ended 30 December 2000. The Company is a subsidiary of Corus Group plc.

Following the merger between British Steel plc and Koninklijke Hoogovens to form Corus Group plc, the group's financial year end was changed to December. Consequently, these financial statements have been drawn up for a 9 month period.

### 2. Principal Activities

The principal objective of the Company is to assist in the regeneration of those areas of the United Kingdom which have been affected by changes in the steel industry. The Company seeks to achieve this by encouraging the creation and growth of small and medium sized businesses which can provide new employment opportunities in these areas.

The principal activities of the Company are the provision of risk finance and premises to businesses which can demonstrate growth potential. The Company also provides support to selected business support agencies and initiatives.

### 3. Review of Operations and Future Developments

During the period the new Innovation Centre in Teesside was completed together with the extension to the office block in Cardiff. The property portfolio continued to perform well, with a significant increase in income.

The Company has experienced a decline in investment income with a significant reduction in the level of dividends received. This has been offset, in part, by higher loan interest following an increase in lending over the period. Several capital gains in respect of investment sales are included within the results.

The Company again benefited from grants received from the European Regional Development Fund.

Both the level of business and the period end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

On 6<sup>th</sup> April 2001 the Company formed a new wholly owned subsidiary. It is hoped to use the subsidiary to further expand the company's operations within South Yorkshire.

### 4. Results and Dividends

The Company recorded a loss of £358,690 (Apr 2000: profit of £135,669) after tax as set out in the profit and loss account on page 6. Because of the nature of the Company's activities it is the Board's policy not to make distributions to shareholders. Accordingly the directors do not recommend the payment of a dividend (Apr 2000 £nil).

### 5. Fixed Assets

In the opinion of the directors, the market value of freehold land and buildings is not significantly different from the book value at which these properties are included in the balance sheet.

# UK STEEL ENTERPRISE LTD

## DIRECTORS' REPORT FOR THE PERIOD ENDED 30 DECEMBER 2000

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### 6. Directors

The following directors all served throughout the year except where indicated:

Mr A J Johnston  
Mr S R Green (appointed 1 October 2000)  
Mr V J Smith  
Lord Brookman  
Mr A V L Williams  
Mr C D Gardner

### 7. Directors' Interests in Shares of the Group

The beneficial interest of the directors in the ordinary shares of Corus Group plc at the end of the period were as follows:

	<u>30 Dec 2000</u>	<u>1 Apr 2000</u>
A J Johnston	2,241	2,241
S R Green *	23,299	23,299
V J Smith	9,465	9,465
Lord Brookman	-	-
A V L Williams	22,000	22,000
C D Gardner	-	-

The interests of the directors in the Corus Group Executive Share Option Scheme and the Corus Group Share Save Scheme were as follows:

	Outstanding at 1 Apr 2000	Lapsed	Outstanding at 30 Dec 2000	Weighted average exercise price	Exercise period	
	Number	Number	Number		From	To
<b><u>Executive Schemes</u></b>						
A J Johnston	386,403		386,403	123.7p	1997	2010
S R Green *	65,221		65,221	123.2p	2000	2010
V J Smith	45,854		45,854	129.2p	1998	2007
C D Gardner	138,501		138,501	125.3p	1998	2010
<b><u>Sharesave schemes</u></b>						
A J Johnston	19,498		19,498	88.5p	2003	2003
S R Green *	14,818		14,818	88.5p	2003	2003
V J Smith	11,976	4,126	7,850	93.6p	2001	2001
C D Gardner	11,020		11,020	88.5p	2003	2003

\* Opening interests are at date of appointment rather than 1 April 2000.

The market price of the Corus Group shares at 30 December 2000 was 69p and the range during the period was 46p to 104p. Options outstanding are exercisable between 88.47p and 137.79p.

# UK STEEL ENTERPRISE LTD

## DIRECTORS' REPORT FOR THE PERIOD ENDED 30 DECEMBER 2000

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### 8. Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 30 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### 9. Auditors

A resolution to reappoint PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By Order of the Board



S A Williamson  
Secretary  
15 May 2001

The Innovation Centre  
217 Portobello  
Sheffield S1 4DP

## AUDITORS' REPORT

### TO THE MEMBERS OF UK STEEL ENTERPRISE LTD

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We have audited the financial statements on pages 6 to 20, which have been prepared under the historical cost convention and the accounting policies set on pages 8 to 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.

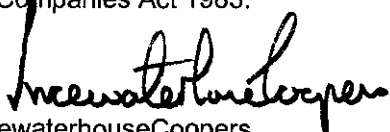
#### Basis of Audit Opinion

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 evaluate 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 affairs of the company at 30 December 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
SHEFFIELD

22 May 2001

# UK STEEL ENTERPRISE LTD

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 DECEMBER 2000

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		9 months 30 Dec 2000	12 months 1 Apr 2000
	Notes	£	£
Turnover	1(h)	1,404,212	1,678,708
Other operating income	2	710,478	653,861
Staff costs	5	(693,972)	(964,621)
Depreciation		(273,937)	(345,263)
Other operating charges		(1,659,819)	(1,422,880)
<b>Operating loss</b>	3	<b>(513,038)</b>	(400,195)
Profit on disposal of fixed assets		-	328,595
Other interest receivable and similar income	4	218,022	278,033
Amounts written off investments	9	(63,674)	(110,427)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(358,690)</b>	96,006
Taxation	6	-	39,663
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(358,690)</b>	135,669

All items dealt with above relate to continuing operations.

The company has no recognised gains and losses other than the (losses)/profit shown above and therefore no separate statement of total recognised gains and losses has been presented.

**UK STEEL ENTERPRISE LTD**

**BALANCE SHEET  
AS AT 30 DECEMBER 2000**

		30 Dec 2000	1 Apr 2000
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	7,332,013	7,728,210
<b>INVESTMENTS</b>			
	9	601,644	679,726
<b>CURRENT ASSETS</b>			
Debtors:			
amounts falling due after more than 1 year	10	1,740,743	1,431,460
amounts falling due within 1 year	10	6,783,906	7,294,755
Cash at bank and in hand		431,938	277,430
		<b>9,558,231</b>	<b>9,683,371</b>
<b>CREDITORS: amounts falling due within 1 year</b>	11	<b>(711,864)</b>	<b>(567,584)</b>
<b>NET CURRENT ASSETS</b>		<b>8,846,367</b>	<b>9,115,787</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>16,178,380</b>	<b>16,843,997</b>
<b>ACCRUALS AND DEFERRED INCOME</b>	12	<b>(1,139,401)</b>	<b>(1,446,328)</b>
		<b>15,038,979</b>	<b>15,397,669</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	10,000,100	10,000,100
Profit and loss account	15	5,038,879	5,397,569
<b>EQUITY SHAREHOLDER'S FUNDS</b>	16	<b>15,038,979</b>	<b>15,397,669</b>

The financial statements on pages 6 to 20 were approved by the board of directors on 15 May 2001 and were signed on its behalf by:-

S R Green  
Director



# UK STEEL ENTERPRISE LTD

## NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

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### 1. NOTES TO THE FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

A summary of the more important accounting policies which have been applied consistently is set out below:-

(a) **Basis of Preparation of the Financial Statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

(b) **Financial Year**

These financial statements have been prepared for the 39 weeks from 2 April 2000 to 30 December 2000.

(c) **Tangible Fixed Assets**

All fixed assets are recorded at cost less accumulated depreciation. Cost is purchase cost together with any incidental expenses of acquisition less certain capital grants (see (e) below).

(d) **Depreciation**

Depreciation is provided so as to write off the cost or valuation of tangible fixed assets on a straight line basis, over their estimated remaining useful lives.

The principal annual rates used for this purpose are:

	%
Freehold land	-
Freehold buildings	4
Leasehold property	4
Fixtures and fittings	10
Motor vehicles	25

(e) **Government and European Grants**

In accordance with SSAP 4 (Revised) Regional Development Grants and other capital grants received and receivable are credited to deferred income and are released to the profit and loss account over the estimated useful lives of the assets to which they relate. In the exceptional circumstances where grant funding is made available, usually from European Union funds, to enable a project to proceed which otherwise would not be commercially viable, the grant is deducted from the purchase price or production cost of the related fixed asset to the extent that the market value of the fixed asset is lower than its purchase price or production cost.



## UK STEEL ENTERPRISE LTD

### NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

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(f) **Debtors**

Debtors include amounts loaned (normally for a period of three to five years) at varying repayment terms. Income from these loans comprises interest up to the balance sheet date, except where loans have been fully provided against, in which case loan interest is recognised when received.

Provisions against loans are made as a result of a detailed periodic review of the loan portfolio. Although recoverability of individual loans remains difficult to assess, the directors consider that a prudent provision has been made against the overall total of loans.

(g) **Pensions**

The Company contributes to a group pension scheme operated by Corus UK Ltd. Contributions and pension costs are based on pension costs across the group as a whole. The expected cost of providing pension benefits is charged to the profit and loss account so as to spread the cost over the expected average remaining service lives of the employees. Differences between the amounts funded and amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

(h) **Turnover**

Turnover comprises amounts invoiced to workshop tenants for property rentals, licence fees and services provided (gas, electricity, rates etc).

(i) **Investments**

Investments are valued at the lower of cost and estimated net realisable value. Provisions against investments are made as a result of a detailed periodic review of the investment portfolio. For those investments which are listed on either the London Stock Exchange or the Alternative Investment Market (AIM), provisions are made to the extent that the cost exceeds the current market price.

The movement in provisions in the year is now disclosed on the face of the profit and loss account and the prior year disclosures have been adjusted accordingly.

(j) **Deferred Taxation**

Deferred taxation is accounted for, using the liability method, in respect of material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

(k) **Operating Leases**

Rentals paid in respect of operating leases are charged to the profit and loss account as incurred. The Company does not have any finance leases.

(l) **Cash Flow Statement**

A cash flow statement has not been prepared on the grounds that the Company is a wholly owned subsidiary of Corus Group plc, which presents a consolidated cash flow statement in its financial statements in accordance with Financial Reporting Standard Number 1.

**UK STEEL ENTERPRISE LTD**

**NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000**

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(m) **Related Party Transactions**

In accordance with the exception allowed by FRS8 "Related Party Transactions" transactions with Corus Group plc and fellow subsidiary undertakings are not disclosed.

# UK STEEL ENTERPRISE LTD

## NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

### 2. OTHER OPERATING INCOME

	<b>9 months 30 Dec 2000</b>	12 months 1 Apr 2000
	<u>£</u>	<u>£</u>
Share dividends and interest receivable on loans	<b>287,722</b>	456,450
Arrangement fees	<b>4,050</b>	3,830
Profit on realisation of shares	<b>241,809</b>	62,280
ERDF grant income (note 12)	<b>158,718</b>	91,388
RDG grant income (note 12)	<b>18,179</b>	39,913
	<u><b>710,478</b></u>	<u>653,861</u>

### 3. OPERATING LOSS

	<b>9 months 30 Dec 2000</b>	12 months 1 Apr 2000
	<u>£</u>	<u>£</u>
Operating loss is stated after charging:		
Depreciation of tangible fixed assets:		
- owned assets	<b>273,937</b>	345,263
Auditors' remuneration for:		
- audit	<b>13,000</b>	12,650
- other services	-	1,900
Hire of land and buildings - operating leases	-	6,052
Hire of machinery and equipment - operating leases	<b>15,930</b>	14,577
Profit on non exceptional disposals of fixed assets	<b>2,711</b>	2,270
Provisions against loans	<b>478,545</b>	209,542

# UK STEEL ENTERPRISE LTD

## NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

### 4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>9 months 30 Dec 2000</b>	12 months 1 Apr 2000
	<u>£</u>	<u>£</u>
Group interest	202,790	269,847
Bank interest	14,243	7,840
Other interest	989	346
	<u>218,022</u>	<u>278,033</u>

### 5. EMPLOYEE INFORMATION

	<b>9 months 30 Dec 2000</b>	12 months 1 Apr 2000
	<u>£</u>	<u>£</u>
Wages and salaries	623,550	856,619
Social security costs	62,058	80,845
Other pension costs	8,364	9,449
Redundancy costs	-	17,708
	<u>693,972</u>	<u>964,621</u>

The average weekly number of persons (including executive directors) employed by the company during the period was as follows:

	<b>9 months 30 Dec 2000</b>	12 months 1 Apr 2000
	<u>Number</u>	<u>Number</u>
Administration	<u>25</u>	<u>27</u>

# UK STEEL ENTERPRISE LTD

## NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

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### 6. TAXATION

The taxation credit comprises:

	<b>9 months 30 Dec 2000</b>	12 months 1 Apr 2000
	<u>£</u>	<u>£</u>
Group relief in respect of current period	-	44,173
Adjustment in respect of prior periods' group relief	-	(4,510)
	<u>-</u>	<u>39,663</u>

### 7. DIRECTORS' EMOLUMENTS

	<b>9 months 30 Dec 2000</b>	12 months 1 Apr 2000
	<u>£</u>	<u>£</u>
Aggregate emoluments	<u>88,967</u>	<u>112,202</u>

No directors exercised any share options in the period.

Retirement benefits are accruing to 2 (Apr 2000: 1) directors under the British Steel Pension Scheme (1990) defined benefit scheme.

**UK STEEL ENTERPRISE LTD**

**NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000**

**8. TANGIBLE FIXED ASSETS**

	Long Leasehold Buildings	Freehold Land and Buildings	Assets under Construction	Motor Vehicles and Equipment	<b>Total</b>
	£	£	£	£	£
<b><u>COST</u></b>					
At 2 April 2000	2,319,810	5,463,376	1,472,433	199,146	<b>9,454,765</b>
Additions	-	-	1,448,468	-	<b>1,448,468</b>
Capital grant (note 12)	-	-	(1,570,398)	-	<b>(1,570,398)</b>
Transfer on completion	1,007,734	342,769	(1,350,503)	-	<b>-</b>
Disposals	-	-	-	(15,558)	<b>(15,558)</b>
At 30 December 2000	3,327,544	5,806,145	-	183,588	<b>9,317,277</b>
<b><u>DEPRECIATION</u></b>					
At 2 April 2000	(171,823)	(1,426,091)	-	(128,641)	<b>(1,726,555)</b>
Charge for year	(83,031)	(160,553)	-	(30,353)	<b>(273,937)</b>
Disposals	-	-	-	15,228	<b>15,228</b>
At 30 December 2000	(254,854)	(1,586,644)	-	(143,766)	<b>(1,985,264)</b>
<b><u>NET BOOK VALUE</u></b>					
At 30 December 2000	3,072,690	4,219,501	-	39,822	<b>7,332,013</b>
At 2 April 2000	2,147,987	4,037,285	1,472,433	70,505	<b>7,728,210</b>

## UK STEEL ENTERPRISE LTD

### NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

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#### 9. INVESTMENTS

	Unquoted investments	Traded on London Stock Exchange	Traded on AIM	Total
	£	£	£	£
At 2 April 2000	667,082	12,644	-	<b>679,726</b>
Additions	61,450	-	70,309	<b>131,759</b>
Disposals/repayments	(146,167)	-	-	<b>(146,167)</b>
Movements in provisions	(9,658)	2,231	(56,247)	<b>(63,674)</b>
At 30 December 2000	<b>572,707</b>	<b>14,875</b>	<b>14,062</b>	<b>601,644</b>
Number of companies	54	1	1	<b>56</b>

Investments represent ordinary, preferred ordinary and preference shares.

The directors are of the opinion that the number of undertakings in respect of which the Company is required to disclose information under Schedule 5 of the Companies Act 1985 is such that compliance would result in information of excessive length being given. In accordance with section 231 of that Act all such information will be annexed to the Company's next annual return.

# UK STEEL ENTERPRISE LTD

## NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

### 10. DEBTORS

	30 Dec 2000	1 Apr 2000
	<u>£</u>	<u>£</u>
Amounts falling due after more than one year		
Loans (note 1(f))	1,656,950	1,341,051
Prepayments and accrued income (note 17)	83,793	90,409
	<u>1,740,743</u>	<u>1,431,460</u>
Amounts falling due within one year		
Loans (note 1(f))	835,390	751,073
Amounts owed by group undertakings	5,249,010	6,112,989
Group relief receivable	44,173	44,173
Prepayments and accrued income (note 17)	220,088	113,833
Other debtors (including interest on loans (note 1(f)))	435,245	272,687
	<u>6,783,906</u>	<u>7,294,755</u>
	<u><u>8,524,649</u></u>	<u><u>8,726,215</u></u>

Included within other debtors is a balance of £18,826 (1 Apr 2000: £Nil) representing the deferred consideration receivable as part of the disposal proceeds of an unlisted investment following the takeover of that company by an AIM listed company. The balance represents the number of shares due valued at the share price as listed on AIM at the period end date.

### 11. CREDITORS - Amounts falling due within one year

	30 Dec 2000	1 Apr 2000
	<u>£</u>	<u>£</u>
Trade creditors	90,528	55,104
Other tax and social security	8,283	-
Deposits held	248,069	220,436
Other creditors	364,984	292,044
	<u>711,864</u>	<u>567,584</u>
	<u><u>711,864</u></u>	<u><u>567,584</u></u>



# UK STEEL ENTERPRISE LTD

## NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

### 12. ACCRUALS AND DEFERRED INCOME

	30 Dec 2000	1 Apr 2000
	£	£
Regional Development Grants		
At 2 April 2000	213,177	253,090
Transfer to profit and loss account (note 2)	(18,179)	(39,913)
	<b>194,998</b>	213,177
European Regional Development Fund Grants		
At 2 April 2000	1,233,151	151,250
Additions	1,440,368	1,173,289
Transfer to profit and loss account (note 2)	(158,718)	(91,388)
Transfer to fixed assets (note 8)	(1,570,398)	-
	<b>944,403</b>	1,233,151
Total deferred grants	<b>1,139,401</b>	1,446,328

### 13. PROVISIONS FOR LIABILITIES AND CHARGES

#### Deferred Taxation

Deferred taxation is provided in the financial statements in accordance with the Company's accounting policy described in note 1(j) and the amounts provided and unprovided of the total potential liability are set out below:

	Amounts provided		Amounts unprovided	
	30 Dec 2000	1 Apr 2000	30 Dec 2000	1 Apr 2000
	£	£	£	£
Short term timing differences	28,894	28,430	-	-
Accelerated capital allowances	-	-	295,110	325,058
Excess management expenses	(28,894)	(28,430)	(295,110)	(325,058)
	-	-	-	-

**UK STEEL ENTERPRISE LTD**

**NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000**

14. **SHARE CAPITAL**

	30 Dec 2000	1 Apr 2000
	<u>£</u>	<u>£</u>
Authorised:		
Ordinary shares at £1 each	<b>12,000,000</b>	12,000,000
Allotted, called up and fully paid:		
Ordinary shares at £1 each	<b>10,000,100</b>	10,000,100

15. **RESERVES**

	<b>Profit &amp; Loss Account</b>
	<u>£</u>
At 2 April 2000	<b>5,397,569</b>
Retained loss for the financial period	<b>(358,690)</b>
At 30 December 2000	<b>5,038,879</b>

16. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDER FUNDS**

	30 Dec 2000	1 Apr 2000
	<u>£</u>	<u>£</u>
(Loss)/profit for the financial period	<b>(358,690)</b>	135,669
Net (decrease)/increase to shareholders' funds	<b>(358,690)</b>	135,669
Opening shareholders' funds	<b>15,397,669</b>	15,262,000
Closing shareholders' funds	<b>15,038,979</b>	15,397,669

## UK STEEL ENTERPRISE LTD

### NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

#### 17. PENSIONS

The Company participates in a group pension scheme operated by Corus UK Ltd. This is a defined benefit scheme providing benefits based on final pay and service at retirement. The scheme is operated under trust and its assets are invested independently of the group.

The costs of the scheme were assessed in accordance with the advice of independent qualified actuaries and have been based on an actuarial valuation of the scheme at 31 March 1999. Particulars of the valuation are contained in the financial statements of Corus Group plc. The pension costs to the Company for the period ended 30 December 2000, which are based on contributions to the whole group scheme, amounted to £8,364 (Apr 2000 : £9,449). A prepayment of £96,314 (Apr 2000: £94,768) is included in debtors, of which £83,793 (Apr 2000 : £90,409) falls due after more than one year, representing the excess of the amounts funded over the pension charge for the year.

#### 18. CONTINGENT LIABILITIES AND COMMITMENTS

	30 Dec 2000	1 Apr 2000
	£	£
(a) Loans and investments in share capital committed but not paid	<u>978,000</u>	<u>565,000</u>
(b) Leasing commitments		
The annual commitments under operating leases are analysed according to the period in which each lease expires, as follows:		
Motor vehicles, leases expiring within 1 year	6,161	2,357
Motor vehicles, leases expiring within 2-5 years	13,528	13,731
	<u>19,689</u>	<u>16,088</u>
(c) Capital expenditure		
Capital expenditure contracted but not provided for	-	1,227,000

The Company has provided a guarantee to PRIME Ltd for up to £30,000 against loans issued by that company within UK Steel Enterprise's usual operating areas.

## UK STEEL ENTERPRISE LTD

### NOTES TO THE FINANCIAL STATEMENTS - 30 DECEMBER 2000

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#### 19. RING-FENCED FUNDS

Within current assets there are European Regional Development Fund grant assisted investment funds which have been set up for investments in specific areas of the United Kingdom. Under the terms of the different schemes these funds are ring fenced for investment in accordance with the scheme rules. The totals of these funds as at 30 December 2000 are as shown below.

	30 Dec 2000	1 Apr 2000
	<u>£</u>	<u>£</u>
Yorkshire and Humberside Enterprise Fund	401,249	314,000
South Wales Technology and Enterprise Fund	1,182,013	1,568,000
North of England Venture Capital Fund	29,742	-
	<u>1,613,004</u>	<u>1,882,000</u>

#### 20. ULTIMATE HOLDING COMPANY

The ultimate holding company of UK Steel Enterprise Limited is Corus Group plc, which is a company registered in England and Wales. A copy of the ultimate holding company's financial statements can be obtained from the Company Secretary, Corus Group plc, 15 Great Marlborough Street, London, W1V 2BS.