

BRITISH STEEL (INDUSTRY) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 MARCH 1997

Registered number: 535960



BRITISH STEEL (INDUSTRY) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 29 MARCH 1997

1. The directors submit herewith the audited financial statements of the company for the year ended 29 March 1997. The company is a subsidiary of British Steel plc ("British Steel").

2. **Principal Activities**

The principal activities of the company are the provision of finance (mainly by way of loan and share capital), premises and advisory services to firms intending to expand and create economic growth in those areas of the United Kingdom where unemployment has been most directly affected by the closure of British Steel works or by the reduction of British Steel activities.

The company initiates and also gives tangible support to other organisations active in economic regeneration and education, including Enterprise Agencies and Youth Business initiatives.

3. **Review of Operations**

Growth from managed workspace and a healthy contribution from the investment portfolio have significantly boosted income year on year. Stable operating costs and moderate provisions for new Investment activity have resulted in an overall small surplus for the year.

Work commenced in the year on two significant Capital Investment programmes with a funding commitment of £5M. A new four storey Innovation Centre based in Sheffield city centre and a complete refurbishment of our existing Cardiff Workshops.

An older property at Normanby Park was sold in the year.

Support for youth activities continues. Funding is committed for a further 2 years to support young entrepreneurs through the Youth Enterprise Centre in Motherwell.

4. **Results and Dividends**

The company made a profit of £104,382 after tax as set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (1996: £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.

6. **Directors**

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

Dr D Grieves
Mr D K Brookman
Mr W J Cain
Mr V J Smith
Mr P J K Ferguson (resigned August 1996)
Mr A J Johnston.

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

The beneficial interest of the directors in the ordinary shares of British Steel plc at the end of the financial year and movements in their share options held under the British Steel Executive Share Option Scheme and the British Steel Sharesave Scheme were as follows.

	<u>Shares</u>		<u>Outstanding at 31 Mar 1996</u>	<u>Options</u>		<u>Outstanding at 29 Mar 1997</u>
	<u>1997</u>	<u>1996</u>		<u>Granted</u>	<u>Exercised</u>	
D Grieves	48,000	68,000	0	0	0	0
W Cain	0	0	82,750	21,200	0	103,950
V Smith	2,215	2,215	36,175	10,800	0	46,975
D Brookman	0	0	0	0	0	0
A Johnston	2,241	2,241	79,750	24,200	0	103,950

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

8. **Directors' Responsibilities**

The Directors are required by UK company law 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 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 year ended 29 March 1997. 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 the auditors, Coopers and Lybrand, will be proposed at the Annual General Meeting.

By Order of the Board



S A Williamson
Secretary

Bridge House
Bridge Street
Sheffield S3 8NS
7th August 1997

**REPORT OF THE AUDITORS TO THE MEMBERS
OF
BRITISH STEEL (INDUSTRY) LIMITED**

We have audited the financial statements on pages 6 to 18.

Respective responsibilities of directors and auditors

As described on page 3 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.

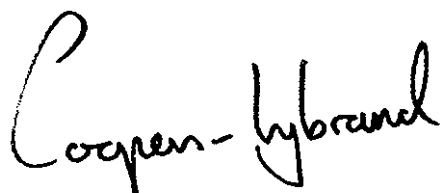
Basis of Opinion

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 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 29 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
SHEFFIELD
8 August 1997

BRITISH STEEL (INDUSTRY) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 MARCH 1997**

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
Turnover - continuing operations	1(i)		
• Licence fees for workshops		1,089,773	985,791
• Other		165,440	160,581
		<u>1,255,213</u>	<u>1,146,372</u>
Operating loss - continuing operations	2	(260,760)	(422,901)
Profit on the sale of fixed assets		117,119	-
		<u>(143,641)</u>	<u>(422,901)</u>
Loss on ordinary activities before taxation		(143,641)	(422,901)
Taxation on loss on ordinary activities	3	248,023	304,093
		<u>104,382</u>	<u>(118,808)</u>
Profit(Loss) for the financial year after taxation		<u>104,382</u>	<u>(118,808)</u>
STATEMENT OF RETAINED PROFITS			
Retained profits at 31 March 1996		4,442,246	4,561,054
Profit(Loss) for the financial year as above		104,382	(118,808)
		<u>4,546,628</u>	<u>4,442,246</u>
Retained profits at 29 March 1997		<u>4,546,628</u>	<u>4,442,246</u>

There is no material difference between the loss on ordinary activities before tax and the retained loss for the year stated above and their historical cost equivalents.

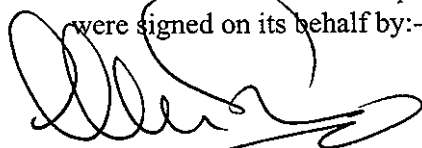
There are no recognised gains or losses other than shown above during the year.

BRITISH STEEL (INDUSTRY) LIMITED

BALANCE SHEET AS AT 29 MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Tangible assets	6	<u>5,162,900</u>	<u>4,944,309</u>
INVESTMENTS			
	7	721,033	823,568
CURRENT ASSETS			
Debtors:			
amounts falling due after more than 1 year	8	817,639	675,192
amounts falling due within 1 year	8	10,143,848	10,332,107
Cash at bank in hand		2,342	2,418
		<u>11,684,862</u>	<u>11,833,285</u>
CREDITORS - Amounts falling due within one year	9	(503,688)	(509,147)
NET CURRENT ASSETS		<u>11,181,174</u>	<u>11,324,138</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,344,074	16,268,447
ACCRUALS AND DEFERRED INCOME	10	(364,942)	(395,578)
PROVISIONS FOR LIABILITIES AND CHARGES	11	(150,000)	(148,119)
		<u>15,829,132</u>	<u>15,724,750</u>
CAPITAL RESERVES			
Called up share capital	12	10,000,100	10,000,100
Profit and loss account		4,546,628	4,442,246
Revaluation reserve	13	1,282,404	1,282,404
EQUITY SHAREHOLDER'S FUNDS	14	<u>15,829,132</u>	<u>15,724,750</u>

The financial statements on pages 6 to 18 were approved by the board of directors on 7th August 1997 and were signed on its behalf by:-



V. I. Smith
Director

BRITISH STEEL (INDUSTRY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 29 March 1997

1. GENERAL NOTES ON 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 as modified by the revaluation of certain freehold land and buildings, and in accordance with applicable Accounting Standards in the United Kingdom.

(b) **Financial Year**

These financial statements have been prepared for the 52 weeks from 31 March 1996 to 29 March 1997.

(c) **Tangible Fixed Assets**

Certain freehold land and buildings are stated at a valuation. Where a valuation reveals a diminution in value, the carrying value is adjusted first of all against the revaluation reserve on that property. Any deficiency in excess of the revaluation is taken to profit and loss account so as to reduce the property to its market value. All other 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 principle annual rates used for this purpose are:

	%
Freehold land	-
Freehold buildings	4
Motor vehicles	25

(e) **Government 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 circumstance 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 .

(f) **Debtor**

Debtors include amounts loaned (normally for a period of three to five years) at varying repayment terms to new firms or to firms intending to expand their operations, thus creating employment opportunities in areas of the UK where unemployment has been affected by the closure of British Steel activities. 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) **Provisions**

Included in the provisions for liabilities and charges are amounts to be paid as contributions to the funding of Enterprise Trusts which are provided for at the time when the commitment is made and accepted.

(h) **Pensions**

The company contributes to a group pension scheme operated by British Steel. 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.

(i) **Turnover**

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

(j) **Investments**

Investments are valued at the lower of cost and estimated net realisable value. Predominantly investments represent holdings of preference shares issued by firms in areas affected by the closure of British Steel activities. Provisions against investments are made as a result of a detailed periodic review of the investment portfolio.

(k) **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.

(l) **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.

(m) **Cash Flow Statement**

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

2. OPERATING LOSS IS MADE UP AS FOLLOWS:-

	<u>1997</u>	<u>1996</u>
	£	£
Turnover		
• Licence fees for workshops	1,089,773	985,791
• Other	165,440	160,581
Other operating income		
Share dividends and interest receivable on loans	490,835	504,089
Profit on redemption of shares	390,214	152,578
Interest receivable from British Steel	445,353	501,712
Other income	11,760	35,163
	<u>2,593,375</u>	<u>2,339,914</u>
Staff costs		
Wages and salaries	(945,074)	(945,564)
Social security costs	(78,811)	(81,717)
Other pension costs (note 15)	(43,716)	(50,442)
Depreciation	(195,423)	(190,369)
Grant release	30,636	30,637
Auditors' remuneration	(11,500)	(12,650)
(Loss) on sale of tangible fixed assets	(3,098)	(4,245)
Operating lease rentals - land and buildings	(75,920)	(93,214)
Other operating charges including provision for doubtful debts and write down of investments	(1,531,229)	(1,415,251)
	<u>(260,760)</u>	<u>(422,901)</u>

The whole of the operating loss relates to continuing operations.

3. **TAX ON LOSS ON ORDINARY ACTIVITIES**

The taxation credit comprises:

	<u>1997</u> £	<u>1996</u> £
Group relief receivable	310,000	250,000
Taxation attributable to franked investment income	(90,107)	(44,884)
Adjustments in respect of prior years:		
Group relief received	28,130	104,567
Tax attributable to franked investment income	-	(5,590)
	<u>248,023</u>	<u>304,093</u>

4. **DIRECTORS' EMOLUMENTS**

	<u>1997</u> £	<u>1996</u> £
Aggregate emoluments	<u>129,689</u>	<u>125,203</u>

No directors exercised share options in the year.

5. **EMPLOYEES**

An analysis of employments costs, which include emoluments of executive directors, appears in note 2. Excluding non-executive directors, the average number of persons engaged on the company's activities during the year was 36 (1996: 37).

The staff are employees of British Steel.

6. **TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings	Assets under construction	Motor Vehicles	Total
	£	£	£	£
<u>COST OR VALUATION</u>				
At 31 March 1996	5,460,942	-	244,024	5,704,966
Additions	-	449,669	90,142	539,811
Disposals	(391,250)	-	(57,001)	(448,251)
At 29 March 1997	<u>5,069,692</u>	<u>449,669</u>	<u>277,165</u>	<u>5,796,526</u>
<u>DEPRECIATION</u>				
At 31 March 1996	(650,403)	-	(110,254)	(760,657)
Charge for year	(129,511)	-	(65,912)	(195,423)
Disposals	284,689	-	37,765	322,454
At 29 March 1997	<u>(495,225)</u>	<u>-</u>	<u>(138,401)</u>	<u>(633,626)</u>
<u>NET BOOK VALUE</u>				
At 29 March 1997	<u>4,574,467</u>	<u>449,669</u>	<u>138,764</u>	<u>5,162,900</u>
At 31 March 1996	<u>4,810,539</u>	<u>-</u>	<u>133,770</u>	<u>4,944,309</u>
<u>COST/VALUATION</u>				
Valuation (see (a) below)	2,328,336	-	-	2,328,336
Cost	2,741,356	449,669	277,165	3,468,190
	<u>5,069,692</u>	<u>449,669</u>	<u>277,165</u>	<u>5,796,526</u>

- (a) Certain freehold buildings are included at valuation performed at 31 March 1990 by the following independent chartered surveyors, King Sturge & Co, J Trevor & Sons, James Barr & sons, Storey Sons & Parker and J T Raine. A directors valuation was carried out on certain properties at 1 April 1995 and a diminution in value was identified which was adjusted as appropriate. The directors have reviewed the carrying values at 29 March 1997 to confirm their valuation at that date.
- (b) If freehold land and buildings had not been revalued they would have been included in these financial statements at the following amounts:

	<u>1997</u>	<u>1996</u>
	£	£
Historical cost	4,399,855	4,791,106
Depreciation based on cost	(1,149,899)	(1,287,719)
Historical cost net book value at 29 March 1997	<u>3,249,956</u>	<u>3,503,387</u>

7. INVESTMENTS

Details of those investments in which the company holds more than a 20% interest in a class of shares are set out below.

<i>COMPANY</i>	<i>DESCRIPTION OF SHARES HELD</i>	<i>PROPORTION OF NOMINAL VALUE OF CLASS</i>	<i>PERCENTAGE OF ORDINARY SHARES HELD</i>
ACM Bearings Ltd	25,002 Ords	100.0%	10.0%
* Advanced Outlook Ltd	25,000 Prefs	100.0%	
* Anotek Ltd	45,000 Prefs	100.0%	
	30,000 Pref ords	100.0%	12.0%
APT Electronics Ltd	15,000 Ords	100.0%	30.0%
* Associated Metal (Stainless) Ltd	7,500 Pref ords	100.0%	15.0%
	46,666 Prefs	100.0%	
Bastion Security (North) Ltd	25,000 Pref ords	100.0%	10.0%
Blastpride (Holdings) Ltd	7,059 Pref ords	100.0%	15.0%
* CV Labels Ltd	7,500 Pref ords	100.0%	20.0%
	42,500 Prefs	100.0%	
* Calman Technology Ltd	16,000 Prefs	100.0%	
	9,000 Pref ords	100.0%	18.0%
Computerised Training Services Ltd	2,084 Pref ords	100.0%	29.0%
	31,111 Prefs	100.0%	
* Coubrough & McKeracher Ltd	15,000 Pref ords	100.0%	20.0%
	29,000 Prefs	100.0%	
Digitrol Ltd	12,706 Pref ords	100.0%	15.0%
* Eaglesfield Fashions Ltd	25,000 Prefs	100.0%	
* Emis (UK) Ltd	57,352 Prefs	100.0%	
	17,648 Pref ords	100.0%	15.0%
Flex-ability Ltd	34,136 Pref ords	100.0%	24.9%
	60,000 Prefs	100.0%	
* G T Martin & Sons Ltd	50,000 Prefs	100.0%	
Gorno's Speciality Foods Ltd	6,250 Pref ords	100.0%	20.0%
* Hunter Engineering Ltd	5,000 Pref ords	100.0%	17.0%
Intelligent Database Marketing Ltd	28,760 Prefs	26.4%	
	15,192 Pref ords	42.9%	15.0%
* J & JR Ltd	25,000 Prefs	100.0%	
* Lamberton Enterprises Ltd	25,000 Pref ords	100.0%	20.0%
	25,000 Prefs	100.0%	
Lucassen Young (Holdings) Ltd	30,000 Pref ords	100.0%	20.0%
Mechan Ltd	10,723 Ords	100.0%	12.5%
	20,000 Prefs	100.0%	
Palpak Western Ltd	1,500 Pref ords	100.0%	15.0%
	18,500 Prefs	100.0%	
* Pierceton Engineering Ltd	30,250 Prefs	100.0%	
	9,750 Pref ords	100.0%	7.5%
Pipe Equipment Specialists Ltd	4,284 Pref ords	100.0%	10.0%
Porter Plant Ltd	90,000 Prefs	100.0%	
	56 A Ords	100.0%	7.5%
Precision Cast Components Ltd	5,824 Pref ords	100.0%	15.0%
	25,000 Prefs	100.0%	
Speedome Limited	71,000 Prefs	75.1%	
	4,000 Pref ords	73.5%	10.0%
Underwood Meat Co Ltd	16,667 Prefs	50.0%	
Waterstone Glassware Ltd	90,278 Ords	100.0%	5.0%
Whiteley Read Ltd	43,500 Prefs	100.0%	
	33,200 Ords	100.0%	17.4%

All shares have a nominal value of £1 each. All the above companies are registered in England and Wales except those specifically marked with an asterisk which are registered in Scotland.

During the year the company realised the following preference and ordinary share holdings, Underwood Meat Co Ltd, Hornbill Engineering Ltd, Computerised Training Services Ltd, Autobus Classique Ltd, Hunter Engineering Ltd, Applied Security Design Ltd, Thomson Pettie Tube Products Limited and Intelligent Database Marketing Limited.

8.	<u>DEBTORS</u>	<u>1997</u> £	<u>1996</u> £
	Amounts falling due after more than one year		
	Loans (note 1(f))	743,518	612,264
	Prepayments (note 15)	74,121	62,928
		<u>817,639</u>	<u>675,192</u>
	Amounts falling due within one year		
	Loans (note 1(f))	742,966	559,111
	Amounts owed by group undertakings	8,928,100	9,213,710
	Group relief receivable	310,000	250,000
	Prepayments (note 15)	51,417	44,517
	Other debtors (including interest on loans (note 1 (f)))	111,365	264,769
		<u>10,143,848</u>	<u>10,332,107</u>
		<u>10,961,487</u>	<u>11,007,299</u>
9.	<u>CREDITORS - Amounts falling due within one year</u>	<u>1997</u> £	<u>1996</u> £
	Bank: unpresented cheques	44,989	31,622
	Trade creditors	65,321	76,485
	Amounts owed to group undertakings	2,132	-
	Other tax and social security	-	11,056
	Deposits held	176,803	163,087
	Other creditors	214,443	226,897
		<u>503,688</u>	<u>509,147</u>
10.	<u>ACCRUALS AND DEFERRED INCOME</u>	<u>1997</u> £	<u>1996</u> £
	Regional development and other capital grants		
	At 31 March 1996	395,578	426,215
	Transfer to profit and loss account (note 2)	(30,636)	(30,637)
		<u>364,942</u>	<u>395,578</u>
	At 29 March 1997	<u>364,942</u>	<u>395,578</u>

11. **PROVISIONS FOR LIABILITIES AND CHARGES**

	<u>1997</u> £	<u>1996</u> £
Other provisions (see (a) below)	<u>150,000</u>	<u>148,119</u>
(a) Other Provisions		
		Enterprise Agencies and Trusts
		£
At 31 March 1996		148,119
Expenditure during year		(242,866)
Charge to profit and loss account		<u>244,747</u>
At 29 March 1997		<u>150,000</u>

(b) Deferred Taxation

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

	Amount provided		Amount unprovided	
	<u>1997</u> £	<u>1996</u> £	<u>1997</u> £	<u>1996</u> £
Short term timing differences	24,707	72,528	-	-
Potential liabilities on surplus on revaluation of properties and accelerated capital allowances	-	-	462,649	486,646
Excess management expenses	<u>(24,707)</u>	<u>(72,528)</u>	<u>(462,649)</u>	<u>(486,646)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

12. **SHARE CAPITAL**

	<u>1997</u> £	<u>1996</u> £
Authorised:		
Ordinary shares of £1 each	<u>12,000,000</u>	<u>12,000,000</u>
Allotted, called up Ordinary shares of £1 each:		
Fully paid	<u>10,000,100</u>	<u>10,000,100</u>

13. **REVALUATION RESERVE**

	£
At 30 March 1996 and 29 March 1997	<u>1,282,404</u>

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

	<u>1997</u>	<u>1996</u>
	£	£
Opening shareholders' funds	<u>15,724,750</u>	<u>15,843,558</u>
Profit/(Loss) for the financial year	104,382	(118,808)
Net increase (decrease) to shareholders' funds	<u>104,382</u>	<u>(118,808)</u>
Closing shareholders' funds	<u>15,829,132</u>	<u>15,724,750</u>

15. **PENSIONS**

The company participated in a group pension scheme operated by British Steel. 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 1996. Particulars of the valuation are contained in the financial statements of British Steel. The pension costs to the company for the year ended 29 March 1997, which are based on contributions to the whole group scheme, amounted to £43,716 (1996: £50,442). A prepayment of £79,700 (1996: £69,000) is included in debtors, of which £74,121 (1996: £62,928) falls due after more than one year, representing the excess of the amounts funded over the pension charge for the year.

16. **CONTINGENT LIABILITIES AND COMMITMENTS**

	<u>1997</u> £	<u>1996</u> £
(a) Loans and investments in share capital committed but not paid	<u>1,097,610</u>	<u>719,500</u>
(b) Leasing commitments		
The annual commitments under operating leases are analysed according to the period in which each lease expires, as follows:		
Land and buildings, leases expiring within:		
One to two years	7,000	16,250
Two to five years	<u>10,000</u>	<u>22,700</u>
	<u>17,000</u>	<u>38,950</u>
(c) Capital expenditure		
Capital expenditure contracted but not provided for	<u>2,894,000</u>	<u>59,812</u>

17. **ULTIMATE HOLDING COMPANY**

The company is a subsidiary of British Steel 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, British Steel plc, 9 Albert Embankment, London, SE1 7SN.