

B S PENSION FUND TRUSTEE LIMITED

REPORT AND ACCOUNTS

FOR THE 53 WEEKS ENDED 3RD APRIL 1999

Registered No. 171830



B S PENSION FUND TRUSTEE LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 3RD APRIL 1999

The directors submit their Annual Report together with the Accounts for the 53 weeks ended 3rd April 1999.

1. RESULTS

The company has not traded during the current or preceding financial period and has made neither profit nor loss, any expenses having been borne by British Steel Pension Scheme (1990).

2. OPERATIONS

The company acts as sole trustee of the British Steel Pension Scheme (1990).

3. DIRECTORS

The following served as directors of the company during the period:

Mr P J K Ferguson
Mr J Abbott
Mr R A Avis (Appointed 30th June 1998)
Mr R E Butt
Mr W J Cain (Resigned 1st April 1999)
Mr S Colley
Mr J Cumming
Mr G Deeley
Mr G J Foulston
Mr T Gare (Resigned 30th June 1998)
Mr G K Howden (Appointed 17th July 1998, Resigned 31st December 1998)
Mr L James
Mr T C Jenkins (Resigned 30th June 1998)
Mr A J Johnston
Mr J T Lenaghan
Miss G M Llewellyn
Mr A H McCarthy
Mr P A Poynter
Mr A Stewart (Resigned 27th March 1999)
Mr P R Strickland (Appointed 1st April 1999)
Mr C R Thorp
Mr C J Treadgold (Appointed 1st January 1999)
Mr J H Walker
Mr P A Whyte

Contd.

4. DIRECTORS' INTERESTS IN SHARES OF THE GROUP

The directors had the following interests in the Ordinary Shares of British Steel plc, the Company's ultimate holding company.

	AT 29TH MARCH 1998				AT 3RD APRIL 1999			
	<u>OR DATE OF APPOINTMENT</u>							
	<u>ORDINARY SHARES</u>	<u>SHARES/AVE OPTIONS</u>	<u>EXECUTIVE OPTIONS</u>	<u>ORDINARY SHARES</u>	<u>SHARES/AVE OPTIONS</u>	<u>EXECUTIVE OPTIONS</u>		
Mr P J K Ferguson	7,692	-	56,800	7,692	-	-	-	-
Mr J Abbott	-	13,476	50,000	-	13,476	50,000	-	-
Mr R A Avis	22,199	11,586	86,500	17,458	11,586	86,500	-	-
Mr R E Butt	-	12,151	-	8,700	3,451	-	-	-
Mr S Colley	2,479	51,515	107,300	41,529	15,265	107,300	-	-
Mr J Cumming	-	36,657	36,500	17,638	14,907	36,500	-	-
Mr G Deeley	-	-	-	-	-	-	-	-
Mr G J Foulston	502	8,628	44,700	502	8,628	44,700	-	-
Mr L James	-	3,128	-	-	3,128	-	-	-
Mr A J Johnston	2,241	51,515	98,800	2,241	15,265	98,800	-	-
Mr J T Lenaghan	-	4,353	-	-	4,353	-	-	-
Miss G M Llewellyn	-	9,562	-	-	9,562	-	-	-
Mr A H McCarthy	-	1,380	-	-	1,380	-	-	-
Mr P A Poynter	481	3,143	-	481	3,143	-	-	-
Mr P R Strickland	29,750	15,265	80,600	29,750	15,265	80,600	-	-
Mr C R Thorp	-	4,447	10,000	-	4,447	10,000	-	-
Mr C J Treadgold	-	1,752	-	-	1,752	-	-	-
Mr J H Walker	984	24,276	139,300	4,134	14,124	139,300	-	-
Mr P A Whyte	479	-	-	479	-	-	-	-

Options lapsed during the period in respect of Mr P J K Ferguson (56,800). All other movements in options are in respect of options exercised. No options were granted during the period.

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 Accounts.

Contd.

5. 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:

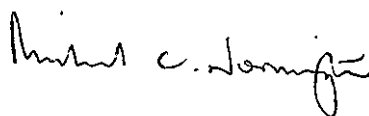
- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6. AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'M C Normington', written in a cursive style.

M C Normington
Secretary

REPORT OF THE AUDITORS KPMG
TO THE MEMBERS OF B S PENSION FUND TRUSTEE LIMITED

We have audited the financial statements on Pages 5 to 7.

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 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 3rd April 1999 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

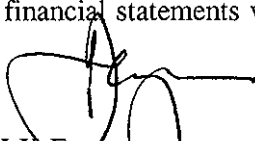
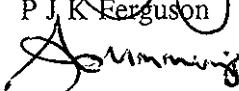
London 21 June 1999

B S PENSION FUND TRUSTEE LIMITEDBALANCE SHEET AT 3RD APRIL 1999

	Note	1999	1998
		£	£
CURRENT ASSETS			
DEBTORS			
Amounts falling due after more than one year			
Amounts owed by British Steel Management Ltd	3	2,214,346	2,214,346
NET CURRENT ASSETS		2,214,346	2,214,346
NET ASSETS		2,214,346	2,214,346
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	4	2,146,188	2,146,188
PROFIT AND LOSS ACCOUNT	1	68,158	68,158
SHAREHOLDERS' FUNDS		2,214,346	2,214,346

The notes on pages 6 and 7
form part of these financial statements

These financial statements were approved by the Board of Directors on 16th June 1999

)	
P J K Ferguson)	
)	
J Cumming)	Directors
)	

B S PENSION FUND TRUSTEE LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS AT 3RD APRIL 1999

1. ACCOUNTING POLICIES

Basis of Preparation of the Accounts

The accounts have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

The company has not traded during the current or preceding financial period and has made neither profit nor loss, all expenses having been borne by British Steel Pension Scheme (1990). Accordingly, no profit and loss account has been presented. There was no auditors' remuneration.

Under FRS 1, the company is exempt from the requirement to prepare a cashflow statement as it is a wholly-owned subsidiary undertaking of a company incorporated in England and Wales which itself prepares a consolidated cashflow statement.

There were no recognised gains and losses or other movements in shareholders funds during the period.

2. DIRECTORS REMUNERATION

The remuneration costs of Mr P J K Ferguson in respect of his services to the company during the period amounted to £22,000. No other director received any remuneration during the year in respect of his or her services to the company.

3. AMOUNTS DUE FROM BRITISH STEEL MANAGEMENT LTD

The amounts owed by British Steel Management Ltd fall due after more than one year.

4. SHARE CAPITAL

	3rd April 1999	28th March 1998
	£	£
Authorised		
3,000,000 Ordinary shares of £1 each	3,000,000	3,000,000
	<hr/>	<hr/>
Issued		
2,146,188 Ordinary shares		
of £1 each fully paid	2,146,188	2,146,188
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5. EMPLOYEES

The average number of employees of the company during the year was 72 (1998: 72). The remuneration of these employees is borne by the British Steel Pension Scheme (1990).

B S PENSION FUND TRUSTEE LIMITED

NOTES TO AND FORMING PART OF THE ACCOUNTS AT 3RD APRIL 1999

6. ULTIMATE HOLDING COMPANY

The ultimate holding company is British Steel plc a company registered in England and Wales, whose accounts may be obtained from 15 Marylebone Road, London NW1 5JD. British Steel plc is the only company which consolidates the results of this company.