

**BRITISH STEEL EMPLOYEE SHARE OWNERSHIP
TRUSTEES LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 1 APRIL 2000

Registered No.272870



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British Steel Employee Share Ownership Trustees Limited

Directors

Mr D A Harrison
Sir Brian Moffat
Mr A D G Williams
Mr R J Reeves
Mrs A L Scandrett

Secretary

Mrs A L Scandrett

Registered office

15 Great Marlborough Street
London
W1V 2BS

British Steel Employee Share Ownership Trustees Limited

Directors' report for the year ended 1 April 2000

The directors present herewith their report and balance sheet for the year ended 1 April 2000.

Review of business and main activities

The company has not traded during the year and has therefore made neither profit nor loss. All expenses of the company are borne by Corus UK Limited.

Directors & directors' interests

The directors listed on page 1 have held office during the whole of the year.

The beneficial interest of the directors in the ordinary shares of Corus Group plc (1999: British Steel plc) at the end of the year were as follows:

	<u>2000</u>	<u>1999</u>
Mr D A Harrison	Nil	Nil
Sir Brian Moffat	244,649	244,549
Mr A D G Williams	3,548	3,548
Mr R J Reeves	32,340	32,211
Mrs A L Scandrett	Nil	Nil

On 6 October 1999, each British Steel share was exchanged for 1 Corus Group plc share under the scheme of arrangement outlined in Note 3.

Following the merger between British Steel plc and Koninklijke Hoogovens to form Corus Group plc, share options over British Steel ordinary shares of 50 pence each held under the British Steel Executive Share Option Scheme and the British Steel Sharesave Scheme were exchanged for share options over Corus Group plc ordinary shares of 50 pence each. Options were exchanged maintaining the same value but at a revised price for a revised number of shares. No director received any further grants subsequent to the end of the period. The interests of the directors in these share option schemes were as follows:

British Steel Employee Share Ownership Trustees Limited

Directors' report

for the financial year ended 1 April 2000 (cont'd)

Options over British Steel plc shares

	Number Outstanding at 4 April 1999	Granted during the year Number	Exercise Price	Number Prior to Conversion
<u>Executive Schemes</u>				
Mr D A Harrison	-	-	-	-
Sir Brian Moffat	611,000	-	-	610,900
Mr A D G Williams	-	-	-	-
Mr R J Reeves	116,700	65,000	165p	181,700
Mrs A L Scandrett	-	-	-	-

Sharesave Schemes

Mr D A Harrison	-	-	-	-
Sir Brian Moffat	14,265	-	-	14,265
Mr A D G Williams	-	-	-	-
Mr R J Reeves	8,628	-	-	8,628
Mrs A L Scandrett	862	-	-	862

Options over Corus Group plc shares

	Converted Options 6 October 1999	Granted during the year Number	Exercise Price	Number Outstanding at 1 April 2000
<u>Executive Schemes</u>				
Mr D A Harrison	-	-	-	-
Sir Brian Moffat	780,303	-	-	780,303
Mr A D G Williams	-	-	-	-
Mr R J Reeves	232,082	110,100	120.30p	342,182
Mrs A L Scandrett	-	-	-	-

Sharesave Schemes

Mr D A Harrison	-	-	-	-
Sir Brian Moffat	18,220	-	-	18,220
Mr A D G Williams	-	-	-	-
Mr R J Reeves	11,020	-	-	11,020
Mrs A L Scandrett	1,102	-	-	1,102

British Steel Employee Share Ownership Trustees Limited

Directors' report for the financial year ended 1 April 2000 (cont'd)

The directors had no interest, as defined by the Companies Act 1985, in the shares of any member of the group during the year covered by these financial statements.

By order of the board

A handwritten signature in black ink, appearing to read 'A L Sandwell', written in a cursive style.

Secretary
3 July 2000

British Steel Employee Share Ownership Trustees Limited

Balance sheet as at 1 April 2000

	Notes	2000 £	1999 £
Net Assets		-	-
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	1	17	17
Profit and loss account		(17)	(17)
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

The company was a dormant company within the meaning of Section 250 of the Companies Act 1985 throughout the accounting period ending at the date of this balance sheet.

These accounts were approved by the Board on 3 July 2000.



R J Reeves
Director

The Notes on page 6 form part of these financial statements.

British Steel Employee Share Ownership Trustees Limited

Notes to the accounts for the year ended 1 April 2000

Share Capital

1.	2000 and 1999	
	Authorised	Allotted called up and fully paid
	£	£
Ordinary shares of £1	100	17
	<hr/>	<hr/>
	100	17
	<hr/>	<hr/>

Directors remuneration

2. No director received any remuneration during the period in respect of his services to the company.

Ultimate holding company

3. The directors regard Corus Group plc, a company registered in England and incorporated in England and Wales, as the ultimate holding company. The registered office of Corus Group plc is at 15 Great Marlborough Street, London W1V 2BS.

During the financial year, 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.