

**BRITISH STEEL EMPLOYEE SHARE OWNERSHIP
TRUSTEES LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 3 APRIL 1999



Registered No.272870

British Steel Employee Share Ownership Trustees Limited

Directors

Mr D A Harrison
Sir Brian Moffat
Mr A D G Williams
Mr R J Reeves (appointed 1 February 1999)
Mrs A L Scandrett (appointed 1 February 1999)
Mrs C J Price (resigned 1 February 1999)
Mr D N Bright (resigned 1 February 1999)

Secretary

Mrs A L Scandrett

Registered office

15 Marylebone Road
London
NW1 5JD

British Steel Employee Share Ownership Trustees Limited

Directors' report for the year ended 3 April 1999

The directors present herewith their report and balance sheet for the year ended 3 April 1999.

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 British Steel plc.

Directors & directors' interests

The directors of the company during the period are listed on page 1.

The interests of the directors at 3 April 1999 in the ordinary shares of British Steel plc, the company's ultimate holding company, were:

	Ordinary Shares		Options	
	3 April 1999 Number	28 March 1998 Number	3 April 1999 Number	28 March 1998 Number
Mr D A Harrison	Nil	Nil	Nil	Nil
Sir Brian Moffat	244,549	229,844	625,265	639,765
Mr A D G Williams	3,548	3,548	Nil	Nil
Mr R J Reeves	32,211	32,211*	125,328	125,328*
Mrs A L Scandrett	Nil	Nil*	862	862*

	Options	
	Granted during year Number	Exercised during year Number
Mr D A Harrison	Nil	Nil
Sir Brian Moffat	Nil	14,500
Mr A D G Williams	Nil	Nil
Mr R J Reeves	Nil	Nil
Mrs A L Scandrett	Nil	Nil

*On appointment date

British Steel Employee Share Ownership Trustees Limited

Directors' report

for the year ended 3 April 1999 (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 Scandrett', written in a cursive style.

Secretary
2 July 1999

British Steel Employee Share Ownership Trustees Limited

Balance sheet as at 3 April 1999

	Notes	1999 £	1998 £
Net Assets		-	-
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	1	17	17
Profit and loss account		(17)	(17)
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>

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 2 July 1999.



R J Reeves
Director

The Notes on page 5 form part of these financial statements.

British Steel Employee Share Ownership Trustees Limited

Notes to the accounts for the year ended 3 April 1999

Share Capital

1.	1999 and 1998	
	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 British Steel plc, a company registered in England and incorporated in England and Wales, as the ultimate holding company. The registered office of British Steel plc is at 15 Marylebone Road, London NW1 5JD.