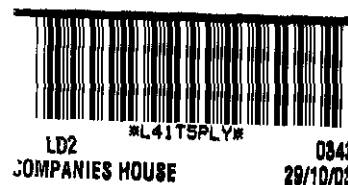


**BRITISH STEEL EMPLOYEE SHARE OWNERSHIP
TRUSTEES LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

**FOR THE FINANCIAL YEAR ENDED
28 DECEMBER 2002**



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
Mrs A L Scandrett

Secretary

Mrs A L Scandrett

Registered office

30 Millbank
London
SW1P 4WY

British Steel Employee Share Ownership Trustees Limited

Directors' report for the financial year ended 28 December 2002

Review of business and main activities

The directors present herewith their report and balance sheet for the financial year ended 28 December 2002.

Directors & directors' interests

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

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

	<u>28 Dec 2002</u>	<u>29 Dec 2001</u>
Mr D A Harrison	Nil	Nil
Sir Brian Moffat	250,764	250,764
Mr A D G Williams	3,548	3,548
Mr R J Reeves	35,706	32,808
Mrs A L Scandrett	267	267

Options over Corus Group plc shares

	Number Outstanding at 29 Dec 2001	Granted during the year Number	Exercise Price	Number Outstanding at 28 Dec 2002
<u>Executive Schemes</u>				
Mr D A Harrison	-	-	-	-
Sir Brian Moffat	780,303	-	-	780,303
Mr A D G Williams	-	-	-	-
Mr R J Reeves	485,882	-	-	485,882
Mrs A L Scandrett	-	-	-	-
<u>Sharesave Schemes</u>				
Mr D A Harrison	-	-	-	-
Sir Brian Moffat	-	-	-	-
Mr A D G Williams	-	-	-	-
Mr R J Reeves	13,016	-	-	13,016
Mrs A L Scandrett	5,342	-	-	5,342

British Steel Employee Share Ownership Trustees Limited

Directors' report for the financial year ended 28 December 2002 (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.

For the year ended 28 December 2002 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

By order of the board



A L Scandrett
Secretary
28 March 2003

British Steel Employee Share Ownership Trustees Limited

Balance sheet as at 28 December 2002

	Notes	28 Dec 2002 £	29 Dec 2001 £
Net Assets		-	-
Capital and reserves			
Called up share capital	1	17	17
Profit and loss account		(17)	(17)
		-	-

- (a) For the year ended 28 December 2002 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
- (i) ensuring the company keeps accounting records which comply with section 221; and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period, and of its profit or loss for the financial period, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the Board on 28 March 2003.

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 financial year ended 28 December 2002

Share Capital

1.

	29 Dec 2001 and 28 Dec 2002	
	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 ultimate holding company is Corus Group plc which is registered in England and Wales. Copies of their consolidated report and accounts may be obtained from The Secretary, Corus Group plc, 30 Millbank, London SW1P 4WY.