

SECOND LINK STEEL COMPANY LIMITED

ACCOUNTS FOR THE YEAR ENDED

31st DECEMBER, 2002

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SECOND LINK STEEL COMPANY LIMITED

DIRECTORS	A.S. Goldsmith R.J.A. Smith
SECRETARY	R.J.A. Smith
REGISTERED OFFICE	Level 27 CityPoint 1 Ropemaker Street, London EC2Y 9ST
REGISTERED NUMBER	961006 (England & Wales)
AUDITORS	Norton Lewis & Co Chartered Accountants 246/248 Gt. Portland Street London W1W 5JL

REPORT AND ACCOUNTS - 31st DECEMBER, 2002

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SECOND LINK STEEL COMPANY LIMITED**REPORT OF THE DIRECTORS**

The directors present their report with the accounts of the company for the year ended 31st December, 2002.

ACTIVITIES AND FINANCIAL RESULT

The company did not trade during the year.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year under review.

EVENTS SINCE THE END OF THE YEAR

Since the end of the financial year no events have occurred which should be brought to the attention of the shareholders.

TAX STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

DIRECTORS

The directors in office during the year were as follows:

Andrew S Goldsmith
Roderick J A Smith

The directors held no interest in the company's shares during the year. The interests of the directors in the shares of the ultimate parent company are as follows:-

	Ordinary Shares		Options	
	2002	2001	2002	2001
Andrew Goldsmith	1,000	1,000	-	-
Roderick Smith	2,300	2,300	6,900	6,900

The directors are eligible to participate in a ShareSave scheme and an executive share option scheme of the ultimate parent company, Stemcor Holdings Limited.

SECOND LINK STEEL COMPANY LIMITED

REPORT OF THE DIRECTORS

(Continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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 of fraud and other irregularities.

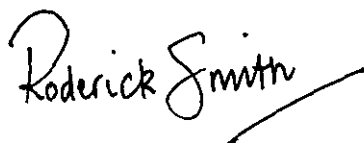
ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Stemcor Holdings Limited which is incorporated in the United Kingdom and registered in England.

AUDITORS

The auditors, Norton Lewis & Co will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the
board of directors

A handwritten signature in black ink, appearing to read 'Roderick Smith', with a long horizontal flourish extending to the right.

R.J.A. SMITH
Secretary

Approved by the board: 28th February 2003

AUDITORS' REPORT TO THE SHAREHOLDERS OF

SECOND LINK STEEL COMPANY LIMITED

We have audited the accounts on pages 4 to 7 which have been prepared in accordance with the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

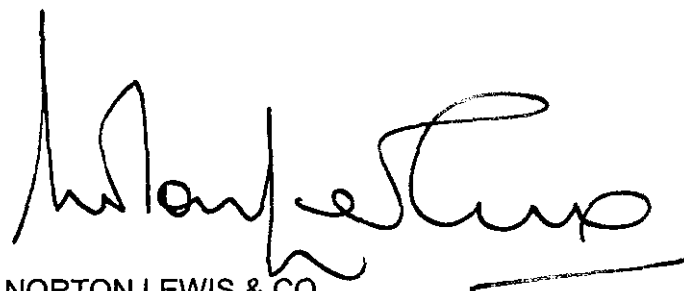
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December, 2002 and of the results for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



NORTON LEWIS & CO
Chartered Accountants
& Registered Auditors
246/248 Gt. Portland Street
London W1W 5JL

28th February 2003

SECOND LINK STEEL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 2002

	<u>2002</u>	<u>2001</u>
	£	£
PROFIT/(LOSS) on ordinary activities before and after taxation	-	-
RETAINED PROFIT at 1 st January 2002	<u>£ 3,784</u>	<u>£ 3,784</u>
RETAINED PROFIT at 31 st December 2002	<u>£ 3,784</u>	<u>£ 3,784</u>

The company did not trade and has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 and 7 form part of these accounts.

SECOND LINK STEEL COMPANY LIMITED**BALANCE SHEET - 31st DECEMBER, 2002**

	<u>Notes</u>	£	2002 £	£	2001 £
CURRENT ASSETS					
Debtors	2	42,132		42,132	
CREDITORS: amounts falling due within one year	3	1,923		1,923	
		<hr/>		<hr/>	
NET CURRENT ASSETS			40,209		40,209
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			£ 40,209		£ 40,209
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	4		100		100
Share premium account			36,325		36,325
Profit and loss account			3,784		3,784
			<hr/>		<hr/>
Shareholders' funds	5		£ 40,209		£ 40,209
			<hr/>		<hr/>

Signed on behalf of
the board of directors

A.S. GOLDSMITH
.....
Director



Approved by the board: 28th February 2003

The notes on pages 6 and 7 form part of these accounts.

SECOND LINK STEEL COMPANY LIMITED**NOTES TO THE ACCOUNTS - 31st DECEMBER, 2002****1. ACCOUNTING POLICIES****(a) Basis of accounting**

The accounts have been prepared under the historical cost convention.

(b) Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

2. DEBTORS**2002****2001**

Amount due from group company

£ 42,132**£ 42,132****3. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

Amount due to group company

£ 1,923**£ 1,923****4. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued
and fully paid

100 ordinary shares of £1 each

£ 100**£ 100****5. RECONCILIATION OF MOVEMENTS
ON SHAREHOLDERS' FUNDS****£****£**

Profit for the financial year
after taxation

-**-**

Opening shareholders funds
at 1st January, 2002

40,209**40,209**

Closing shareholders funds
at 31st December, 2002

£ 40,209**£ 40,209**

SECOND LINK STEEL COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31st DECEMBER, 2002

(continued)

6. ULTIMATE HOLDING COMPANY

The ultimate holding company is Stemcor Holdings Limited which is incorporated in the United Kingdom and registered in England and Wales. The largest and smallest group which consolidates the company's accounts is Stemcor Holdings Limited.

Copies of the ultimate holding company's accounts can be obtained from:

Companies House,
Crown Way,
Cardiff,
CF4 3UZ