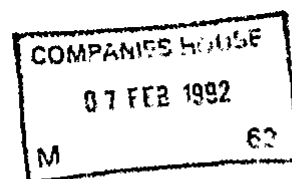


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D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

30TH SEPTEMBER, 1991

COMPANY NUMBER - 993624



D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

DIRECTORS

M.E. Sara
H.C. Everett
E. Johnson
F. Fisher
P. Harper

SECRETARY

J.J. Arrowsmith

REGISTERED OFFICE

P.O. Box No. 4,
Canal Street,
Brierley Hill,
West Midlands.
DY5 1JL.

AUDITORS

John W. Hinks & Co.,
Chartered Accountants,
Church House,
5-14 South Road,
Smethwick,
Warley,
West Midlands.
B67 7BH.

BANKERS

Barclays Bank PLC
47 High Street,
Dudley,
West Midlands.
DY1 1PP.

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

REPORT AND FINANCIAL STATEMENTS

30TH SEPTEMBER, 1991

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D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 30th September 1991.

Principal Activity and Business Review

The principal activity of the company, which is unchanged from that of the previous year is steel stockholding.

Dividends

The directors recommend that a dividend of £26,000 be paid in respect of the year. (1990 - Nil).

If this recommendation is approved profits of £659 will be added to reserves.

Fixed Assets

Changes in fixed assets are set out in note 9 to the financial statements.

A revaluation of land and buildings was undertaken during the year by Sellers, Chartered Surveyors. The resulting surplus has been brought into the financial statements.

Tax Status

As far as the directors are aware, the close company provisions of the Income and Corporation Taxes Act 1988, do not apply to the company. There has been no change in this respect since the end of the financial year.

Directors

The following persons were directors of the company during the year:

M.E. Sara
E. Johnson
H.C. Everett (appointed 6th November 1990)
B.N. Bucknall (retired 6th November 1990)
D.J. Lamb (resigned 1st December 1990)
E. Fisher
P. Harper

Messrs. E. Fisher and P. Harper retire by rotation at the Annual General Meeting and offer themselves for re-election.

D. & J. (STERLE) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

REPORT OF THE DIRECTORS (continued)

Directors Interests in the Shares of the Parent Company

The interests of the directors of this company, at 30th September in the shares of the Parent Company, Hill & Smith Holdings PLC, according to the register required to be kept by the Companies Act 1985, were as follows:

	<u>30th September 1991</u>	<u>30th September 1990</u> <u>or on appointment</u>
M.E. Sara	82,127	64,078
E. Johnson	44,119	40,109
H.C. Everett	1,000	-
E. Fisher	-	-
P. Harper	-	-
	<hr/>	<hr/>

Auditors

John W. Hinks & Co., Chartered Accountants, offer themselves for re-appointment in accordance with Section 384, Companies Act 1985.

BY ORDER OF THE BOARD

J.J. ARROWSMITH

SECRETARY

9th January, 1992

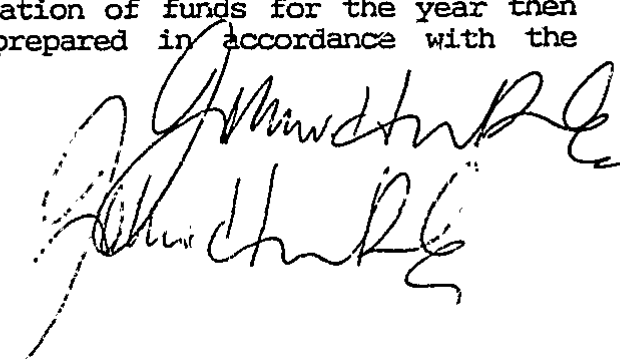
D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

REPORT OF THE AUDITORS TO THE MEMBERS OF
D. & J. (STEELS) LIMITED

We have audited the financial statements on pages 4 to 13 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 30th September 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Church House,
5-14 South Road,
Smethwick,
Warley,
West Midlands.
B67 7BH

A large, stylized handwritten signature in dark ink, likely belonging to John W. Hinks, is written over the signature block.

JOHN W. HINKS & CO.,
Chartered Accountants
and Registered Auditors

9th January, 1992

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 1991

	Notes	<u>30th September</u> <u>1991</u> <u>£</u>	<u>11 months to</u> <u>30th September</u> <u>1990</u> <u>£</u>
<u>Turnover</u>	1	5,226,224	4,454,878
<u>Cost of Sales</u>		4,724,944	4,020,320
<u>Gross Profit</u>		501,280	434,558
<u>Distribution Costs</u>		50,213	43,367
<u>Administrative Expenses</u>		271,841	296,640
		322,054	340,007
<u>Operating Profit</u>	3	179,226	94,551
<u>Interest</u>	6	153,817	83,881
<u>Profit on Ordinary Activities before Tax</u>		25,409	10,670
<u>Tax on Profit on Ordinary Activities</u>	7	(1,250)	16,390
<u>Profit/(Loss) on Ordinary Activities after Tax</u>		26,659	(5,720)
<u>Dividend Proposed</u>	8	26,000	..
<u>Amount Transferred to/(from) Reserves</u>	17	659	(5,720)

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

BALANCE SHEET

30TH SEPTEMBER, 1991

	<u>Notes</u>	<u>£</u>	<u>30th September</u> <u>1991</u> <u>£</u>	<u>30th September</u> <u>1990</u> <u>£</u>
<u>Fixed Assets</u>				
Tangible Assets	9		702,030	406,401
<u>Current Assets</u>				
Stocks	11	1,341,542		929,367
Debtors	12	1,410,305		1,350,057
Cash in Hand		176		230
		<u>2,752,023</u>		<u>2,279,654</u>
<u>Creditors: Amounts due within</u> <u>one year</u>	13	<u>2,763,021</u>		<u>2,289,039</u>
<u>Net Current (Liabilities)</u>			(10,998)	(9,385)
<u>Total Assets less Current</u> <u>Liabilities</u>			<u>691,032</u>	<u>397,016</u>
<u>Creditors: Amounts due after</u> <u>one year</u>	14		<u>7,232</u>	<u>18,076</u>
<u>Provisions for Liabilities and</u> <u>Charges</u>	15		<u>13,000</u>	<u>27,000</u>
<u>Net Assets</u>			<u>670,800</u>	<u>351,940</u>
<u>Capital and Reserves</u>				
Called up Share Capital	16		6,000	6,000
Profit and Loss Account	17		346,599	345,940
Revaluation Reserve	17		318,201	-
			<u>670,800</u>	<u>351,940</u>

These financial statements were approved by the board on 9th January 1992

Michael D. SARA
H.C. EVERETT

M.E. SARA)

H.C. EVERETT)

) DIRECTORS

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

FOR THE YEAR ENDED
30TH SEPTEMBER 1991

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	<u>30th September</u> <u>1991</u> <u>£</u>	<u>11 months to</u> <u>30th September</u> <u>1990</u> <u>£</u>
<u>Source of Funds</u>		
Profit on Ordinary activities before taxation	25,409	10,670
Adjustments for Items not involving the movement of funds:		
Depreciation	31,571	25,691
Loss on sale of tangible fixed assets	3,149	-
<u>Total Generated from Operations</u>	<u>60,129</u>	<u>36,361</u>
<u>Funds from Other Sources</u>		
Sale Proceeds of tangible fixed assets	11,295	6,212
Tax Repayments	28,426	-
Creditors falling due after more than one year	-	4,925
	<u>99,850</u>	<u>47,498</u>
<u>Application of Funds</u>		
Purchase of tangible fixed assets	23,443	(38,945)
Tax paid	-	(46,786)
Loans repaid	-	(97,500)
Creditors falling due after more than one year	10,844	-
	<u>(34,287)</u>	<u>(183,231)</u>
<u>Increase (Decrease) in Working Capital</u>	<u>65,563</u>	<u>(135,733)</u>
<u>Represented By:</u>		
Increase in stocks	412,175	530,204
Increase/(Decrease) in debtors	87,924	(106,673)
Decrease/(Increase) in creditors	(296,233)	(639,530)
	<u>203,866</u>	<u>(215,999)</u>
<u>Movement in Net Liquid Funds</u>		
(Decrease)/Increase in cash at bank and in hand	(138,303)	80,266
	<u>65,563</u>	<u>(135,733)</u>

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1991

1. Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of freehold property and in accordance with applicable Accounting Standards.

(b) Depreciation

Depreciation is provided to write off the cost or valuation of the Fixed Assets excluding Land at the following rates:-

Freehold Property	- 2% straight line
Plant and Machinery	- 10% written down value
Fixtures and Fittings	- 10% written down value
Motor Vehicles	- 20% written down value

(c) Stocks

Stocks are valued at the lower of cost and estimated net realisable value.

(d) Deferred Tax

Provision is made in respect of timing differences arising from accelerated capital allowances and other timing differences to the extent that such liabilities are, in the opinion of the directors, expected to become payable in the foreseeable future. No provision is made for any possible liabilities on the future sales of properties at their revalued book figures as it is intended that such properties will be retained for use in the business.

(e) Turnover

This represents the value of goods sold less returns excluding value added tax.

(f) Pension Scheme Arrangements

Contributions are charged to the profit and loss account, so as to spread the cost of pension evenly over the members working lives with the Company.

2. Turnover and Profit

The whole of the turnover and profit is derived from the business of steel stockholding carried on in the United Kingdom.

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1991

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
3. <u>Operating Profit</u>		
Operating Profit is stated after charging:		
Depreciation:- tangible fixed assets owned	21,391	16,277
:- held under finance leases and hire purchase contracts	10,180	9,414
Loss on sale of Fixed Assets	3,149	-
Hire of Plant and Equipment	-	390
Auditors' Remuneration	3,500	3,000
	<u> </u>	<u> </u>
4. <u>Directors Remuneration</u>		
Remuneration as Executives (including pension contributions) being total Remuneration in arriving at Operating Profit	50,233	56,847
	<u> </u>	<u> </u>
Analysis of Directors Remuneration as Executives (excluding Pension Contributions)		
Highest paid director	26,500	18,867
Other directors	<u>Number</u>	<u>Number</u>
£ 0 - £ 5,000	5	3
£ 5,001 - £ 10,000	-	1
£ 15,001 - £ 20,000	1	2
5. <u>Particulars of Employees</u>		
The average number of persons employed by the company (including directors) during the period was:		
Category	<u>1991</u>	<u>1990</u>
Administration and Sales	17	17
Production	9	10
	<u> </u>	<u> </u>
	26	27
	<u> </u>	<u> </u>
Their total remuneration was:	<u>£</u>	<u>£</u>
Wages and salaries	279,161	251,431
Social Security costs	25,068	26,274
Other pension costs	8,883	16,269
	<u> </u>	<u> </u>
	313,112	293,974
	<u> </u>	<u> </u>

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1991

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
6. <u>Interest</u>		
<u>Payable</u>		
On Loans and Overdrafts Repayable:		
within 5 years, not by instalments	149,582	70,237
within 5 years, by instalments	-	9,525
On finance leases and hire purchase		
contracts	4,235	4,119
	<u>153,817</u>	<u>83,881</u>
7. <u>Taxation</u>		
Corporation Tax at 33.5% (1990 34.5%)	13,500	8,157
Deferred Tax	(14,000)	8,233
Prior year adjustment:		
Corporation Tax	(750)	-
	<u>(1,250)</u>	<u>16,390</u>
8. <u>Dividends</u>		
Dividend on 6,000 Ordinary Shares	26,000	-

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1991

9. Tangible Fixed Assets

	<u>Freehold Land and Buildings</u>	<u>Plant Equipment & Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost or valuation			
At 1st October 1990	256,173	369,653	625,826
Additions	-	23,443	23,443
Disposals	-	(36,244)	(36,244)
Revaluation	293,827	-	293,827
	<hr/>	<hr/>	<hr/>
At 30th September 1991	550,000	356,852	906,852
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1st October 1990	20,850	198,575	219,425
Provision for the year	3,524	28,047	31,571
Disposals	-	(21,800)	(21,800)
Revaluation	(24,374)	-	(24,374)
	<hr/>	<hr/>	<hr/>
At 30th September 1991	-	204,822	204,822
	<hr/>	<hr/>	<hr/>
Net Book Value at 30th September 1991	550,000	152,030	702,030
	<hr/>	<hr/>	<hr/>
Net Book Value at 30th September 1990	235,323	171,078	406,401
	<hr/>	<hr/>	<hr/>

The company's freehold property was valued by Sellers, Chartered Surveyors, on 30th September 1991. In their opinion the market value for existing use at that time was £550,000, as compared with the net book amount of £231,799. The valuation has been incorporated in the balance sheet and the surplus over net book value of £318,201 has been added to the revaluation reserve.

The cost or valuation figures for land and buildings comprise:

	<u>1991</u>	<u>1990</u>
Valuation made in 1991	550,000	-
Stated at historical cost	-	256,173
	<hr/>	<hr/>
	550,000	256,173
	<hr/>	<hr/>

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1991

9. Tangible Fixed Assets (continued)

The amount of revalued land and buildings as determined according to the historical cost accounting rule is:-

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Cost	256,173	256,173
Depreciation	24,374	20,850
	<u>231,799</u>	<u>235,323</u>

Included in the total net book value of tangible fixed assets held at 30th September 1991 was £32,290 (1990 £50,831) in respect of assets held under finance leases and hire purchase contracts.

10. Capital Commitments

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Authorised but not contracted for	-	10,000

11. Stocks

Finished Goods	1,341,542	929,367
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12. Debtors

Trade debtors	1,055,442	1,129,033
Amounts owed by group undertakings	330,805	163,502
Corporation Tax	-	27,676
Prepayments and accrued income	24,058	29,846
	<u>1,410,305</u>	<u>1,350,057</u>

13. Creditors (amounts due within one year)

Bank Loans and Overdrafts	351,894	213,645
Hire Purchase Commitments	11,356	12,803
Trade Creditors	1,188,779	1,410,521
Amounts owed to Group Undertakings	1,135,775	614,858
Other Creditors	603	9,909
Corporation Tax	13,500	-
Other Taxes and Social Security	25,884	18,110
Accruals	9,230	9,193
Proposed Dividend	26,000	-
	<u>2,763,021</u>	<u>2,289,039</u>

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1991

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
14. <u>Creditors amounts due after one year</u>		
Hire Purchase Commitments	7,232	18,076
	<u> </u>	<u> </u>
The Borrowings shown above are repayable between one and five years by instalments		
Interest on Bank Borrowing is payable at normal clearing bank rates.		
Bank borrowing is secured by a charge over the company's freehold property and cross guarantee by Hill & Smith Holdings PLC		
15. <u>Provision for Liabilities and Charges</u>		
<u>Deferred Tax</u>		
<u>Not Provided</u>		
Surplus on Revaluation of Fixed Assets	38,000	-
Accelerated Capital Allowances	13,000	-
	<u> </u>	<u> </u>
	51,000	-
	<u> </u>	<u> </u>
<u>Provided</u>		
Accelerated Capital Allowances	13,000	27,000
	<u> </u>	<u> </u>
16. <u>Share Capital</u>		
Authorised		
10,000 Shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
Called up and fully paid		
6,000 Shares of £1 each	6,000	6,000
	<u> </u>	<u> </u>
17. <u>Reserves - Profit and Loss Account</u>	<u>Profit & Loss Account</u>	<u>Revaluation Reserve</u>
	<u>£</u>	<u>£</u>
At 1st October 1990	345,940	-
Profit for the year	659	-
Revaluation of Freehold Property	-	318,201
	<u> </u>	<u> </u>
At 30th September 1991	346,599	318,201
	<u> </u>	<u> </u>

D. & J. (STEELS) LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

NOTES

30TH SEPTEMBER, 1991

18. Contingent Liabilities

The company is a party to guarantees given for Bank Loans and Overdrafts of the Parent Company and certain fellow subsidiaries.

19. Pension Scheme

The company operates a defined contribution scheme, and the assets of the scheme are held separately from those of the company in an independently administered Fund. The pension costs charged to the profit and loss account of £8,883 (1990 - £16,269) represents contributions payable by the company to the fund.

20. Parent Company

The company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company registered in England.