

1287461

DYFED STEELS LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST JANUARY 2000

ROBERT A. URE & CO.
CHARTERED CERTIFIED ACCOUNTANTS



A40
COMPANIES HOUSE

AW6G2TC9

0454
25/08/00

DYFED STEELS LIMITED

DIRECTORS:	Mr.D.W.Thomas Mr.D.R.Evans
SECRETARY:	Mr.D.R.Evans
REGISTERED OFFICE:	Tube Works, Maescanner Road, Dafen,Llanelli, Dyfed.
REGISTERED NUMBER:	1287461
BANKERS:	HSBC, 1 Station Road, Llanelli, Dyfed.
AUDITORS:	Robert A. Ure & Co. Chartered Certified Accountants 9 JOHN STREET LLANELLI CARMARTHENSHIRE SA15 1UH

DYFED STEELS LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 2000

CONTENTS

1. Report of the Directors
2. Statement of Directors' Responsibilities
3. Auditors' Report
4. Profit and Loss Account
5. Statement of Total Recognised Gains and Losses
6. Balance Sheet
7. Cash Flow Statement
8. Notes to the Accounts

The following page does not form part of the Statutory Accounts

Appendix

1. Trading and Profit and Loss Account

DYFED STEELS LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST JANUARY 2000

The directors present their annual report with the accounts of the company for the YEAR ended 31st January 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the YEAR under review was metals stockholders.

REVIEW OF BUSINESS

A summary of the results for the YEAR is given on page 4 of the accounts. During 1999, demand for steel remained reasonably strong but unfortunately the mills were unable to increase prices and they remained at approximately the same level throughout the year. The demand for cut material remained strong and the gross profit margin was maintained. A wage agreement was reached in April 1999 and the workforce agreed to a 2.5 % increase. Turnover for 1999/2000 was down on the previous year, but the reduced overheads enabled the company to return to profitability. Prices are forecast to rise in 2000 and if this proves correct, the company should maintain this recovery.

DIVIDENDS

The directors do not recommend the payment of a dividend.

FIXED ASSETS

In the opinion of the directors, the open market value of the company's Freehold Land and Buildings is not materially in excess of that shown in the accounts in relation to its use in the company's trade.

DIRECTORS

The directors in office in the YEAR and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>2000</u>	<u>1999</u>
Mr.D.W.Thomas	44,999	44,999
Mr.D.R.Evans	1	1

Continued.....

DYFED STEELS LIMITED
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31ST JANUARY 2000

POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made during the year.

AUDITORS

The auditors, Robert A. Ure & Co are deemed to be re - appointed in accordance with Section 386 of the Companies Act 1985.

Signed on behalf of the
board of directors



Mr. D. R. Evans
Secretary

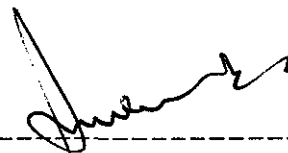
31st July 2000

DYFED STEELS LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial 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 financial 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 and detection of fraud and other irregularities.



Mr. D.W. Thomas
Director
On behalf of the Board

31st July 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF
DYFED STEELS LIMITED

We have audited the financial accounts on pages 4 to 8 which have been prepared under the historical cost convention [as modified by the revaluation of certain fixed assets] and the accounting policies set out on page 8a.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial 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 financial accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial 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 financial 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 financial accounts.

OPINION

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 31st January 2000 and of its profit for the YEAR then ended and have been properly prepared in accordance with the Companies Act 1985.



ROBERT A. URE & CO.
Registered Auditors
Chartered Certified Accountants
9 JOHN STREET
LLANELLI
CARMARTHENSHIRE
SA15 1UH

10th August 2000

DYFED STEELS LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JANUARY 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
TURNOVER	2	18,323,370	18,720,092
Cost of Sales		12,872,529	13,459,932
		-----	-----
<u>GROSS PROFIT</u>		5,450,841	5,260,160
Net Operating Expenses			
Administrative Expenses	5,350,337		5,464,834
Other Operating Income	(12,084)		(11,284)
		-----	-----
		5,338,253	5,453,550
		-----	-----
<u>OPERATING PROFIT/(LOSS)</u>	3	112,588	(193,390)
		-----	-----
		112,588	(193,390)
Income from Investments		-	-
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</u>		112,588	(193,390)
Interest Payable	7	72,343	111,851
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		40,245	(305,241)
Tax on Ordinary Activities	5	2,436	(16,472)
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</u>		£ 37,809	£ (288,769)
		=====	=====
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		2,005,534	2,294,300
Retained Profit/(Loss) for the Year		37,809	(288,769)
		-----	-----
<u>RETAINED PROFIT CARRIED FORWARD</u>		£2,043,343	£2,005,531
		=====	=====

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8a to 8j form part of these accounts.

DYFED STEELS LIMITEDSTATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST JANUARY 2000

	<u>2000</u>	<u>1999</u> as restated
	£	£
Profit/(loss) for the financial year	37,809	(288,769)
Unrealised surplus on revaluation of Fixed Assets	-	-
Unrealised (loss)/gain on Trade Investment	-	-
	-----	-----
	37,809	(288,769)
Currency translation differences on foreign currency net investments	-	-
Tax on recognised gains and losses (note 5)	(-)	(-)
	-----	-----
Total recognised gains and losses relating to the year	37,809	(288,769)
		=====
Prior year adjustment	-	

Total gains and losses recognised since last annual report	37,809	
	=====	

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<u>2000</u>	<u>1999</u> as restated
	£	£
Reported profit on ordinary activities before taxation	40,245	(305,241)
Realisation of Fixed Asset revaluation gains of previous years	-	-
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	-
	-----	-----
Historical cost profit on ordinary activities before taxation	40,245	(305,241)
	=====	=====
Historical cost profit for the year retained after taxation, minority interests, extraordinary items and dividends	37,809	(288,769)
	=====	=====

DYFED STEELS LIMITEDBALANCE SHEET
AS AT 31ST JANUARY 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
FIXED ASSETS			
Tangible Assets	8	2,901,597	2,928,667
Investments	18	234,342	234,341
		-----	-----
		3,135,939	3,163,008
CURRENT ASSETS			
Stock and Work in Progress	9	4,484,357	4,169,421
Debtors	10	5,305,994	4,656,167
Cash at Bank and in Hand		407	210
		-----	-----
		9,790,758	8,825,798
CREDITORS : Amounts Falling			
Due within One Year	11	(10,344,948)	(9,384,869)
		-----	-----
NET CURRENT LIABILITIES		(554,190)	(559,071)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		2,581,749	2,603,937
CREDITORS : Amounts Falling			
Due After more than One Year	16	120,000	180,000
		-----	-----
		£2,461,749	£2,423,937
		=====	=====
CAPITAL AND RESERVES			
Share Capital	13	45,000	45,000
Property Revaluation Reserve	14	373,406	373,406
Profit and Loss Account	14	2,043,343	2,005,531
		-----	-----
TOTAL SHAREHOLDERS' FUNDS	12	£2,461,749	£2,423,937
		=====	=====

Signed on behalf of the
board of directors

Mr. D. W. Thomas
Director

Approved by the board: 31st July 2000

The notes on pages 8a to 8j form part of these accounts.

DYFED STEELS LIMITEDCASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JANUARY 2000

	<u>2000</u>	
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		949,952
Net Cash Inflow From Non - Operating Activities		
Corporation Tax Refund	17,018	
Returns on Investments and Servicing of Finance		
Interest Element of Finance Lease Rental	(35,387)	
Interest Element of Other Finance	(36,956)	

		(55,325)
Capital Expenditure and Financial Investment		
Purchase of Tangible Fixed Assets	(282,663)	
Sale of Tangible Fixed Assets	29,500	

		(253,163)

		641,464
Financing		
Capital Element of Finance Lease Rentals	(53,662)	
Capital Element of Finance Lease Rentals		(53,662)

<u>INCREASE IN CASH</u>		587,802
		=====

DYFED STEELS LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 2000**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention except for certain fixed asset categories for which there is a policy of revaluation. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the carrying amount and the net sales proceeds.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Property	2% on revalued amount
Motor Vehicles	25% on W.D.V.
Plant and Equipment	20% on W.D.V.
Fixtures and Fittings	15% on W.D.V.

Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Deferred Taxation

Deferred taxation is not provided in respect of the taxation effect of all timing differences to the extent that tax liabilities are not likely to crystallise in the foreseeable future.

Leased Assets

Assets held under hire purchase contracts are capitalised at the value at the inception of each contract. The assets are depreciated over their expected useful lives. The finance charges are allocated on a straight line basis as a reasonable approximation.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

DYFED STEELS LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 20002. TURNOVER

The Turnover and Profit (1999 - Loss) before taxation for the YEAR is attributable to the principal activity of the Company which is metals stockholders.

Turnover attributable to each geographical market is as follows:

	<u>2000</u> £	<u>1999</u> £
United Kingdom	18,323,370	18,720,092
Europe	-	-
United States of America	-	-
	-----	-----
	18,323,370	18,720,092
	=====	=====

Turnover for the YEAR is attributable to each class of business as follows:

	<u>2000</u> £	<u>1999</u> £
Class of Turnover 1	18,323,370	18,720,092
Class of Turnover 2	-	-
Class of Turnover 3	-	-
	-----	-----
	18,323,370	18,720,092
	=====	=====

3. OPERATING PROFIT/(LOSS)

The Operating Profit (1999 - Loss) is stated after charging:

	<u>2000</u> £	<u>1999</u> £
Depreciation of Tangible Fixed Assets	280,233	283,976
Staff Costs - note 4	2,881,066	3,015,399
Auditors' Remuneration	17,000	14,400
	=====	=====

DYFED STEELS LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 20004. STAFF COSTS

The costs incurred, including directors remuneration (note 6), were as follows:

	<u>2000</u>	<u>1999</u>
	£	£
Wages and Salaries	2,830,563	2,955,634
Pension Costs	50,503	59,765
	-----	-----
	2,881,066	3,015,399
	=====	=====

The average monthly number of employees during the year was as follows:

Office and Management	43	47
Production and Sales	151	123
Others - specify	-	-
	---	---
	194	170
	===	===

5. TAXATION

	<u>2000</u>	<u>1999</u>
	£	£
The tax charge on the profit on ordinary activities was as follows:		
UK corporation tax:		
Current tax on income for the period	2,436	(16,472)
	-----	-----
	2,436	(16,472)
	-----	-----
	2,436	(16,472)
	=====	=====

Corporation tax has been charged on the profit at 21% for the period 01.02.99. to 31.03.99. and at 20% for the period 01.04.99. to 31.01.00.

DYFED STEELS LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 20006. DIRECTORS' REMUNERATION

	<u>2000</u>	<u>1999</u>
	£	£
Directors' Emoluments	63,000 =====	60,000 =====
Highest Paid Director	£	£
Emoluments and amounts receivable under Long Term Incentive Schemes	-	-
Contributions to a Money Purchase Pension Scheme	-	-
Defined Benefit Pension Scheme:		
Accrued pension at end of YEAR	-	-
Accrued lump sum at end of YEAR	-	-
	=====	=====

Pension Costs**Defined Contribution Scheme**

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £50,503.

7. INTEREST PAYABLE

	<u>2000</u>	<u>1999</u>
	£	£
Loan Interest	14,818	21,544
Hire Purchase Interest	35,387	31,980
Bank Interest	22,138	58,327
	-----	-----
	72,343	111,851
	=====	=====

DYFED STEELS LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 20008. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Plant & Equipment £	Fixtures & Fittings £	Property £	TOTAL £
COST OR VALUATION					
At 1st February 1999	635,570	523,611	71,120	2,101,403	3,331,704
Additions in the YEAR	134,036	91,153	18,518	38,956	282,663
Disposals in the YEAR	(35,103)	-	-	-	(35,103)
	-----	-----	-----	-----	-----
At 31st January 2000	734,503	614,764	89,638	2,140,359	3,579,264
	=====	=====	=====	=====	=====
DEPRECIATION					
At 1st February 1999	138,426	93,492	10,628	160,491	403,037
Charge for the YEAR	132,939	92,686	9,408	39,597	274,630
	-----	-----	-----	-----	-----
At 31st January 2000	271,365	186,178	20,036	200,088	677,667
	=====	=====	=====	=====	=====
NET BOOK VALUE					
At 31st January 2000	463,138	428,586	69,602	1,940,271	2,901,597
	=====	=====	=====	=====	=====
At 31st January 1999	497,144	430,119	60,492	1,940,912	2,928,667
	=====	=====	=====	=====	=====

Accumulated finance costs capitalised, included in the total cost or valuation above, amounts to £227,295.

Additions includes £177,599 in respect of finance costs capitalised during the period.

The cost or valuation of Freehold Buildings on which depreciation is charged amounted to £2,140,359.

9. STOCKS

	<u>2000</u> £	<u>1999</u> £
Stock	4,470,931	4,157,839
Stock - Diesel	7,604	8,010
Stock - Stationery	5,822	3,572
	-----	-----
	4,484,357	4,169,421
	=====	=====

DYFED STEELS LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 200010. DEBTORS

	<u>2000</u> £	<u>1999</u> £
Amounts due within one year:		
Trade Debtors	5,172,072	4,543,449
Prepayments	48,870	37,034
Sundry Debtors	13,917	14,630
Provision For Corporation Tax	-	13,757
	-----	-----
	5,234,859	4,608,870
Amounts due in more than one year:		
Loan - Dyfed Steels (Southern) Ltd.	71,135	47,297
	-----	-----
	5,305,994	4,656,167
	=====	=====

The trade debtors are fully charged.

Bad debts are written off in the year they occur.

11. CREDITORS: Amounts Falling
Due within One Year

	<u>2000</u> £	<u>1999</u> £
Bank Loans and Overdrafts (see below)	598,449	1,126,054
Trade Creditors	5,328,240	4,202,009
Loan - Excel Steelstock Ltd.	226,599	226,420
Other Creditors:		
Provision For Corporation Tax	5,695	-
Social Security and Other Taxes	297,999	382,661
Hire Purchase Creditor	404,894	458,556
Due To Factor Company	3,441,383	2,942,750
Accruals	41,689	46,419
	-----	-----
	10,344,948	9,384,869
	=====	=====
Bank Overdraft	538,449	1,126,054
Loan - Allied Dunbar	60,000	-
	-----	-----
	598,449	1,126,054
	=====	=====

The bank overdraft is secured as follows :

- a) A Fixed Charge over all Net Book Debts and a Floating Charge over the assets of the company.
- b) A Legal Charge over Freehold Property known as land and buildings at Dafen Inn Row, Dafen, Llanelli.
- c) A Legal Charge over Freehold Premises known as Thyssen Engineering Works, Llanelli, and any other security created in favour of the Bank from time to time as security for any such indebtedness or liability unless otherwise expressly agreed in writing.

DYFED STEELS LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 2000

12. RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u> as restated
	£	£
Profit/(loss) for the financial year	37,809	(288,769)
Other recognised gains and losses relating to the year (net)	-	-
New share capital subscribed	-	-
Goodwill written-off	-	-
Net addition to shareholders' funds	37,809	(288,769)
Opening shareholders' funds	2,423,937	2,712,705
Closing shareholders' funds	2,461,749 =====	2,423,937 =====

13. SHARE CAPITAL

	<u>2000</u>	<u>1999</u>
	£	£
Authorised	50,000 =====	50,000 =====
Allotted, Issued and Fully Paid	45,000 =====	45,000 =====

14. RESERVES

	<u>Share Premium Account</u>	<u>Revaluation Reserve</u>	<u>Other Reserves</u>	<u>Profit & Loss A/c</u>
	£	£	£	£
At 1st February 1999	-	373,406	-	2,005,534
Prior YEAR adjustment	-
Premium on Allotment in the YEAR	2,005,534
Surplus on revaluation of Land & Buildings
Transfers to/from Profit & Loss	-
Transfer of Realised Profits
Retained Profit for the YEAR	-	-	-	37,809
At 31st January 2000	- =====	373,406 =====	- =====	2,043,343 =====

DYFED STEELS LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 200015. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

16. CREDITORS: Amounts Falling
Due After more than One Year

	<u>2000</u> £	<u>1999</u> £
Allied Dunbar Loan	-	60,000
Loan - Self Administered Pension Scheme	120,000	120,000
	-----	-----
	120,000	180,000
	=====	=====
Obligations under Finance Leases and Hire Purchase Contracts		
Obligations under Finance Leases and Hire Purchase Contracts are repayable over varying periods by monthly instalments as follows:		
In the Next Year	252,750	243,908
	=====	=====
Creditors other than Finance Lease and Hire Purchase Contracts		
Amounts Falling Due After more than Five Years	-	-
	=====	=====
Secured Creditors		
H.P.Creditors	404,894	458,556
Due To Factor Company	3,441,383	2,942,750
	=====	=====

17. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation is attributable to:	<u>Provided</u>		<u>Unprovided</u>	
	<u>2000</u> £	<u>1999</u> £	<u>2000</u> £	<u>1999</u> £
Capital allowances	-	-	-	-
Other timing differences	-	-	-	-
Unrelieved tax losses	-	-	-	-
Capital gains rolled over	-	-	-	-
	-----	-----	-----	-----
	-	-	-	-
Advance corporation tax	(-)	(-)	(-)	(-)
	-----	-----	-----	-----
	-	-	-	-
	=====	=====	=====	=====

Deferred tax is not provided as it is deemed not material.

DYFED STEELS LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JANUARY 200018. FIXED ASSETS INVESTMENTS

	<u>2000</u>	<u>1999</u>
	£	£
Shares in Group Undertakings	234,342 =====	234,341 =====

19. NOTES TO THE CASH FLOW STATEMENTRECONCILIATION OF OPERATING PROFIT/(LOSS) TO OPERATING CASH FLOWS

	<u>2000</u>
	£
Operating Profit/(Loss)	112,588
Depreciation	274,630
Loss on Sale of Fixed Assets	5,603
(Increase)/Decrease in Stocks	(314,936)
(Increase)/Decrease in Debtors	(663,584)
Increase/(Decrease) in Creditors	1,535,651 -----
Net Cash Inflow	
From Operating Activities	949,952 =====

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	<u>2000</u>
	£
Increase in Cash in the YEAR	587,802
Cash Outflow/(Inflow) from Increase/(Decrease) in Debt and Lease Financing	53,662 -----
Movement in Net Debt in YEAR	641,464
Net debt at 1st February 1999	(1,764,400) -----
Net Debt at 31st January 2000	(1,122,936) =====

DYFED STEELS LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST JANUARY 200020. NOTES TO THE CASH FLOW STATEMENT (Continued)ANALYSIS OF CHANGES IN NET DEBT

	At Start	Cash	At End
	of Year	Flows	of Year
	£	£	£
Cash at Bank and in Hand	210	197	407
Bank Overdrafts	(1,126,054)	587,605	(538,449)

		587,802	

Debt Due Within 1 Year	-	(60,000)	(60,000)
Debt Due After 1 Year	(180,000)	60,000	(120,000)
Finance Leases	(458,556)	53,662	(404,894)

		53,662	

	-----	-----	-----
	(1,764,400)	641,464	(1,122,936)
	=====	=====	=====

21. RELATED PARTIES

The company is controlled by Mr.D.W.Thomas , a director , who in addition is a director of both Dyfed Steels (Southern) Ltd. and Excel Steelstock Ltd.

During the year ended 31st January 2000 the company sold goods to the value of £313,336 and £338,749 to Dyfed Steels (Southern) Ltd. and Excel Steelstock Ltd. respectively.

The company also purchased goods for re-sale to the value of £15,425 and £13,562 from Dyfed Steels (Southern) Ltd. and Excel Steelstock Ltd. respectively.

A management charge of £18,000 each was charged to both Excel Steelstock Ltd. and Dyfed Steels (Southern) Ltd.

Included in haulage costs are £14,792 charged by Dyfed Steels (Southern) Ltd.

Included in Sundry Debtors is £6,290 which is an amount due from Miss R. Thomas , daughter of Mr.D.W.Thomas.