

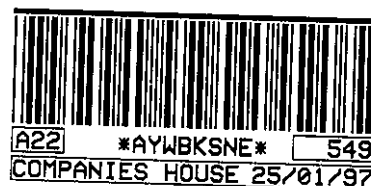
Company No:- 2759083

SCANDIASTEEL LIMITED
FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 1995

EDWARDS & CO
Chartered Accountants
Mitre House
177 Regent Street
London W1R 8LA

Registered Office
Caprice House
3 New Burlington Street
London W1X 1FE

2189VV-95



SCANDIASTEEL LIMITED

DIRECTORS REPORT

The Directors submit their report and the audited financial statements for the year ended 31st December 1995.

ACTIVITIES

The principal activity of the company is the provision of administrative support services.

STATE OF AFFAIRS AND FUTURE DEVELOPMENT

The state of the company's affairs is as set out on page 6 of the financial statements. The directors expect the present level of activity to be maintained for the foreseeable future.

DIRECTORS AND SECRETARY

The directors who served during the year were:

J R Beardsley	(resigned 13.12.96)
M W Denton	
C G Malet de Carteret	
D P Capelen	(resigned 01.07.96)
A J Weir	(appointed 01.07.96)

The directors had no interest in the share capital of the company as defined by the Companies Act 1985.

The Company Secretary who served during the year was Sceptre Consultants Limited, Sceptre House, 169/173 Regent Street, London W1R 7FB.

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 year. In preparing the 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 and detection of fraud and other irregularities.

SCANDIASTEEL LIMITED

DIRECTORS REPORT

RESULTS AND DIVIDENDS

The company's result for the year was a profit after taxation of £ 10,580 (1994 - profit of £ 6,966).

The directors do not recommend the payment of a dividend (1994 - nil).

AUDITORS

Messrs. Edwards & Co. have expressed their willingness to continue in office in accordance with Section 384(1) of the Companies Act 1985 and a resolution proposing their re-appointment will be presented at the Annual General Meeting.

FOR AND ON BEHALF OF THE BOARD

A handwritten signature in dark ink, appearing to read 'M W Denton', is written over a horizontal dashed line.

Director - M W Denton

Mitre House, 177 Regent Street, London W1R 8BB

Telephone 0171 734 4100

Facsimile International Division 0171 437 9509

E-mail edwards@edslne.demon.co.uk

REPORT OF THE AUDITORS

TO THE MEMBERS

SCANDIASTEEL LIMITED

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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, except that the scope of our work was limited as explained below. 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 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.

However, the evidence available to us was limited because we were unable to obtain independent confirmation of bank accounts and related information and have relied solely on bank statements provided to us to confirm bank balances held by the company. There were no other satisfactory audit procedures that we could adopt to confirm that all bank transactions were properly recorded.

In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

Except for any adjustments or additional disclosures that may have been found to be necessary had we obtained independent verification of the company's bank balance, in our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 1995 and of its results for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

In respect alone of this limitation on our work relating to bank balances we have not obtained all the information and explanations that we consider necessary for the purposes of this audit.

Edwards & Co.

EDWARDS & CO.
Chartered Accountants
Registered Auditors

Date *23rd Jan 1997*

SCANDIASTEEL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1995

	Notes	1995 £	1994 £
Turnover	2	16,614	12,091
Cost of sales		-	-
Gross profit		16,614	12,091
Administrative expenses		(3,038)	(3,091)
Operating profit	3	13,576	9,000
Interest receivable and similar income	4	490	260
Profit on ordinary activities before taxation		14,066	9,260
Taxation	5	(3,486)	(2,294)
Profit for the financial year		10,580	6,966
Balance brought forward		10,530	3,564
Balance carried forward		£ 21,110	£ 10,530

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The attached notes form part of these financial statements.

SCANDIASTEEL LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Investments	6	5	5
CURRENT ASSETS			
Debtors	7	29,845	12,091
Cash at bank and in hand		5,927	4,836
		35,772	16,927
CREDITORS: Amounts falling due within one year	8	(13,667)	(5,402)
NET CURRENT ASSETS		22,105	11,525
TOTAL NET ASSETS		£ 22,110	£ 11,530
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account		21,110	10,530
		£ 22,110	£ 11,530



Director - M W Denton

Date 23/1/97

The attached notes form part of these financial statements.

SCANDIASTEEL LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1995

1. ACCOUNTING POLICIES

a. Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

b. Cash Flow

The financial statements do not include a cash flow statement because the company as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

c. Tangible Fixed Assets

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets over the expected useful economic lives of the assets.

d. Foreign Currencies

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Monetary assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

e. Deferred Tax

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Provision is made at the rate which is expected to be applied when the tax liability or asset is expected to crystallise.

2. TURNOVER

Turnover represents the company's share of income derived from its principal activity.

SCANDIASTEEL LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1995

3. OPERATING PROFIT

	1995	1994
	£	£
This is stated after charging:		
Auditors remuneration	1,300	1,550
Interest payable on overdue tax	50	-
	=====	=====

The average number of persons (including directors) employed by the company during the year was four.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995	1994
	£	£
Profit on exchange	174	-
Bank interest received	316	260
	-----	-----
	£ 490	£ 260
	=====	=====

5. TAXATION

Corporation tax has been provided on the company's taxable profits at the rate of 25% (1994 - 25%).

6. INVESTMENT IN PARTNERSHIP

The company holds a 5% interest in Intrasteel Group and is stated at cost.

7. DEBTORS

	1995	1994
	£	£
Trade debtors	28,705	12,091
Other debtors and prepayments	1,140	-
	-----	-----
	£ 29,845	£ 12,091
	=====	=====

8. CREDITORS: Amounts falling due within one year:-

	1995	1994
	£	£
Shareholders loan	4,379	1,023
Other creditors and accruals	3,508	2,085
Corporation tax	5,780	2,294
	-----	-----
	£ 13,667	£ 5,402
	=====	=====

The shareholders loan is interest free, unsecured and has no fixed repayment date.

SCANDIASTEEL LIMITED
NOTES TO THE ACCOUNTS
AS AT 31ST DECEMBER 1995

9. SHARE CAPITAL

The authorised share capital of the company comprises 10,000 shares at £1 each, of which 1,000 have been issued and are fully paid (1994 - 1,000).

10. CAPITAL COMMITMENTS

There were no major capital commitments at the balance sheet date.

11. CONTINGENT LIABILITIES

There were no major contingent liabilities at the balance sheet date.