

**EES Group Services Limited**

**Annual report for the period**

**ended 30 December 2000**

Registered no: 3849650



# **EES Group Services Limited**

## **Annual report for the period ended 30 December 2000**

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# **EES Group Services Limited**

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## **Directors and advisers**

### **Directors**

S H Best  
I A Gilbert  
British Steel Directors (Nominees) Limited

### **Registered Auditors**

**PricewaterhouseCoopers**  
One Kingsway  
Cardiff  
CF10 3PW

### **Secretary and registered office**

**A L Scandrett**  
30 Millbank  
London  
SW1P 4WY

### **Solicitors**

**Corus Group plc**  
30 Millbank  
London  
SW1P 4WY

### **Bankers**

**Lloyds TSB Bank plc**  
City Office  
Gillingham Business Park  
Gillingham  
Kent  
ME8 0LS

**Directors' report  
for the period ended 30 December 2000**

The directors present their report and the audited financial statements for the period ended 30 December 2000.

**Principal activities**

The Company was incorporated as Britshelfco (No 11) Limited on 23 September 1999. On 11 May 2000 the name was changed to EES Group Services Limited. The principal activity of the company is as a holding company.

**Review of business**

The company did not trade during the period and made neither profit nor loss for the financial period.

The company is a wholly owned subsidiary of Cogent Power Limited, formerly European Electrical Steels Limited, and its future development is directly related to that of its parent.

**Dividends**

The directors do not recommend the payment of a dividend in respect of the period ended 30 December 2000.

**Directors**

The directors of the company at 30 December 2000 are listed on page 1. The directors serving during the period are as follows:

S H Best	(appointed 24 May 2000)
I A Gilbert	(appointed 24 May 2000)
British Steel Directors (Nominees) Limited	(appointed 23 September 1999)

**Directors' interests****Interests in shares of the company**

No director of the company at 30 December 2000 had any interest in the shares of the company, according to the register required to be kept by section 325 Companies Act 1985.

## Interests in shares of the ultimate parent company

The interests of the directors in the shares of the ultimate parent company, Corus Group plc, are noted below:

	Ordinary Shares 30 December 2000 Number
S H Best	2,244
I A Gilbert	473

Details of share options are as follows:

	24 May 2000 Number	Granted Number	Exercised Number	30 December 2000 Number
S H Best	301,749	-	-	301,749
I A Gilbert	107,363	-	-	107,363

The exercise prices and dates of exercise in respect of the options held at 30 December 2000 are as follows:

	Number Of shares	Price per share	Date of Exercise
Sharesave scheme	17,424	88.47p – 100.21p	2001 – 2003
Executive scheme	391,688	107.26p – 137.79p	1997 – 2010

## Auditors

PricewaterhouseCoopers were appointed as the first auditors of the company. A resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

By order of the board



Director

21 August 2001

**Statement of directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial periods and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 30 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**By order of the board**

A handwritten signature in black ink, appearing to read 'I. A. Gilbert', with a long horizontal stroke extending to the right.

**Director**

21 August 2001

## **Report of the auditors to the members of EES Group Services Limited**

We have audited the financial statements on pages 6 to 9.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the annual report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remunerations and transactions is not disclosed.

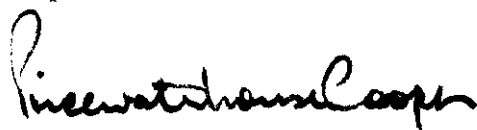
### **Basis of audit opinion**

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 December 2000 and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
Cardiff  
21 August 2001

**Balance sheet  
at 30 December 2000**

	Notes	2000 £'000
<b>Fixed assets</b>		
Investments	5	60,010
<b>Net assets</b>		<hr/> 60,010
<b>Capital and reserves</b>		
Called up share capital	6	60,010
Profit and loss account		-
<b>Equity shareholders' funds</b>		<hr/> 60,010

The financial statements on pages 6 to 9 were approved by the board of directors on 21 August 2001 and were signed on its behalf by:



**Director**



**Notes to the financial statements  
for the period ended 30 December 2000****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

There are no comparatives as this is the first period of account.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

**Cash flow statement**

The company is a wholly owned subsidiary of Cogent Power Limited and the cash flows of the company are included in the consolidated cash flow statement of Cogent Power Limited. Consequently the company is exempt under the terms of Financial Reporting Standard No 1 (Revised) from publishing a cash flow statement.

**Deferred taxation**

Deferred taxation is accounted for using the liability method in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

**Investments**

Investments in subsidiaries are included at cost less provision for any permanent diminution in value.

**2 Directors' emoluments**

None of the directors received any emoluments in respect of services to the company.

**3 Employee information and auditors' remuneration**

The company had no employees during the period, with all administration being carried out by the intermediate parent company, Cogent Power Limited. Auditors' remuneration in respect of the company was borne by Cogent Power Limited. No non-audit fees arose in the year.

## Notes to the financial statements for the period ended 30 December 2000 (continued)

### 4 Taxation

There is no unprovided deferred tax liability at 30 December 2000.

### 5 Investments

	2000 £'000
<b>Cost and net book value</b>	
Investment in subsidiary undertaking	60,010

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
European Electrical Steels Nederlands BV	Holland	Ordinary	100%	Holding company

Group accounts have not been prepared because the company is itself a member of a UK group of companies which prepares group accounts and is exempt from preparing group accounts by virtue of S228 of the Companies Act 1985. In the directors' opinion, the value of the investment in the subsidiary undertaking is not less than the aggregate amount at which it is stated in the balance sheet.

### 6 Called up share capital

	2000 £'000
<b>Authorised</b>	
61,000,000 ordinary shares of £1 each	61,000
<b>Allotted, called up and fully paid</b>	
60,010,001 ordinary shares of £1 each	60,010

During the period 60,010,000 ordinary shares of £1 each were issued for cash for the acquisition of the subsidiary undertaking.

## **7 Related party transactions**

The company's transactions with Cogent Power Limited and its subsidiary companies are all in the normal course of business. In accordance with the exemption offered by Financial Reporting Standard No 8, there is no disclosure in these financial statements of those transactions.

## **8 Ultimate and immediate parent companies**

Cogent Power Limited is the company's controlling related party by nature of its 100% interest in the share capital of the company.

The company's ultimate controlling related party and ultimate parent company is Corus Group plc, a company registered in England and Wales .

Copies of the consolidated financial statements of both Cogent Power Limited and Corus Group plc may be obtained from the Secretary at the address shown on page 1 of these accounts.