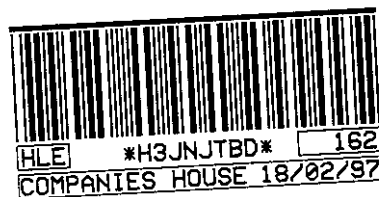


BARRETT STEEL PROPERTIES LIMITED

Report and Financial Statements

31 October 1996



**Deloitte & Touche
10-12 East Parade
Leeds
LS1 2AJ**



REPORT AND FINANCIAL STATEMENTS 1996

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REPORT AND FINANCIAL STATEMENTS 1996

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P C Chasney
J S Barrett
R B Barrett

SECRETARY

A B Durham

REGISTERED OFFICE

Barrett House
Cutler Heights Lane
Dudley Hill
Bradford
BD4 9HU

BANKERS

Midland Bank plc
47 Market Street
Bradford
BD1 1LW

SOLICITORS

Pinsent Curtis
41 Park Square
Leeds
LS1 2NS

AUDITORS

Deloitte & Touche
Chartered Accountants
10-12 East Parade
Leeds
LS1 2AJ



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the thirteen month period ended 31 October 1996.

ACTIVITIES

The company has not traded during the current financial period or preceding financial year.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the period are noted on page 1.

None of the directors have any interest in the share capital of the company.

The directors are all directors of the ultimate parent company, Barrett Steel Limited, and their interests in group companies are shown in the accounts of that company.

AUDITORS

Deloitte & Touche have expressed a willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

 7/2/97.

A B Durham

Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, 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 statements 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 statements 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.



Chartered Accountants

Deloitte & Touche
10-12 East Parade
Leeds LS1 2AJ

Telephone: National 0113 243 9021
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DX 26423

BARRETT STEEL PROPERTIES LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 and 6 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 circumstances of the company, 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 as at 31 October 1996 and of its result for the thirteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche 12/2/97.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

BALANCE SHEET
31 October 1996

	Note	31 October 1996 £'000	30 September 1995 £'000
CURRENT ASSETS			
Debtors	2	985	985
CREDITORS: amounts falling due within one year	3	(25)	(25)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>960</u>	<u>960</u>
CAPITAL AND RESERVES			
Called up share capital	4	-	-
Profit and loss account		<u>960</u>	<u>960</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>960</u>	<u>960</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

J S Barrett 7/2/97
J S Barrett
Director

NOTES TO THE ACCOUNTS
Period ended 31 October 1996

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

The company has not traded during the current or preceding financial period.

2. DEBTORS

	31 October 1996 £'000	30 September 1995 £'000
Amounts owed by parent company	985	985

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 October 1996 £'000	30 September 1995 £'000
Other creditors	25	25

4. CALLED UP SHARE CAPITAL

	31 October 1996 £	30 September 1995 £
Authorised 1,000 Ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid 1 Ordinary share of £1 each	1	1

5. CONTINGENT LIABILITIES

The company is party to a group banking facility which covers all Barrett Steel group companies. At 31 October 1996, the maximum contingent liability under this facility was £8,586,000 (30 September 1995 : £1,439,000).

6. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Barrett Steel Limited, a company incorporated in Great Britain and registered in England and Wales, which is also the ultimate parent company. Copies of the group financial statements of Barrett Steel Limited may be obtained from Companies House, Crown Way, Maindy, Cardiff.