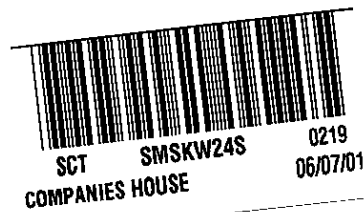


KELVIN STEELS LIMITED
(formerly Millbry 421 Limited)

REPORT AND ABBREVIATED FINANCIAL STATEMENTS
For the period ended 30 November 2000



KELVIN STEELS LIMITED

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KELVIN STEELS LIMITED

COMPANY INFORMATION

DIRECTORS: B F A Nugent
H B Nugent
C R P Nugent

SECRETARY: W T Nugent

REGISTERED OFFICE: Caledonia House
Thornliebank Industrial Estate
Glasgow G46 8JT

REGISTERED NUMBER: 205181

AUDITORS: Scott-Moncrieff
Chartered Accountants
Registered Auditor
25 Bothwell Street
Glasgow G2 6NL

KELVIN STEELS LIMITED

AUDITORS REPORT TO KELVIN STEELS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages three to five together with the financial statements of the company for the period ended 30 November 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

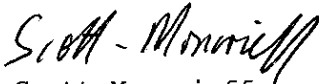
The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to five have been properly prepared in accordance with those provisions.



Scott-Moncrieff
Chartered Accountants
Registered Auditor
25 Bothwell Street
Glasgow G2 6NL

Dated: 26 April 2001

KELVIN STEELS LIMITED

ABBREVIATED BALANCE SHEET
As at 30 November 2000

	Notes	£	£
FIXED ASSETS:			
Intangible Assets	2		58,252
Tangible Assets	3		103,051
			161,303
CURRENT ASSETS:			
Stocks		205,240	
Debtors		756,857	
Cash at Bank		398,963	
		1,361,060	
CREDITORS: Amounts falling due within one year			
		1,495,620	
NET CURRENT ASSETS/(LIABILITIES)			(134,560)
TOTAL ASSETS LESS CURRENT LIABILITIES:			26,743
PROVISION FOR LIABILITIES AND CHARGES:			
			(9,748)
			16,995
CAPITAL AND RESERVES:			
Called Up Share Capital	4		100
Profit & Loss Account			16,895
Shareholders' Funds			16,995

Advantage has been taken of the exemptions conferred by Section 246 of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a small company.

ON BEHALF OF THE BOARD:


- Director

Approved by the Board on 26 April 2001

The notes form part of these financial statements

KELVIN STEELS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the period ended 30 November 2000

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2000, is being written off evenly over its estimated useful life of 4 years commencing 1 December 2000.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to Property	- 10% on cost
Plant & Machinery	- 10% on cost
Motor Vehicles	- 20% on cost
Computer Equipment	- 33.33% on cost

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire Purchase and Leasing Commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

KELVIN STEELS LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the period ended 30 November 2000**

2. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
Additions	58,252
As at 30 November 2000	58,252

3. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
Additions	159,410
Disposals	(34,341)
As at 30 November 2000	125,069
DEPRECIATION:	
Charge for Period	22,018
As at 30 November 2000	22,018
NET BOOK VALUE:	
As at 30 November 2000	103,051

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:			
Number:	Class:	Nominal	
		Value:	£
100	Ordinary Shares	£1	100

5. ULTIMATE PARENT COMPANY

The ultimate holding company is Arran Holdings Limited, a company incorporated in Scotland.