

REGISTERED NUMBER: 03326521 (England and Wales)

STEEL & ALLOY HOLDINGS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

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FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012**

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STEEL & ALLOY HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

DIRECTORS:	M T Cooper P J Whitehouse J C Moreira J M Riberas M R Escribano
SECRETARY:	M R Escribano
REGISTERED OFFICE:	Trafalgar Works Union Street West Bromwich West Midlands B70 6BZ
REGISTERED NUMBER:	03326521 (England and Wales)
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cornwall Court 19 Cornwall Street Birmingham B3 2DT
BANKERS:	Barclays Bank One Snowhill Snowhill Hill Queensway Birmingham B4 6GN

**REPORT OF THE DIRECTORS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012**

The directors present their report with the audited financial statements of the company for the 9 month period ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company is to act as a holding company for Steel & Alloy Processing and Steel & Alloy Celik a company based in Turkey. The company also owns an investment property in Bridge Street West Bromwich, which it leases to Steel & Alloy Processing and Arcelormittal Tailored Blanks.

REVIEW OF BUSINESS

The results for the period and financial position of the Company are as shown in the annexed financial statements.

PERFORMANCE

During 2012 the activities and cost structure of the business have been streamlined as part of the sale of the business to Gonvarri Steel Services. The resulting performance for the period has been good with the company achieving an operating profit of £144,305 compared to an operating loss of (£233,093) from the previous year. This profit has been generated based on the returns from the companies' investment property net of running costs of the property.

RISK AND UNCERTAINTIES

The Company undertakes regular reviews of the principal risks facing the business and wherever possible processes are in place to monitor and mitigate such risks. Note 15 to the financial statements gives details of the risks and management practices that apply to mitigate those risks. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully given the current economic outlook.

CONCLUSION

The company has performed well during the period and the Directors expect this performance to continue for the foreseeable future.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue successful operations for the foreseeable future. Accordingly, as in previous years they have adopted the going concern basis in preparing the annual report and financial statements.

DIVIDENDS

No Dividends have been proposed for the 9 month period ended 31st December 2012.

The total distribution of dividends for the 9 month period ended 31 December 2012 will be nil (Year ended 31 March 2012 £587,094).

FIXED ASSETS

In the opinion of the directors there is no significant difference between the present market value of the properties and the amounts at which they are stated in the financial statements. Details are set out in note 7.

FUTURE DEVELOPMENTS

Arcelormittal Tailored Blanks has extended its lease at Bridge Street until 30th November 2015, at which point the Directors will seek to find a new tenant for the property or Steel & Alloy Processing will take over the use of the entire property.

**REPORT OF THE DIRECTORS - CONTINUED
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012**

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2012 to the date of signing the financial statements

M T Cooper
P J Whitehouse
J C Moreira
J M Riberas
M R Escribano

POLICY ON PAYMENT OF CREDITORS

Payment terms are agreed with suppliers at the time it enters into binding purchasing contracts for the supply of goods and services. Its suppliers are, in that way, made aware of these terms. The company seeks to abide by these payment terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

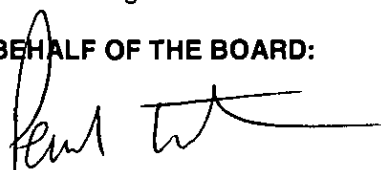
STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



P J Whitehouse - Director
27th September 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEEL & ALLOY HOLDINGS LIMITED

We have audited the financial statements (the "financial statements") of Steel & Alloy Holdings Limited for the 9 month period ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the directors and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or



Neil Philpott (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

27 September 2013

**PROFIT AND LOSS ACCOUNT
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012**

	Notes	9 month period ended 31 December 2012 £	Year ended 31 March 2012 £
TURNOVER		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Administrative expenses		(70,202)	(519,129)
		(70,202)	(519,129)
Other operating income		214,507	286,036
OPERATING PROFIT / (LOSS)	3	144,305	(233,093)
Profit on the disposal of Ensco 784 Limited		-	7,000,000
Interest receivable and similar income	4	177	1,178
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		144,482	6,768,085
Tax on profit on ordinary activities	5	(43,970)	-
PROFIT FOR THE FINANCIAL PERIOD / YEAR		100,512	6,768,085
RETAINED PROFIT FOR THE FINANCIAL PERIOD / YEAR		100,512	6,768,085

CONTINUING OPERATIONS

On the 30th March 2012 all of the company's operations were purchased by Gonvarri Steel Services part of Gestamp Industries a company based in Madrid, Spain. None of the company's activities were discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period and the previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

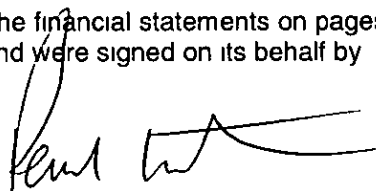
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

STEEL & ALLOY HOLDINGS LIMITED (REGISTERED NUMBER: 03326521)

**BALANCE SHEET
31 DECEMBER 2012**

		9 month period ended 31 December 2012		Year ended 31 March 2012	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		859,650		901,702
Investments	8		<u>8,068,994</u>		<u>3,798,152</u>
			8,928,644		4,699,854
CURRENT ASSETS					
Debtors	9	3,822,124		8,040,310	
Cash at bank and in hand		<u>377,937</u>		<u>250,553</u>	
			4,200,061		8,290,863
CREDITORS					
Amounts falling due within one year	10	<u>(7,126,402)</u>		<u>(7,088,736)</u>	
NET CURRENT (LIABILITIES) / ASSETS			<u>(2,926,341)</u>		<u>1,202,127</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,002,303		5,901,981
PROVISIONS FOR LIABILITIES	11		<u>66</u>		<u>(124)</u>
NET ASSETS			<u>6,002,369</u>		<u>5,901,857</u>
CAPITAL AND RESERVES					
Called up share capital	12		5,528,799		5,528,799
Profit and loss account	13		<u>473,570</u>		<u>373,058</u>
TOTAL SHAREHOLDERS' FUNDS	17		<u>6,002,369</u>		<u>5,901,857</u>

The financial statements on pages 5 – 17 were approved by the Board of Directors on 25th September 2013 and were signed on its behalf by



P J Whitehouse - Director
27th September 2013

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards. These financial statements are prepared on the going concern basis under the historic cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been correctly applied throughout the period are set out below.

The exemption to consolidate the Company's subsidiary has been taken as the accounts are consolidated further up the Group.

Rents Received

Rent received represents net invoiced rents due from the tenants for the financial year based on rental agreements in place between the Company and the tenants.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	No depreciation is provided
Freehold buildings	4% straight line basis
Plant and machinery	10%, 15% and 33% straight line
Fixtures and fittings	15%, 20% and 33% straight line

The policy is to carry all assets at historical cost, except land and buildings which have been included in the balance sheet at a valuation existing on 31st March 2000 when the company implemented FRS 15 for the first time.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax provisions relating to industrial buildings have been reversed in the financial year ended 31st March 2008, on the basis that following the phasing out of IBA's, any allowances claimed to date will be non-repayable.

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES - continued

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate

2 STAFF COSTS

	9 month period ended 31 December 2012	Year ended 31 March 2012
	£	£
Wages and salaries	-	176,328
Social security costs	-	20,502
Other pension costs	-	-
	<u>-</u>	<u>196,830</u>

The average monthly number of employees during the period was as follows

	9 month period ended 31 December 2012	Year ended 31 March 2012
Administration staff and directors	<u>5</u>	<u>8</u>
	<u>5</u>	<u>8</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

3 OPERATING PROFIT / (LOSS)

The operating profit is stated after charging

	9 month period ended 31 December 2012	Year ended 31 March 2012
	£	£
Depreciation - owned assets	42,052	57,430
Auditors' remuneration	10,800	22,312
Directors' remuneration	-	177,249

Information regarding the highest paid director is as follows

	9 month period ended 31 December 2012	Year ended 31 March 2012
	£	£
Emoluments etc	-	63,883

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	9 month period ended 31 December 2012	Year ended 31 March 2012
	£	£
Other interest received	177	1,178
	177	1,178

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows

	9 month period ended 31 December 2012	Year ended 31 March 2012
	£	£
Current tax		
UK corporation tax	44,160	-
Adjustments in respect of previous years	-	-
Total current tax	44,160	-
Deferred tax	(190)	-
Tax on profit on ordinary activities	43,970	-

Factors affecting the tax charge

The tax assessed for the period is higher (Year ended 31 March 2012 - Higher) than the standard rate of corporation tax in the UK. The difference is explained below

	9 month period ended 31 December 2012	Year ended 31 March 2012
	£	£
Profit / Loss on ordinary activities before tax	144,482	(231,915)
Profit / Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (31 March 2012 – 26%)	33,231	(60,298)
Effects of		
Timing difference in respect of bank interest received		
Expenses not deductible for tax purposes	8,327	41,365
Depreciation of non- industrial buildings		
Capital allowances for period less than depreciation	761	556
Group Relief surrendered not paid		18,377
Effects of other tax rate credits	1,841	-
Current Tax Charge	44,160	-

6 DIVIDENDS

	31 December 2012	31 March 2012
	£	£
A ordinary shares of £3 03506p each full dividend for the year 2011	-	397,289
A ordinary shares of £3 03506p interim dividend 2012	-	189,805
Total	-	587,094

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

7 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1st April 2012 and 31 December 2012	<u>1,436,168</u>	<u>81,149</u>	<u>9,812</u>	<u>1,527,129</u>
DEPRECIATION				
At 1st April 2012	550,319	65,296	9,812	625,427
Charge for period	<u>37,085</u>	<u>4,967</u>	<u>-</u>	<u>42,052</u>
At 31 December 2012	<u>587,404</u>	<u>70,263</u>	<u>9,812</u>	<u>667,479</u>
NET BOOK VALUE				
At 31 December 2012	<u>848,764</u>	<u>10,886</u>	<u>-</u>	<u>859,650</u>
At 31st March 2012	<u>885,849</u>	<u>15,853</u>	<u>-</u>	<u>901,702</u>

Included in cost of land and buildings is freehold land of £200,000 (31 March 2012 - £200,000) which is not depreciated

8 FIXED ASSET INVESTMENTS

	2012 £
COST	
At 1 April 2012	5,134,799
Additions	4,270,842
Disposal	-
At 31 December 2012	9,405,641
AMOUNTS WRITTEN OFF	
At 1 April 2012	(1,336,647)
Write off during the period	-
At 31 December 2012	(1,336,647)
NET BOOK VALUE	
At 31 December 2012	8,068,994
At 31 March 2012	3,798,152

At the period end Steel & Alloy Holdings Limited owned 90% of Steel Alloy Celik

The company's investments at the balance sheet date in the share capital of companies include the following

Steel & Alloy Processing Limited
Nature of Business Process of strip metal products
Class of shares Ordinary
Holding 100%

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

FIXED ASSET INVESTMENTS - Continued

Steel & Alloy Celik

Nature of Business Process of strip metal products

Class of shares Ordinary

Holding 90%

The Directors believe that the carrying value of investments is supported by their underlying net assets

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2012 £	31 March 2012 £
Amounts owed by group undertakings	3,822,124	8,039,644
Prepayments and accrued income	-	666
	<u>3,822,124</u>	<u>8,040,310</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2012 £	31 March 2012 £
Trade creditors	198	74
Amounts owed to group undertakings	7,000,000	7,000,000
Other creditors	44,160	71,511
Accruals and deferred income	<u>82,044</u>	<u>174,151</u>
	<u>7,126,402</u>	<u>7,088,736</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

11 PROVISIONS FOR LIABILITIES

	31 December 2012	31 March 2012
	£	£
Deferred tax		
Capital allowances in excess of depreciation	<u>(66)</u>	<u>124</u>
		Deferred tax
		£
Balance at 1st April 2012		124
Effect of changes in tax rates		(30)
Short term timing differences		(760)
Adjustment in respect of previous periods		<u>600</u>
Balance at 31 December 2012		<u>(66)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012**

12 CALLED UP SHARE CAPITAL

Allotted and issued Number		Class	Nominal Value	31 December 2012	31 March 2012
94,879	(31 March 2012 94,879)	Ordinary A shares	19p	18,027	18,027
210,000	(31 March 2012 210,000)	Ordinary B shares	29p	60,900	60,900
420,000	(31 March 2012 420,000)	Ordinary C shares	26p	109,200	109,200
5,340,672	(31 March 2012 5,340,672)	Ordinary D shares	100p	5,340,672	5,340,672
				<u>5,528,799</u>	<u>5,528,799</u>

Dividend rights

The A Ordinary Shares, the C Ordinary Shares and the D ordinary shares shall be entitled to receive dividends. The A and D Ordinary Shares shall have the right to a fixed dividend and the C Ordinary Shares shall on aggregate have the right to a preferential fixed cumulative dividend, accruing from 17th April 2009.

Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares of the relevant class held by them respectively.

The C Dividend shall be paid in preference to either before or at the same time as the A Dividend.

In the event there are distributable profits following the payment of the fixed dividends on the C, A and D shares, a discretionary dividend entitlement. The entitlement to this dividend will rank pari passu with the B shares, save that any such dividend will be paid at a ratio of 1 25 (for example, for every £26 of dividend paid, £1 shall be paid to the D shares as a class and £25 to the B shares as a class).

Capital

On return of assets on liquidation or otherwise the surplus assets of the Company remaining after the payment of its liabilities and available for distribution amongst the shareholders shall belong and be distributed in the following manner and order of priority:

- firstly, in paying the A Ordinary Shareholders an amount equal to £189 63337 per A Ordinary Share,
- secondly, in paying the C Ordinary Shareholders an amount equal to £0 26 per C Ordinary Share and
- thirdly, in paying any remaining assets to the B & D shareholders pro rata to the number of B & D Ordinary Shares held.

Following the payment of the fixed entitlement due to the A and C shareholders the B & D shareholders will be entitled to the remaining assets of the company. This capital entitlement will rank pari passu with the B shares, save that any such capital entitlement will be paid at a ratio of 1 25 (for example, for every £26 of surplus assets distributed, £1 shall be paid to the D shares as a class and £25 to the B shares as a class).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

12 CALLED UP SHARE CAPITAL - Continued

Voting

On a resolution proposed at a general meeting of the Company on a show of hands and on a poll any holder of the D ordinary shares who (being an individual) is present in person or by proxy or (if a corporation) is present by duly authorised representative or by proxy shall have four votes in respect of each fully paid D ordinary share of which he is the holder

On a resolution proposed at a general meeting of the Company on a show of hands and on a poll any holder of the B Ordinary Shares who (being an individual) is present in person or by proxy or (if a corporation) is present and duly authorised representative or by proxy shall have one hundred votes in respect of each fully paid B Ordinary Share of which he is the holder

On a resolution proposed at a general meeting of the Company on a show of hands and on a poll every holder of C Ordinary Shares who (being an individual) is present in person or by proxy or (if a corporation) is present by duly authorised representative or by proxy shall have one vote in respect of each fully paid C Ordinary Share of which he is the holder

The holders of the A Ordinary Shares shall not be entitled to receive notice of, attend or vote at a general meeting of the Company or to vote for the purposes of a written resolution of the Shareholders or a class of the Shareholders (other than as provided in Article 7)

Variation of Class Rights

The special rights attaching to any class of Shares may only be varied or abrogated, either whilst the company is a going concern, or during or in contemplation of a winding up, with the consent in writing of the holders of 75% of the holders of Shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of that class, but not otherwise

13 RESERVES

	Profit and loss account £
At 1st April 2012	373,058
Profit for the period	100,512
Dividends	-
At 31 December 2012	<u>473,570</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012**

14 RELATED PARTY DISCLOSURES

Steel & Alloy Holdings Limited own 90% of the subsidiary Steel & Alloy Celik. The parent company has made capital advances net of repayments, prior to and including the period ended 31 December 2012 to the subsidiary company of £7,000,000. An amount of £7,000,000 originally outstanding to the Parent company has been transferred as repayable to Steel & Alloy Processing Limited, a subsidiary company. At the 31 December 2012 Steel & Alloy Holdings Limited owe nil to Steel Alloy Celik Iseleme (31 March 2012 - Debtor £12,024). This is comprised of unpaid interest nil (31 March 2012 - £867,907) (debtor) and net capital advances following the transfer to the subsidiary company of £- (31 March 2012 - £879,931) (creditor).

Steel & Alloy Processing Limited, a fellow subsidiary of company of Steel & Alloy Holdings Ltd, charged management charges of nil (31 March 2012 nil) to Steel & Alloy Celik. At the 31 December 2012 Steel & Alloy Celik owe £8,682,414 (31 March 2012 - £7,118,290 creditor) to Steel & Alloy Processing Limited. This is comprised of credit card bills not reimbursed nil (31 March 2012 - £712), purchases of £1,682,414 (31 March 2012 - £117,578), and capital advances of £7,000,000 (31 March 2012 - £7,000,000 creditor).

On 7th October 2011 the company purchased 7,200,000 ordinary £1 shares in Ensco 784 Limited for £200,000 from its subsidiary Steel and Alloy Processing Limited. The purpose of the transaction was to facilitate the repurchase of own shares. The parent company subsequently liquidated Ensco 784 Limited and realised their investment with a net profit of £7,000,000. The transaction did not result in any profit or loss to the Steel & Alloy Holdings Limited company.

Exemption has been claimed under Financial Reporting Standard number 8 requiring the disclosure of company transactions where the subsidiary is wholly owned.

15 RISK AND UNCERTAINTIES

Financial risk factors

The Company is exposed to a variety of financial risks and undertakes regular reviews to identify such risks and wherever possible put processes in place to mitigate such risks.

Interest rate risk factors

The Company has no interest bearing liabilities whilst assets include cash held on deposit with parties who have exceptionally good credit ratings from leading financial analysts.

Credit risk

The Company manages credit risk to tenants by selecting and working with credit worthy tenants and having close control and follow up of payments.

Liquidity risk

Given the strong balance sheet position and cash position of the Company, the directors have no particular concerns regarding liquidity risk.

Other risks

The Company maintains appropriate insurance cover for its critical business resource, for Business Interruption and associated events and has a robust Business Continuity Plan to deal with the consequences of such contingencies.

16 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Holding Gonvarri SL, by virtue of them controlling the voting rights of the issued share capital of the parent company. The consolidated financial statements can be obtained from, 3rd Floor Albia Building, 8 San Vicente, Bilboa, Vizcaya, Spain, B-95220992.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2012	31 March 2012
	£	£
Profit for the financial period	100,512	6,768,085
Dividends	-	(587,094)
Purchase of own shares	100,512	6,180,991
Issue of shares	-	(6,830,781)
Net addition to shareholders' funds		4,690,880
Opening shareholders' funds	5,901,857	1,210,975
Closing shareholders' funds	6,002,369	5,901,857

18 COMMITMENTS AND CONTINGENCIES

At 31 December 2012, Steel & Alloy Celik, a subsidiary company of Steel & Alloy Holdings Limited, has letters of guarantee given amounted to TL 2,324,000, which are mainly comprised of letters given to suppliers.

STEEL & ALLOY HOLDINGS LIMITED (REGISTERED NUMBER 3326521)

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

	9 month period ended 31 December 2012		Year ended 31 March 2012	
	£	£	£	£
Sales		-		-
Cost of sales				
Purchases	-	-	-	-
		-		-
GROSS PROFIT		-		-
Other income				
Rents received	214,507		286,036	
Deposit account interest	177		1,178	
Other interest received	-		-	
		214,684		287,214
		214,684		287,214
Expenditure				
Directors' pension contributions	-			
Directors' salaries	-		(176,328)	
Directors' social security	-		(20,502)	
Rent, rates and insurance	-			
Consultancy expenses	-			
Light and heat	-			
Salaries	-			
Social security	-			
Pension scheme contributions	-			
Other insurances	(1,173)		(1,992)	
Printing, postage, stationery, telephone and advertising	-			
Motor and travel expenses	-			
Recruitment and training	-			
Bad debts	-			
Property repairs and renewals	(8,938)		(2,152)	
Computer expenses	-			
Cleaning and safety wear	-			
Subscriptions and donations	-			
Sundry expenses	-		(1,206)	
Accountancy	-			
Legal and professional fees	(7,219)		(172,516)	
Auditors' remuneration	(10,800)		(22,312)	
Entertaining and gifts	-			
		(28,130)		(397,008)
Carried forward		186,554		(109,794)

This page does not form part of the statutory financial statements

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2012

	9 month period ended 31 December 2012		Year ended 31 March 2012	
	£	£	£	£
Brought forward		186,554		(109,794)
Finance costs				
Bank charges	(20)		(5,105)	
Bank and other interest	-			
Bank loan interest	-			
Foreign exchange differences	-		(59,586)	
		(20)		(64,691)
		186,534		(174,485)
Depreciation				
Freehold property depreciation	(37,085)		(49,446)	
Plant & machinery depreciation	(4,967)		(7,984)	
Fixture and fittings depreciation	-			
Motor vehicles depreciation	-			
		(42,052)		(57,430)
		144,482		(231,915)
Profit/(Loss) on disposal of fixed assets				
(Profit)/loss on disposal of freehold property	-			
Profit on disposal of plant and machinery	-			
(Profit) / loss on disposal of fixtures and fittings	-			
Profit on disposal of motor vehicles	-			
Profit on disposal of Ensco 784 limited			7,000,000	
		-		7,000,000
NET PROFIT		144,482		6,768,085