

REGISTERED NUMBER: 03326521 (England and Wales)

STEEL & ALLOY HOLDINGS LIMITED
REPORT OF THE DIRECTORS, STRATEGIC REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Independent Auditors' Report	5
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9

STEEL & ALLOY HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

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 Queensway
Birmingham
B4 6GN

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company is to act as a holding company for Steel & Alloy Processing Limited.

REVIEW OF BUSINESS

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

During 2014 the activities of the business continued to be streamlined after the sale of the business to Gonvarri Steel Services SA. As part of a Group re organisation the company's investment in the Bridge Street property was sold at fair market value to Steel & Alloy Processing Limited the wholly owned subsidiary of Steel & Alloy Holdings Limited.

The company will continue for the foreseeable future as a holding company only with no operating activities.

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 14 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.

DIVIDENDS

No dividends have been proposed for the year ended 31st December 2014.

The total distribution of dividends for the year ended 31 December 2014 will be nil. (year ended 31 December 2013: £nil).

FUTURE DEVELOPMENTS

After the sale of the Bridge Street property Steel & Alloy Holdings Limited will solely act as a holding company for Steel & Alloy Processing.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

EVENTS SINCE THE END OF THE YEAR

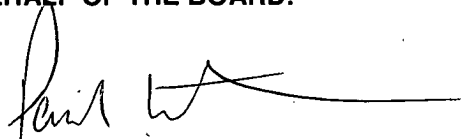
Information relating to events since the end of the year is given in the notes to the financial statements.

CONCLUSION

The company has performed as expected during the year. The Directors expect the company to continue as a holding company 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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'P J Whitehouse', followed by a long horizontal line extending to the right.

P J Whitehouse - Director
29 September 2015

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014**

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2014 to the date of signing the financial statements.

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

None of the directors have any beneficial interests in the shares of the company.

The results and dividends of the company are disclosed in the strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of Directors 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 of 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 AS TO 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
29 September 2015

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

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Steel & Alloy Holdings Limited, comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the notes to the financial statements, which include other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities Statement, 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 ISAs (UK & 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.



Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
29 September 2015

STEEL & ALLOY HOLDINGS LIMITED (REGISTERED NUMBER: 03326521)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Administrative expenses		<u>(5)</u>	<u>(305,051)</u>
		(5)	(305,051)
Other operating costs		(867,908)	-
Other operating income		<u>234,676</u>	<u>286,067</u>
		-	-
OPERATING PROFIT / (LOSS)	2	(633,237)	(18,984)
Loss on the sale of Investment		-	<u>(2,819,917)</u>
Interest receivable and similar income	3	<u>-</u>	<u>970</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(633,237)	(2,837,931)
Tax on loss on ordinary activities	4	<u>(1,032)</u>	<u>(7,368)</u>
LOSS FOR THE FINANCIAL YEAR / PERIOD		(634,269)	(2,845,299)
RETAINED LOSS FOR THE FINANCIAL YEAR		(634,269)	(2,845,299)

CONTINUING OPERATIONS

During 2014 the Bridge Street Property owned by Steel & Alloy Holdings Limited was sold to its subsidiary Steel & Alloy Processing Limited. Rental income previously received from this property has now stopped.

TOTAL RECOGNISED GAINS AND LOSSES

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

NOTE OF HISTORICAL COST PROFITS AND LOSSES

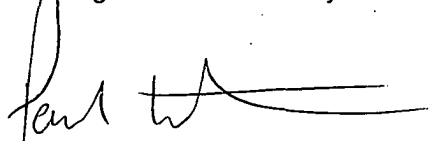
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

STEEL & ALLOY HOLDINGS LIMITED (REGISTERED NUMBER: 03326521)

**BALANCE SHEET
31 DECEMBER 2014**

	Note	Year ended 31 December 2014		Year ended 31 December 2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5	-		803,643	
Investments	6		<u>2,522,801</u>	<u>210,000</u>	
			2,522,801	1,013,643	
CURRENT ASSETS					
Debtors	7	-		1,594,020	
Cash at bank and in hand		-		<u>606,474</u>	
				2,200,494	
CREDITORS					
Amounts falling due within one year	8	-		<u>(58,099)</u>	
NET CURRENT ASSETS			<u>-</u>	<u>2,142,395</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,522,801</u>	<u>3,156,038</u>	
PROVISIONS FOR LIABILITIES	9		<u>-</u>	<u>1,032</u>	
NET ASSETS			<u><u>2,522,801</u></u>	<u><u>3,157,070</u></u>	
CAPITAL AND RESERVES					
Called up share capital	10		5,528,799	5,528,799	
Profit and loss account	11		<u>(3,005,998)</u>	<u>(2,371,729)</u>	
TOTAL SHAREHOLDERS' FUNDS	16		<u><u>2,522,801</u></u>	<u><u>3,157,070</u></u>	

The financial statements on pages 7 – 18 were approved by the Board of Directors on 29 September 2015 and were signed on its behalf by:



P J Whitehouse - Director
29 September 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention 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 consistently applied throughout the period as set out below.

The company is a wholly-owned subsidiary of Gonvarri Steel Services SA and is included in the consolidated financial statements of Gonvarri Steel Services SA which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

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 end 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 are accounted for at cost less provision for impairment.

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.

Statement of cash flows

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 Cash Flow Statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

2. OPERATING PROFIT / (LOSS)

The operating profit / (loss) is stated after charging / (crediting):

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Profit on the sale of fixed assets	(234,676)	-
Bad debt write off	867,908	-
Depreciation - owned assets	-	56,007
Auditors' remuneration audit	-	10,000
Auditors' remuneration taxation services	-	3,000
	<u> </u>	<u> </u>

Auditors' remuneration for 2014 has been borne by Steel & Alloy Processing Limited

Directors' remuneration	-	-
	<u> </u>	<u> </u>

Information regarding the highest paid director is as follows:

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Emoluments etc.	-	-
	<u> </u>	<u> </u>

The Directors received no remuneration from the Company for their services (2013 £nil).

The Directors are also Directors of Steel & Alloy Processing Limited. Disclosure of the total emoluments of the Directors are made in the Financial Statements of Steel & Alloy Processing Limited. It is not possible to allocate the emoluments attributable to Steel & Alloy Holdings Limited

The company has no other employees

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Other interest received	-	970
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

4. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Current tax:		
UK corporation tax	-	8,262
Adjustments in respect of previous years	-	72
Total current tax	-	8,334
Deferred tax	(1,032)	(966)
Tax on (loss) on ordinary activities	(1,032)	7,368

Factors affecting the tax charge

The tax assessed for the year is higher (year ended 31 December 2013 - higher) than the standard rate of corporation tax of 21.50% (2013: 23.25%) in the UK. The difference is explained below:

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Loss on ordinary activities before taxation	(634,269)	(2,837,931)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.50% (31 December 2013 – 23.25%)	(136,325)	(659,819)
Effects of:		
Expenses not deductible for tax purposes	-	11,317
Capital allowances for year less than depreciation	-	1,133
Loss on disposal of subsidiary	-	655,631
Adjustments in respect of previous years	-	72
Write off inter co debt	186,541	-
Profit on group transfer of property	(50,216)	-
Current Tax Charge	-	8,334

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 st January 2014	1,436,168	81,149	9,812	1,527,129
Additions	-	-	-	-
Disposals	(1,436,168)	(81,149)	(9,812)	(1,527,129)
At 31 December 2014	-	-	-	-
ACCUMULATED DEPRECIATION				
At 1 st January 2014	636,850	76,824	9,812	723,486
Charge for year	-	-	-	-
Disposal	(636,850)	(76,824)	(9,812)	(723,486)
At 31 December 2014	-	-	-	-
NET BOOK VALUE				
At 31 st December 2014	-	-	-	-
At 31 st December 2013	<u>799,318</u>	<u>4,325</u>	<u>-</u>	<u>803,643</u>

Included in cost of land and buildings is freehold land of £ Nil (31 December 2013 - £200,000) which is not depreciated.

6. INVESTMENTS

31 December 2014
£

At 1 January 2014	210,000
Additions	2,312,801
At 31 December 2014	2,522,801

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%

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

7. DEBTORS

	31 December 2014 £	31 December 2013 £
Amounts owed by group undertakings	-	1,594,020
Prepayments and accrued income	-	-
	<u>-</u>	<u>1,594,020</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2014 £	31 December 2013 £
Trade creditors	-	7,888
Amounts owed to group undertakings	-	26,935
Other creditors	-	12,776
Accruals and deferred income	-	10,500
	<u>-</u>	<u>58,099</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

9. PROVISIONS FOR LIABILITIES

	31 December 2014	31 December 2013
	£	£
Deferred tax		
Capital allowances in excess of depreciation	<u>-</u>	<u>(1,032)</u>
		Deferred tax
		£
Balance at 1st January 2014		(1,032)
Effect of changes in tax rates		(77)
Short term timing differences		1,109
		<u>-</u>
Balance at 31 December 2014		<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

10. CALLED UP SHARE CAPITAL

Allotted and issued: Number	Class:	Nominal Value	31 December 2014	31 December 2013
94,879	Ordinary A shares	19p	18,027	18,027
210,000	Ordinary B shares	29p	60,900	60,900
420,000	Ordinary C shares	26p	109,200	109,200
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 entitlement 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 YEAR ENDED 31 DECEMBER 2014

10. 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.

11. RESERVES

	Profit and loss account £
At 1st January 2014	(2,371,729)
Loss for the financial year	(634,269)
Dividends	-
At 31 December 2014	<u>(3,005,998)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

12. RELATED PARTY DISCLOSURES

Steel & Alloy Holdings Limited own 100% of the subsidiary Steel & Processing Limited.

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

13. 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.

14. 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, Bilbao, Vizcaya, Spain, B-95220992.

15. POST BALANCE SHEET EVENTS

There were no post balance sheet events affecting the Company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2014	31 December 2013
	£	£
Loss for the financial year	(634,269)	(2,845,299)
Dividends	-	-
	<u>(634,269)</u>	<u>(2,845,299)</u>
Purchase of own shares	-	-
Issue of shares	-	-
	<u>-</u>	<u>-</u>
Net addition to shareholders' funds	(634,269)	(2,845,299)
Opening shareholders' funds	<u>3,157,070</u>	<u>6,002,369</u>
Closing shareholders' funds	<u>2,522,801</u>	<u>3,157,070</u>

STEEL & ALLOY HOLDINGS LIMITED (REGISTERED NUMBER: 3326521)

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Year ended 31 December 2014		Year ended 31 December 2013	
	£	£	£	£
Sales	-		-	
Cost of sales				
Purchases	-		-	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		-		-
GROSS PROFIT		-		-
Other income				
Rents received			286,067	
Deposit account interest			970	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
				287,037
				287,037
Other Costs				
Group management charge				
Bad debt write off	(5)		(227,303)	
	<u>(867,908)</u>		<u> </u>	
		(867,913)		(227,303)
Expenditure				
Directors' pension contributions	-		-	
Directors' salaries	-		-	
Directors' social security	-		-	
Rent, rates and insurance	-		-	
Consultancy expenses	-		-	
Light and heat	-		-	
Salaries	-		-	
Social security	-		-	
Pension scheme contributions	-		-	
Other insurances	-		-	
Printing, postage, stationery, telephone and advertising	-		-	
Motor and travel expenses	-		-	
Recruitment and training	-		-	
Bad debts	-		-	
Property repairs and renewals	-		(1,794)	
Computer expenses	-		-	
Cleaning and safety wear	-		-	
Subscriptions and donations	-		-	
Sundry expenses	-		-	
Accountancy	-		-	
Legal and professional fees	-		(6,926)	
Auditors' remuneration	-		(13,000)	
Entertaining and gifts	<u> </u>		<u> </u>	
		-		(21,720)
Carried forward		(867,913)		38,014

This page does not form part of the statutory financial statements

STEEL & ALLOY HOLDINGS LIMITED (REGISTERED NUMBER: 3326521)

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR 31 DECEMBER 2014**

	Year ended 31 December 2014		Year ended 31 December 2013	
	£	£	£	£
Brought forward		(867,913)		38,014
Finance costs				
Bank charges	-		(18)	
Bank loan and other interest	-		-	
Foreign exchange differences	-		(3)	
		<u>-</u>		<u>(21)</u>
		(867,913)		37,993
Depreciation				
Freehold property depreciation	-		(49,446)	
Plant & machinery depreciation	-		(6,561)	
Fixture and fittings depreciation	-		-	
		<u>-</u>		<u>(56,007)</u>
		(867,913)		(18,014)
Profit/(Loss) on disposal				
Profit / (loss) on disposal of investment	-		(2,819,917)	
Profit / (loss) on disposal of property	234,676		-	
		<u>234,676</u>		<u>(2,819,917)</u>
Loss On Ordinary Activities Before Taxation		<u><u>(633,237)</u></u>		<u><u>(2,837,931)</u></u>