

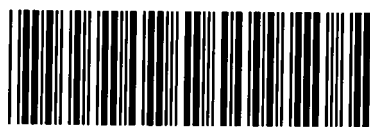
Steel & Alloy Holdings Limited

Annual report and financial statements

Registered number 03326521

For the year ended 31 December 2017

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COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:

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

SECRETARY:

M R Escribano

REGISTERED OFFICE:

Trafalgar Works
Union Street
West Bromwich
West Midlands
B70 6BZ

REGISTERED NUMBER:

003326521 (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

The directors present their report with the audited financial statements of the company for the year ended 31 December 2017.

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.

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. 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 31 December 2017 (2016: £nil).

The total distribution of dividends for the year ended 31 December 2017 will be nil. (year ended 31 December 2016: £nil).

FUTURE DEVELOPMENTS

After the sale of the Bridge Street property Steel & Alloy Holdings Limited in 2014 the business has solely been acting as a holding company for Steel & Alloy Processing Limited.

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

No events noted since year end that would affect these financial statements.

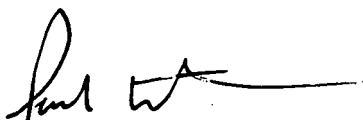
CONCLUSION

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:

P J Whitehouse



Director

Date: 28.08.18.

Directors' report

Directors

The directors who held office during the year were as follows:

M T Cooper
P J Whitehouse
J C Moreira
J M R Mera
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.

Political and charitable contributions

The Company made nil political contributions during the year (2016: nil). Donations to UK charities amounted to nil (2016: nil).

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of directors' responsibilities

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

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, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

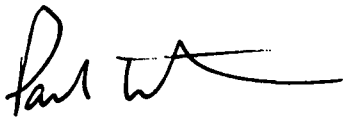
Directors' report (continued)

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

Date: 28.08.18

Union Street
West Bromwich
B70 6BZ

Independent auditors' report to the members of Steel & Alloy Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Steel & Alloy Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2017; the statement of comprehensive income; the Statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the members of Steel & Alloy Holdings Limited (Continued)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Independent auditors' report to the members of Steel & Alloy Holdings Limited (Continued)

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.



Matt Palmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

31 August 2018

Statement of comprehensive income

for the year ended 31 December 2017

	2017 £000	2016 £000
Administration Costs	-	-
Other operating income	-	-
Other operating costs	-	-
Operating result	-	-
Financial income	-	-
Financial expenses	-	-
Result on ordinary activities before taxation	-	-
Tax on result on ordinary activities	-	-
Result for the financial year	-	-
Total comprehensive income for the year	=	=

All results are derived from continuing operations.

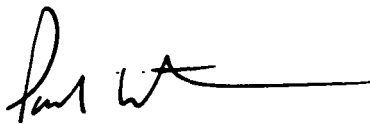
The notes on pages 11 to 14 form part of these financial statements.

Statement of financial position
As at 31 December 2017

	<i>Note</i>	2017 £000	2016 £000
Non-current assets			
Investments	4	2,523	2,523
		<u>2,523</u>	<u>2,523</u>
Total assets		<u>2,523</u>	<u>2,523</u>
Total liabilities		-	-
Net assets		<u>2,523</u>	<u>2,523</u>
Equity			
Called up share capital	5	5,529	5,529
Accumulated losses		-	(3,006)
Total equity		<u>-</u>	<u>2,523</u>

The notes on pages 11 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 28th August 2018 and were signed on its behalf by:



P J Whitehouse
Director

Statement of changes in equity

For the year ended 31 December 2017

	Called up Share capital £000	Accumulated Losses £000	Total equity £000
Balance at 1 January 2017	5,529	(3,006)	2,523
Result for the financial year	-	-	-
Balance at 31 December 2017	5,529	(3,006)	2,523

For the year ended 31 December 2016

	Called up Share capital £000	Accumulated Losses £000	Total equity £000
Balance at 1 January 2016	5,529	(3,006)	2,523
Result for the financial year	-	-	-
Balance at 31 December 2016	5,529	(3,006)	2,523

Notes
(forming part of the financial statements)

1 General Information

Steel & Alloy Holdings Limited is a company incorporated and domiciled in the United Kingdom. It is the parent company of Steel & Alloy Processing Limited, the ultimate parent company being of the Gonvarri Group, incorporated in Spain.

The financial statements have been prepared in sterling which is the functional currency of the company.

2 Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, and financial instruments classified as fair value through the profit or loss or as available-for-sale. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Preparation of consolidated financial statements

The financial statements contain information about Steel & Alloy Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Gonvarri Steel Services SA, a company registered in Spain.

Notes (continued)

2 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Investments

The company accounts for fixed asset investments in accordance with FRS 101. Fixed asset investments, comprising investments in subsidiary companies, are stated at cost less any provisions for impairment. An impairment assessment is made taking into account expected future cash flows of the business, risk adjusted weighted cost of capital and management's assessment of expected macro-economic developments. Judgments are made based on best estimate predictions of these variables and are reviewed and updated on a regular basis.

Notes (continued).

3 Director remuneration

The Directors received no remuneration from the Company for their services (2016: £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.

4 Investments

	£000
As at 1 January 2017 and 31 December 2017	2,523

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.

5 Called up share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
94,879 (2016: 94,879) ordinary A shares of £0.19 each	18,027	18,027
210,000 (2016: 210,000) ordinary B shares of £0.29 each	60,900	60,900
420,000 (2016: 420,000) ordinary C shares of £0.26 each	109,200	109,200
5,340,672 (2016: 5,340,672) Ordinary D Shares of £1 each	5,340,672	5,340,672

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 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 (continued)

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).

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.

6 Related parties

The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

7 Ultimate parent company and parent undertaking of a larger group of which the company is a member

The ultimate controlling party is Gonvarri Steel Services SA, 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 San Vicente nº 8. 3rd floor. Albia Building, Bilbao, Vizcaya, B-95220992