

**Duferco UK Limited**

**Annual report and financial  
statements**

**Registered number 03538773**

**For the year ended 30 September 2013**

## Contents

Strategic Report	1
Directors' report	2
Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements	3
Independent auditor's report to the members of Duferco UK Limited	4
Statement of profit and loss	6
Balance sheet	7
Statement of changes in equity	8
Notes	9

## Strategic Report

2013 turned out to be a tough year as predicted. The UK market stagnated much earlier than any anticipated and this led to much lower volumes being booked, especially position cargoes, and also margin levels being squeezed.

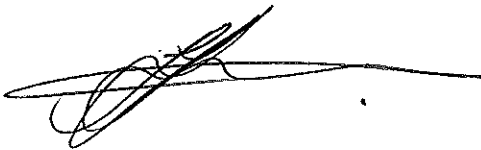
In line with Group's policy, the majority of our business was conducted on a back-to-back basis and therefore inventories were kept to a minimum, decreasing the risk of major price falls.

On the other hand, the Construction industry saw an upturn, and predictions see a stronger view over the coming two years. On the back of this we introduced a new tubes business which we see good potential to grow with increased demand in this sector.

Furthermore, the Automotive market enjoyed another good year and looks to maintain this for 2014, again in line with forecast. This is another area in which we are looking to break into for the coming year and will also include Yellow Goods/Heavy Engineering where market has also been very stable.

However, we anticipate that 2014 will be another tough year and in fact could mirror this year in terms of volumes, any predicted increases will be minimal and would only take effect from the New Year, so our prime objective is keeping inventory levels low, concentrating on the healthier sectors within our industry and maintaining our regular back to back business. This will then help us to maintain our position for the hopeful upturn in 2015.

By order of the board

A handwritten signature in black ink, appearing to be 'J Green', written over a horizontal line.

**J Green**  
*Director*

8 April 2014

## Directors' report

The directors present their report and the audited financial statements for the year ended 30 September 2013.

### Principal activities

The principal activity of the company is the importing and distribution of steel products.

### Dividend

The directors do not recommend the payment of a dividend (2012: £Nil).

### Directors

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

R Brannan (resigned 31 October 2013)  
M Melamed  
E Toschi  
J Green

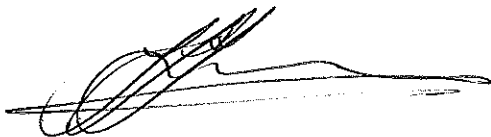
### Political and charitable contribution

During the year, the company made charitable donations of £Nil (2012: £240).

### Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

By order of the board



**J Green**  
*Director*

Duferco House  
Buntsford Park Road  
Bromsgrove  
Worcestershire  
B60 3DX

8 April 2014

## **Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements**

The directors are responsible for preparing the Strategic report, Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 judgments and 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; 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 responsible for keeping proper 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

## **Independent auditor's report to the members of Duferco UK Limited**

We have audited the financial statements of Duferco UK Limited for the year ended 30 September 2013 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement 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.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Duferco UK Limited** *(continued)*

### **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.



**Xavier Timmermans (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

14 April 2014

**Statement of profit and loss**  
*for the year ended 30 September 2013*

	<i>Note</i>	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
<b>Turnover</b>	<b>2</b>	<b>57,349</b>	<b>68,828</b>
<b>Cost of sales</b>		<b>(54,940)</b>	<b>(66,807)</b>
		<hr/>	<hr/>
<b>Gross profit</b>		<b>2,409</b>	<b>2,021</b>
<b>Distribution costs</b>		<b>(1,676)</b>	<b>(1,715)</b>
<b>Administrative expenses</b>		<b>(1,152)</b>	<b>(1,116)</b>
		<hr/>	<hr/>
<b>Operating loss</b>	<b>3</b>	<b>(419)</b>	<b>(810)</b>
<b>Interest receivable and similar income</b>	<b>6</b>	<b>-</b>	<b>2</b>
<b>Interest payable and similar charges</b>	<b>7</b>	<b>(511)</b>	<b>(266)</b>
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(930)</b>	<b>(1,074)</b>
<b>Tax on loss on ordinary activities</b>	<b>8</b>	<b>137</b>	<b>230</b>
		<hr/>	<hr/>
<b>Loss for the financial year</b>	<b>17</b>	<b>(793)</b>	<b>(844)</b>
		<hr/>	<hr/>

The company has no other comprehensive income in either the current or preceding period other than the loss for the financial year.

In both the current and preceding years all turnover arose from continuing operations.

The notes on pages 9 to 19 form part of these financial statements.



**Balance sheet**  
*at 30 September 2013*

	<i>Note</i>	<b>2013 £000</b>	<b>£000</b>	<b>2012 £000</b>	<b>£000</b>
<b>Fixed assets</b>					
Tangible assets	<i>9</i>		<b>238</b>		<b>247</b>
Investments	<i>10</i>		<b>-</b>		<b>-</b>
			<hr/>		<hr/>
			<b>238</b>		<b>247</b>
<b>Current assets</b>					
Stocks	<i>11</i>	<b>13,831</b>		<b>27,036</b>	
Debtors	<i>12</i>	<b>12,286</b>		<b>20,303</b>	
Cash at bank and in hand		<b>4,725</b>		<b>602</b>	
		<hr/>		<hr/>	
		<b>30,842</b>		<b>47,941</b>	
<b>Creditors: Amounts falling due within one year</b>	<i>13</i>	<b>(25,579)</b>		<b>(44,094)</b>	
		<hr/>		<hr/>	
<b>Net current assets</b>			<b>5,263</b>		<b>3,847</b>
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>5,501</b>		<b>4,094</b>
<b>Creditors: Amounts falling due after more than one year</b>	<i>14</i>		<b>(4,200)</b>		<b>(2,000)</b>
			<hr/>		<hr/>
<b>Net assets</b>			<b>1,301</b>		<b>2,094</b>
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	<i>16</i>		<b>2,500</b>		<b>2,500</b>
Profit and loss account	<i>17</i>		<b>(1,199)</b>		<b>(406)</b>
			<hr/>		<hr/>
<b>Shareholders' funds</b>	<i>18</i>		<b>1,301</b>		<b>2,094</b>
			<hr/>		<hr/>

The notes on pages 9 to 19 form part of these financial statements.

These financial statements were approved by the board of directors on 8 April 2014 and were signed on its behalf by:



**J Green**  
*Director*

Company number: 03538773

**Statement of changes in equity**  
*For the year ended 30 September 2013*

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 1 September 2012	2,500	438	2,938
Profit or loss	-	(844)	(844)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2012</b>	<b>2,500</b>	<b>(406)</b>	<b>(2,094)</b>
	<hr/>	<hr/>	<hr/>

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 1 September 2013	2,500	(406)	(2,094)
Profit or loss	-	(793)	(793)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2013</b>	<b>2,500</b>	<b>(1,199)</b>	<b>1,301</b>
	<hr/>	<hr/>	<hr/>

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Duferco UK Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has adopted FRS 101 early and for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 21.

The Company's ultimate parent undertaking, Duferco International Trading Holding S.A. includes the Company in its consolidated financial statements. The consolidated financial statements Duferco International Trading Holding are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from:

Duferco International Trading Holding S.A.  
Rue Guillaume Schneider 12

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets.
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Duferco International Trading Holding S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company
- The disclosures required by IFRS 7 *Financial Instrument Disclosures*

## Notes (continued)

### 1 Accounting policies (continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 October 2011 for the purposes of the transition to FRS 101.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis. 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.

#### 1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report in the director's report on page 1. The financial position of the company is shown in the balance sheet on page 7.

The company is the UK distribution arm of a large worldwide group. Due to the positive group support, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

#### 1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	- 2% per annum
Motor vehicles	- 25% per annum
Computer equipment	- 50% per annum
Office equipment	- 10% per annum

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### 1.6 Employee benefits

##### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### 1.7 Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers. Turnover is recognised when a delivery or collection is made. Commissions are received when the Company act as an intermediary between a group company and a customer.

#### 1.8 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 directly 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 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.

### 2 Turnover

The company's turnover was all derived from its principal activity, which represents the sale of goods. Sales were made in the following geographical markets:

	2013 £000	2012 £000
United Kingdom	55,748	68,653
Rest of Europe	393	175
Rest of World	1,208	-
	<hr/> 57,349 <hr/>	<hr/> 68,828 <hr/>

## Notes (continued)

### 3 Expenses and auditor's remuneration

	2013 £000	2012 £000
<i>Included in profit/loss are the following:</i>		
Depreciation written off tangible fixed assets:		
Owned assets	9	17
Profit on the sale of fixed assets	-	-
	<hr/>	<hr/>
<i>Auditor's remuneration:</i>		
Audit of these financial statements	19	18
Other services relating to taxation	6	6
Other services	7	1
	<hr/>	<hr/>

### 4 Remuneration of directors

	2013 £000	2012 £000
Directors' emoluments	140	153
Company contributions to money purchase pension schemes	52	61
	<hr/>	<hr/>
	192	214
	<hr/>	<hr/>

Retirement benefits are accruing to the following number of directors under:

	Number	
Money purchase pension schemes	2	2
	<hr/>	<hr/>

### 5 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the year was as follows:

	Number of employees	
	2013	2012
Sales	6	6
Commercial and administration	6	7
Directors	1	1
	<hr/>	<hr/>
	13	14
	<hr/>	<hr/>

## Notes (continued)

### 5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2013 £000	2012 £000
Wages and salaries	533	579
Social security costs	66	75
Contributions to deferred benefit plans	52	78
	<u>651</u>	<u>732</u>

### 6 Interest receivable and similar income

	2013 £000	2012 £000
Bank interest	-	2
	<u>-</u>	<u>2</u>

### 7 Interest payable and similar charges

	2013 £000	2012 £000
On bank loans and overdrafts	511	266
	<u>511</u>	<u>266</u>

### 8 Taxation

#### (i) Analysis of charge for the year

	2013 £000	£000	2012 £000	£000
<i>UK corporation tax</i>				
Current tax on income for the period	-		-	
Adjustment in respect of prior periods	-		-	
	<u>-</u>		<u>-</u>	
Total current tax		-		-
<i>Deferred tax (see note 16)</i>				
Origination and reversal of timing differences	180		240	
Effect of change in tax rates	(41)		(10)	
Adjustment in respect of prior periods	(2)		-	
	<u>137</u>		<u>230</u>	
Total deferred tax		137		230
Tax credit on profit on ordinary activities		<u>137</u>		<u>230</u>

## Notes (continued)

### 8 Taxation (continued)

#### (ii) Factors affecting the tax charge for the year

The current tax charge for the year is lower (2012: lower) than the standard rate of corporation tax in the UK 23.5% (2012: 25%). The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before taxation	(930)	(1,074)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.5% (2012: 25%)	(219)	(269)
<i>Effects of:</i>		
Capital allowances in excess of depreciation	1	1
Permanently disallowable expenditure	8	5
Depreciation on ineligible	1	-
Increase in losses carried forward	205	277
Other timing differences	4	(14)
Total current tax charge (see above)	-	-

#### (iii) Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 September 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.



## Notes (continued)

### 9 Tangible fixed assets

	Freehold land and buildings £000	Office equipment £000	Total £000
<i>Cost</i>			
At beginning of year	303	56	359
Disposals	-	(23)	(23)
	<hr/>	<hr/>	<hr/>
At end of year	303	33	336
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	67	45	112
Charge for the year	5	4	9
Disposals	-	(23)	(23)
	<hr/>	<hr/>	<hr/>
At end of year	72	26	98
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 September 2013	231	7	238
	<hr/>	<hr/>	<hr/>
At 30 September 2012	236	11	247
	<hr/>	<hr/>	<hr/>

Included within freehold land and buildings is land of £50,000 (2012: £50,000) which is not depreciated.

### 10 Fixed asset investments

During the prior year, the company's sole subsidiary, Duferco La Louviere UK Limited, was liquidated. The investment value was recovered through inter-company set off.

### 11 Stocks

	2013 £000	2012 £000
Finished goods and goods held for resale	13,831	27,036
	<hr/>	<hr/>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £54,136,000 (2012: £64,984,000). The write-down of stocks to net realisable value amounted to £Nil (2012: £310,000). The write down was included in cost of sales.

## Notes (continued)

### 12 Debtors

	2013 £000	2012 £000
Trade debtors	11,592	19,255
Amounts owed by group undertakings	172	334
Other debtors	69	398
Deferred tax asset (see note 16)	453	316
	<u>12,286</u>	<u>20,303</u>

### 13 Creditors: Amounts falling due within one year

	2013 £000	2012 £000
Bank loans (secured)	9,367	13,654
Trade creditors	422	992
Amounts owed to group undertakings	14,792	29,394
Taxation and social security	998	19
Accruals and deferred income	-	35
	<u>25,579</u>	<u>44,094</u>

The amounts owed to group undertakings are interest free and repayable on demand.

The bank overdraft facility is secured by a fixed and floating charge on all the assets of the company including but not limited to stocks and book debts and a guarantee from a group company, Duferco International Trading Holding SA. It is repayable on demand.

### 14 Creditors: Amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed to group undertakings	<u>4,200</u>	<u>2,000</u>

The amount owed to group undertakings is interest free and repayable on demand. The parent company has confirmed that repayment of this loan balance will not be requested in the next twelve months from the balance sheet date.

## Notes (continued)

### 15 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2013 £000	2012 £000
<b>Creditors falling due more than one year</b>		
Secured bank loans	-	-
<b>Creditors falling due within less than one year</b>		
Secured bank loans	9,367	13,654

#### Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2013 £000	Carrying amount 2013 £000	Face value 2012 £000	Carrying amount 2012 £000
Standard Chartered bank loan	GBP	2.25%	Repayable on demand	1,267	1,267	-	-
Fortis bank loan	GBP	1.99%	Repayable on demand	8,100	8,100	13,654	13,654
				9,367	9,367	13,654	13,654

### 16 Deferred tax assets and liabilities

#### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2013 £000	2012 £000	Liabilities 2013 £000	2012 £000	Net 2013 £000	2012 £000
Tangible fixed assets	-	-	3	5	3	5
Tax value of loss carry-forwards	(444)	(312)	-	-	(444)	(312)
Other	(12)	(9)	-	-	(12)	(9)
<b>Tax (assets) / liabilities</b>	<b>(456)</b>	<b>(321)</b>	<b>3</b>	<b>5</b>	<b>(453)</b>	<b>(316)</b>
<b>Net of tax liabilities/(assets)</b>	<b>3</b>	<b>5</b>	<b>(3)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>
<b>Net tax (assets)/liabilities</b>	<b>(453)</b>	<b>(316)</b>	<b>-</b>	<b>-</b>	<b>(453)</b>	<b>(316)</b>

## Notes (continued)

### 16 Deferred tax and liabilities (continued)

#### Movement in deferred tax during the year

	1 October 2012 £000	Recognised in income £000	30 September 2013 £000
Tangible fixed assets	5	(2)	3
Tax value of loss carry-forwards utilised	(312)	(132)	(444)
Other	(9)	(3)	(12)
	<u>(316)</u>	<u>(137)</u>	<u>(453)</u>

#### Movement in deferred tax during the prior year

	1 October 2011 £000	Recognised in income £000	30 September 2012 £000
Tangible fixed assets	4	1	5
Tax value of loss carry-forwards utilised	(79)	(233)	(312)
Other	(11)	2	(9)
	<u>(86)</u>	<u>(230)</u>	<u>(316)</u>

£444,000 of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. The directors believe the recognition of this asset is appropriate, based on the profits shown in the Company's Five Year Plan.

### 17 Employee benefits

#### Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £52,000 (2012: £78,000).

### 18 Called up share capital

	2013 £000	2012 £000
<i>Authorised, allotted, called up and fully paid:</i>		
2,500,000 ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>

## **Notes** *(continued)*

### **19 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The company is a wholly owned subsidiary undertaking of Duferco International Trading Holding SA, company incorporated in Luxembourg.

The largest group in which the results of the company are consolidated is that headed by Duferco Participations Holdings S.A., a company incorporated in Luxembourg.

The consolidated financial statements of Duferco Participations Holdings S.A. may be obtained from:

Duferco International Trading Holding S.A.  
Rue Guillaume Schneider 12  
Luxembourg

### **20 Ultimate controlling party**

The ultimate controlling party is Duferco Participation Holdings S.A., registered in Luxembourg.

### **21 Explanation of transition to FRS 101**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 September 2013 the comparative information presented in these financial statements for the year ended 30 September 2012 and in the preparation of an opening FRS 101 balance sheet at 1 October 2011 (the Company's date of transition).

In preparing its FRS 101 balance sheet, no material adjustments were required from amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).