

Company Registration No. 02759083 (England and Wales)

SCANDIASTEEL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

136873-A-2009

Registered Office
5 Bourlet Close
London
W1W 7BL

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SCANDIASTEEL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2008

Principal activities and review of the business

The principal activities of the company continued to be that of trading of iron and steel products, the provision of nominee services and investment holding

Results and dividends

The results for the year are set out on page 4

No dividends have been paid during this or the comparative period

Directors

The following directors have held office since 1 January 2009

J R M S W Hunt	(Resigned 9 March 2009)
T Lane	(Appointed 9 March 2009)
M M Tengra	(Resigned 9 March 2009)
W Hawes	(Appointed 9 March 2009)
S Bell-Scott	(Appointed 29 January 2010)

Financial instruments

Treasury operations and financial instruments

The company has various financial instruments arising from its activities and operations. The company does not trade speculatively or otherwise in regard to derivatives or similar instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business

Interest rate risk

The company is exposed to fair value interest rate risk on any fixed rate borrowings and cash flow interest rate risk on any floating rate deposits, bank overdrafts and loans

Foreign currency risk

The company's principal foreign currency exposures arise from trading with and funding to or from overseas companies

Credit risk

Investment of cash surpluses and borrowings are made through banks and companies who must be approved by the Board. Debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary

SCANDIASTEEL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Statement of directors' responsibilities

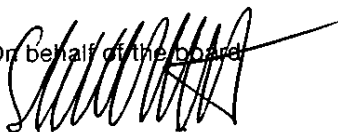
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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.

On behalf of the board



S Bell-Scott (Director)

Date **28.10.10**

SCANDIASTEEL LIMITED

CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF SCANDIASTEEL LIMITED

In order to assist you to fulfil your duties under the relevant Companies Act, we have prepared for your approval the accounts of Scandiasteel Limited for the year ended 31 December 2009 set out on pages 4 to 11 from the company's accounting records and from information and explanations you have given us

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW) we are subject to ethical and other professional requirements which are detailed at www.icaew.com/membershandbook

This report is made solely to the Board of Directors of Scandiasteel Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Scandiasteel Limited and state those matters that we have agreed to state to the Board of Directors of Scandiasteel Limited, as a body, in this report in accordance with AAF 02/10 as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Scandiasteel Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Scandiasteel Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Scandiasteel Limited. You consider that Scandiasteel Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Scandiasteel Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

SMP Accounting & Tax Limited

28.10.10

SMP Accounting & Tax Limited

SMP Accounting & Tax Limited

5th Floor 86 Jermyn Street, London, SW1Y 6AW

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A member of the ICAEW Practice Assurance Scheme

Directors: I F Begley, A J Dowling, P Duchars, P N Eckersley, J Scott, S J Turner

SCANDIASTEEL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 €	2008 €
Turnover	2	4,524,200	7,020,746
Cost of sales		(3,250,434)	(4,997,113)
Gross profit		1,273,766	2,023,633
Administrative expenses		(658,318)	(608,522)
Other operating income		11,251	-
Operating profit	3	626,699	1,415,111
Other interest receivable and similar income	4	28,920	54,312
Interest payable and similar charges	5	(1,255)	(1,480,046)
Profit/(loss) on ordinary activities before taxation		654,364	(10,623)
Tax on profit/(loss) on ordinary activities	6	(188,838)	(167,136)
Profit/(loss) for the year	13	465,526	(177,759)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

SCANDIASTEEL LIMITED

BALANCE SHEET

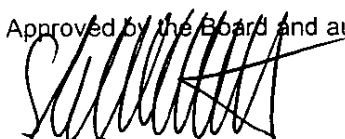
AS AT 31 DECEMBER 2009

	Notes	2009 €	€	2008 €	€
Fixed assets					
Tangible assets	7	58,298		96,914	
Investments	8	230,000		-	
		<u>288,298</u>		<u>96,914</u>	
Current assets					
Debtors	9	661,038	887,328		
Cash at bank and in hand		2,726,808	2,403,289		
		<u>3,387,846</u>	<u>3,290,617</u>		
Creditors amounts falling due within one year	10	<u>(901,323)</u>	<u>(1,078,236)</u>		
Net current assets		<u>2,486,523</u>		<u>2,212,381</u>	
Total assets less current liabilities		<u>2,774,821</u>		<u>2,309,295</u>	
Capital and reserves					
Called up share capital	12	1,534	1,534		
Profit and loss account	13	2,773,287	2,307,761		
Shareholders' funds	14	<u>2,774,821</u>	<u>2,309,295</u>		

For the financial year ended 31 December 2009 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and if its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the Board and authorised for issue on 28.10.10



S Bell-Scott
Director

SCANDIASTEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts where applicable

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. There were no amounts outstanding at 31 December 2009 (2008 nil)

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

2 Turnover

Turnover represents income derived from the company's principal activity

SCANDIASTEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

3	Operating profit	2009	2008
		€	€
	Operating profit is stated after charging		
	Depreciation of tangible assets	38,916	33,777
	Loss on disposal of tangible assets	-	8,158
	Accountants' remuneration	6,749	-
	Fees payable to the company's auditor for the audit of the company's annual accounts	-	4,000
		<u> </u>	<u> </u>
4	Other interest receivable and similar income	2009	2008
		€	€
	Profit from foreign currency transactions	2,829	-
	Bank interest	26,091	54,004
	Other interest	-	308
		<u> </u>	<u> </u>
		28,920	54,312
		<u> </u>	<u> </u>
5	Interest payable and similar charges	2009	2008
		€	€
	On bank loans and overdrafts	1,255	55
	Loss on disposal of unlisted investments	-	1,364,617
	On overdue tax	-	1,034
	Loss on foreign currency transactions	-	114,340
		<u> </u>	<u> </u>
		1,255	1,480,046
		<u> </u>	<u> </u>

SCANDIASTEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

6	Taxation	2009 €	2008 €
	Domestic current year tax		
	Corporation tax at 28.00% (2008 - 28.49%)	188,838	318,258
	Adjustment for prior years	-	(151,203)
	Double Taxation Relief	(128,283)	(279,963)
		<u>60,555</u>	<u>(112,908)</u>
	Foreign corporation tax		
	Foreign corporation tax	128,283	280,044
	Current tax charge	<u>188,838</u>	<u>167,136</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>654,364</u>	<u>(10,623)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of corporation tax of 28.00% (2008 - 28.49%)	<u>183,222</u>	<u>(3,026)</u>
	Effects of		
	Non deductible expenses	119	2,677
	Depreciation add back	10,896	9,623
	Capital allowances	(2,250)	(8,772)
	Foreign tax	(128,283)	(280,044)
	Other tax adjustments	(3,149)	166,634
		<u>(122,667)</u>	<u>(109,882)</u>
	Current tax charge	<u>60,555</u>	<u>(112,908)</u>

SCANDIASTEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

7 Tangible fixed assets

	Fixtures, fittings & equipment €	Motor vehicles €	Total €
Cost			
At 1 January 2009	15,318	145,720	161,038
Additions	300	-	300
	<u>15,618</u>	<u>145,720</u>	<u>161,338</u>
At 31 December 2009	15,618	145,720	161,338
Depreciation			
At 1 January 2009	10,858	53,266	64,124
Charge for the year	2,486	36,430	38,916
	<u>13,344</u>	<u>89,696</u>	<u>103,040</u>
At 31 December 2009	13,344	89,696	103,040
Net book value			
At 31 December 2009	<u>2,274</u>	<u>56,024</u>	<u>58,298</u>
At 31 December 2008	<u>4,460</u>	<u>92,454</u>	<u>96,914</u>

8 Fixed asset investments

	Unlisted investments €
Cost	
At 1 January 2009	-
Additions	230,000
	<u>230,000</u>
At 31 December 2009	230,000
Net book value	
At 31 December 2009	<u>230,000</u>
At 31 December 2008	<u>-</u>

The company acquired a 44.3% interest in Intrasteel SA, a company registered in Luxembourg, during the year

SCANDIASTEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

9 Debtors	2009	2008
	€	€
Trade debtors	646,469	875,970
Corporation tax	-	6,103
Other debtors	4,681	4,680
Prepayments and accrued income	9,888	575
	<u>661,038</u>	<u>887,328</u>
10 Creditors amounts falling due within one year	2009	2008
	€	€
Trade creditors	694,819	756,644
Corporation tax	99,884	39,329
Other taxes and social security costs	-	230,331
Accruals and deferred income	106,620	51,932
	<u>901,323</u>	<u>1,078,236</u>
11 Pension and other post-retirement benefit commitments		
Defined contribution		
	2009	2008
	€	€
Contributions payable by the company for the year	<u>11,002</u>	<u>8,347</u>
12 Share capital	2009	2008
Authorised	No.	No
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid	€	€
1,000 Ordinary shares of £1 each	<u>1,534</u>	<u>1,534</u>

SCANDIASTEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

13 Statement of movements on profit and loss account

	Profit and loss account €
Balance at 1 January 2009	2,307,761
Profit for the year	465,526
	<u>2,773,287</u>
Balance at 31 December 2009	<u>2,773,287</u>

14 Reconciliation of movements in shareholders' funds

	2009 €	2008 €
Profit/(Loss) for the financial year	465,526	(177,759)
Opening shareholders' funds	2,309,295	2,487,054
	<u>2,774,821</u>	<u>2,309,295</u>
Closing shareholders' funds	<u>2,774,821</u>	<u>2,309,295</u>

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2009 Number	2008 Number
Office and administration	4	4

Employment costs

	2009 €	2008 €
Wages and salaries	498,782	468,034
Social security costs	37,045	31,843
Other pension costs	11,002	8,347
	<u>546,829</u>	<u>508,224</u>

16 Ultimate controlling party & related party transactions

Mr M Montrasio owned 80% of the share capital and Mr F Montrasio owned 20% of the share capital as at 31 December 2009 (2008 80%/20%) At the end of the year Mr Montrasio and Mr F Montrasio owed €Nil to the company (2008 - €Nil) The directors' consider Mr M Montrasio as being the controlling and ultimate controlling party