

OSKMET (DRI) LIMITED

COMPANY REGISTRATION NUMBER : 3222077

ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2006

WEDNESDAY



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COMPANIES HOUSE

4 Curzon Square
LONDON
W1J 7FW

**OSKMET (DRI) LIMITED
DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report together with the audited accounts for the year ended 31 December 2006.

PRINCIPAL ACTIVITY:

The company's principal activity is that of trading in steel products.

REVIEW OF BUSINESS AND FUTURE PROSPECTS:

No trading opportunities arose during the year.

However, the company is keen to maintain its London trading base and facilities to develop and expand its steel trading activities .

RESULTS AND DIVIDENDS:

The results of the company for the year to 31 December 2006 are set out in detail on page 5.

DIRECTORS AND THEIR SHAREHOLDINGS:

The directors who served during the year and their interests in the share capital of the company were as follows:

	<u>Ordinary Shares of £1 each</u>	
	<u>31.12.2006</u>	<u>1.1.2006</u>
Ms. Lisa Gilmore	-	-
Mr. John Maguire (appointed: 30.10.07)	-	-
Intervect INC	-	-

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- * so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- * they have taken all the steps that they ought to have taken as directors 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 on page 2...

**OSKMET (DRI) LIMITED
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2006

DIRECTORS' RESPONSIBILITIES:

Statement of directors' responsibilities in respect of the accounts

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare financial statements for each financial year which 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 those 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;
- * 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 which 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 1985. 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.

REPORTING CURRENCY

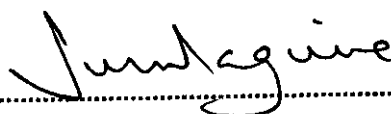
The financial statements were previously presented in US Dollars as this was the currency in which the steel trading transactions were executed. However, in view of the current inactivity in US Dollar transactions, it has been decided, for ease of administration and clarity, to present the accounts in Sterling.

AUDITORS

Reza Samii Chartered Accountant has expressed his willingness to continue in office and in accordance with section 385 of the Companies Act 1985, a resolution proposing to reappoint him will be put to the Annual General Meeting.

On behalf of the Board:

John Maguire.....



.....Director

Date: 31 October.....2007

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
OSKMET (DRI) LIMITED**

FOR THE YEAR ENDED 31 DECEMBER 2006

We have audited the financial statements of Oskmet (DRI) Limited on pages 5 to 12 for the year ended 31 December 2006 which comprise of Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 Auditors:

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if the information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion:

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Continued...

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
OSKMET (DRI) LIMITED (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2006

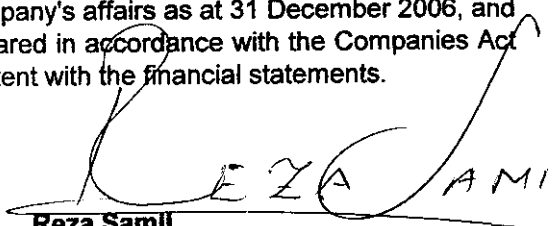
Going concern:

Without qualifying our audit report we draw attention to the matter in note 11 which states that until sufficient income is generated by the company, the creditors have undertaken to provide continued support to the company to enable it to operate as a going concern in the foreseeable future.

Opinion:

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006, and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the information given in the Directors' Report is consistent with the financial statements.

5 Calico Row
Plantation Wharf
Battersea, London
SW11 3YH


Reza Samil
Chartered Accountant and
Registered Auditor.

Date:31/10/..... 2007

OSKMET (DRI) LIMITED
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	31.12.2006 £	31.12.2005 £
Turnover	1 (b)	0	0
Cost of sales		0	0
		<hr/>	<hr/>
Gross Profit		0	0
Administrative expenses - recurring		(1,066)	(12,328)
- exceptional		(31,539)	32,463
		<hr/>	<hr/>
Operating profit / (loss)	2	(32,605)	20,133
Interest payable	3	0	0
Interest receivable		14	0
		<hr/>	<hr/>
Profit / (loss) on ordinary activities before taxation		(32,591)	20,133
Taxation	4	362	0
		<hr/>	<hr/>
Profit/ (loss) for the year after taxation		(32,229)	20,133
Dividends for the year - final		0	0
		<hr/>	<hr/>
Retained profit/ (loss) for the year		(32,229)	20,133
Balance brought forward		(10,909)	(31,043)
		<hr/>	<hr/>
Balance carried forward		(43,138)	(10,909)
		<hr/>	<hr/>

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2006

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

All amounts relate to continuing activities.

Notes 1 to 11 form part of these accounts

OSKMET (DRI) LIMITED
BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	2005 £
CURRENT ASSETS			
Debtors	5	1,575	2,772
Bank balances		<u>4,800</u>	<u>6,020</u>
		6,375	8,792
CREDITORS : Amount falling due within one year	6	<u>(49,511)</u>	<u>(19,699)</u>
NET CURRENT ASSETS/(LIABILITIES):		<u>(43,136)</u>	<u>(10,907)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>(£ 43,136)</u></u>	<u><u>(£ 10,907)</u></u>
CAPITAL AND RESERVES:			
Called up share capital	7	2	2
Profit and loss account		<u>(43,138)</u>	<u>(10,909)</u>
Equity shareholders' funds/(deficit)	8	<u><u>(£ 43,136)</u></u>	<u><u>(£ 10,907)</u></u>

These accounts were approved by the board on 31 October 2007 and signed on its behalf.

Mr. John Maguire *John Maguire*.....Director

Ms. Lisa Gilmore.....Director

Notes 1 to 11 form part of these accounts

OSKMET (DRI) LIMITED
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	2006		2005
	£	£	£
Net cash in/outflow from operating activities - see page 8	<u>A</u>	(1,597)	(10,081)
Returns on investments and servicing of finance			
Interest received	14		0
Interest paid	<u>0</u>		<u>0</u>
Net cash in/outflow from returns on investments and servicing of finance		14	0
Taxation			
Corporation tax paid / refunded		362	0
Increase/(Decrease) in cash in the year	<u>B & C</u>	<u>(1,221)</u>	<u>(10,081)</u>

Notes 1 to 11 form part of these accounts

OSKMET (DRI) LIMITED
NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

A	Reconciliation of operating profit/(loss) to net cash in/out flow from operating activities	2006 £	2005 £
	Operating profit/(loss)	(32,605)	20,133
	Decrease/(increase) in debtors	1,197	(920)
	Increase/(Decrease) in creditors within one year	29,812	(29,294)
	Net cash in/(outflow) from operating activities	<u><u>(1,597)</u></u>	<u><u>(10,081)</u></u>

B	Analysis of net funds	01-Jan 2006	Cash flow	Other non- cash changes	31-Dec 2006
		£	£	£	£
	Cash at bank and in hand	6,020	(1,220)	0	4,800
	Net funds	<u><u>6,020</u></u>	<u><u>(1,220)</u></u>	<u><u>0</u></u>	<u><u>4,800</u></u>

C	Reconciliation of net cash flow to movement in net funds	2006 £	2005 £
	Increase/ (decrease) in cash in the year	(1,220)	(10,081)
	Movement in net funds in the year	<u><u>(1,220)</u></u>	<u><u>(10,081)</u></u>
	Opening net funds	6,020	16,100
	Closing net funds	<u><u>4,800</u></u>	<u><u>6,020</u></u>

Notes 1 to 11 form part of these accounts

OSKMET (DRI) LIMITED
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

1 . ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts.

a) ACCOUNTING CONVENTION:

The accounts have been prepared under the historical cost convention and on a going concern basis.

b) TURNOVER:

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

c) FOREIGN CURRENCIES:

Transactions denominated in foreign currencies are translated into Sterling at the average rate of exchange for the accounting period. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rate of exchange ruling at the end of the financial year.

All differences are taken to the profit and loss account.

	2006 £	2005 £
2 . PROFIT / (LOSS) ON ORDINARY ACTIVITIES		
The operating result is stated after charging / (crediting):		
Auditors' remuneration;-		
- audit fees	470	400
- other services	517	3,846
Directors' fees - non resident	1,500	3,500
Exchange (gain) / loss	25	2,645
EXCEPTIONAL ITEMS;-		
Write off / (back) of debtor / creditor balance due from / (to) related undertaking-Oskmet (UK) Limited	31,539	(32,463)
	31,539	(32,463)

The company had no employees in the year (2005: none).

	2006 £	2005 £
3 . INTEREST PAYABLE AND SIMILAR CHARGES		
Bank Loans	0	0
	0	0

OSKMET (DRI) LIMITED
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

4 . CORPORATION TAX	2006 £	2005 £
Overprovision in respect of prior years	<u>(362)</u>	<u>0</u>
	<u><u>(362)</u></u>	<u><u>0</u></u>

There is no tax charge for the year based on the results.

Analysis of charge in the period:

Current tax on result for the period at 30%	(9,777)	6,651
Adjustment in respect of prior years	(362)	0
Adjustments for current year non taxable debits	9,777	(9,575)
Capital allowances and depreciation adjustment	0	(125)
Trading losses carried forward	<u>0</u>	<u>3,050</u>
As above	<u><u>(362)</u></u>	<u><u>0</u></u>

5 . DEBTORS- amounts falling due within 1 year:-	2006 £	2005 £
Amounts due from fellow subsidiary company	0	2,772
VAT	<u>1,575</u>	<u>0</u>
	<u><u>1,575</u></u>	<u><u>2,772</u></u>

6 .CREDITORS-amounts falling due within 1 year:-	2006 £	2005 £
Other creditors - Europe Steel Plc (see note 9)	43,624	6,624
Director's current account	4,125	6,125
Accruals and deferred income	<u>1,763</u>	<u>6,951</u>
	<u><u>49,511</u></u>	<u><u>19,699</u></u>

OSKMET (DRI) LIMITED
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

7 . SHARE CAPITAL	2006 Number	2005 Number
Authorized:		
1000 Ordinary shares of £1 each	<u>1000</u>	<u>1000</u>
Issued and fully paid:	2006 £	2005 £
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
8 . RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2006 £	2005 £
Profit / (loss) for the year	(32,229)	20,133
Equity dividend paid	<u>0</u>	<u>0</u>
Net increase / (decrease) in shareholders' funds	(32,229)	20,133
Opening shareholders' funds	(10,907)	(31,041)
Closing shareholders' funds/(deficit)	<u><u>(43,136)</u></u>	<u><u>(10,907)</u></u>

9 . RELATED PARTY INFORMATION

During the year, this company paid £28,767 worth of expenses incurred by the fellow subsidiary company Oskmet UK Limited. Balance due from Oskmet UK Limited, after the exceptional item, as at 31 December 2006 amounted to £ NIL - see note 5.

The company continued to share premises and receive short term loans from Europe Steel Plc. The year end balance due to Europe Steel Plc amounted to £43,624 (see note 6).

Additional related party information is provided in note 2 to the accounts.

**OSKMET (DRI) LIMITED
NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31 DECEMBER 2006

10 . ULTIMATE PARENT COMPANY

Middlesex Holdings Plc, a company registered in England and Wales, disposed of its 100% controlling interest in the company to Eastern European Income Fund (BVI) Limited ('EEIF') on 9 August 2002.

On 30th October 2002, EEIF (BVI) Limited sold its entire interest to Sam Invest Limited, a company incorporated and registered in Limassol, Cyprus.

11 . FINANCIAL POSITION

The accounts have been prepared on a going concern basis as the company's creditors have undertaken, until sufficient income is generated by the company, to continue their financial support to enable the company to operate as a going concern in the foreseeable future.

In view of the nature of the balances in the company's balance sheet as at 31 December 2006, (monetary assets and liabilities), the balance sheet would not be significantly different had an alternative basis of accounting been adopted.