Duferco UK Limited

Annual report and financial statements

Registered number 03538773

For the year ended 30 September 2015

Contents

Strategic Report

Principal activities

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

Review of the business

2015 proved to be another extremely tough year for the UK Steel Industry. Demand was down year-on-year, comparative to 2014 and manufacturing confirmed their numbers were slower than the previous year. The Automotive sector continue to buck the trend and had another fantastic year.

The lack of export releases from our main partner – Hebei Group – and limited third party workable steel offers, for the UK, severely distorted our overall financial figures. Overall, the traded tonnage in 2015 was similar to 2014, however without continued supply we cannot perform.

Unfortunately we had a number of large claims throughout the year, due to production and shipping issues. Quite a number of these claims were non-recoverable, which had a negative effect on the Duferco UK Financial result.

In line with Group Policy, we continued to run our core business, flat products, on a back-to-back basis, with minimal stock. However, our Plate and Hollow Section businesses suffered, as we were selling generally from stock, and the market fell on average by £100 per MT throughout the year, we are looking at changing this strategy.

Financial results

The Company's financial results in 2015 show a net loss after tax of £1,518,000 (2014: £1,199,000) and a decrease in revenue of 9% to £42,068,000 (2014: £46,290,000). The Company decreased its total equity to £684,000 (2014: £2,202,000). The Directors do not propose the payment of a dividend (2014: nil).

Future developments

It was clear that Duferco UK needed to change its strategy and business model moving forward. We decided to invest in opening two new offices in the UK; one in London and one in Whitchurch, near Manchester. The London Office will include three senior steel professionals, who have an in-depth knowledge of the UK Steel Industry, covering all Flat and Long Products. They will be ably backed by a Trading Support Manager. The Whitchurch Office, with a team of 5, will primarily concentrate on importing Pre-Painted Steel into the UK, at improved margins. In addition to this there will be some management changes within the UK operations.

Moving forward we recognise that we need to trade with a more diverse range of steel products, with a much broader customer base. This way we should be able to de-risk our business (credit) and sell at improved margins.

Financial Year 2016 will be another tough year, however we do believe we are at the bottom of the market and therefore prices and margins should improve throughout the year.

Given this new start for Duferco UK, it is imperative that we are given support by the Group on sourcing competitive steel and not just from the Hebei Group, but a number of Third Party steel mills. We will also need close support from Duferco IT, Credit Insurance, Trade Finance and Accounting as we move forward.

Principal risks and uncertainties

The Company's normal operating and financing activities expose it to a variety of financial risks. The primary financial risks are market risk (primarily commodity price risk), credit risk and liquidity risk. The Company's overall risk management strategy is governed by the group policy and is designed to identify, manage and mitigate business risk which includes, among others, financial risk.

Treasury risk management, including management of currency risk, interest rate risk and liquidity risk is carried out by the group treasury function.

Market risk

Market risk is the risk of loss that results from changes in market prices (e.g. commodity prices, foreign currency exchange rates, interest rates) or changes in other market factors (e.g. volumetric changes). The Company's exposure to market risk is variable and is dependent on current market conditions and expectations of future prices or volatility.

The Company maintains a relatively low level of exposure to market risk primarily by entering into back to back contracts with its parent whereby the commercial terms are broadly matched.

i. Commodity price risk

The Company's cash flows and profitability are sensitive to steel prices which are dependent on a number of factors and on global supply and demand.

The risk is primarily that market prices for commodities will fluctuate between the time that sales prices are fixed or made determinable and the time at which the corresponding procurement cost is fixed, thereby potentially reducing or eliminating expected margins.

ii. Foreign currency risk

The Company is exposed to currency risk on foreign currency denominated forecast transactions, firm commitments, monetary assets and liabilities (transactional exposure). The majority of the Company's trading activities are denominated in Sterling at present and therefore exposure to currency risk is relatively low.

Credit risk

The Company's exposure to credit risk takes the form of any potential loss associated with a counterparty's failure or inability to meet their payment or performance obligations. Credit risk is managed by checking a customer's creditworthiness and financial strength both before commencing trade and during the business relationship. Creditworthiness is ascertained before commencing trade by reviewing an appropriate mix of internal and external information to determine limits, contract types and payment mechanisms required to reduce credit risk to an acceptable level. The Company also uses credit insurance which further reduces the risk.

Liquidity risk

Through the use of debt factoring and group facilities, the Company manages its liquidity to ensure that sufficient cash is available to meet all contractual commitments as they fall due and also to ensure that there is sufficient funding to withstand stressed market conditions or an extreme event. Liquidity risk is managed by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Key performance indicators

The Directors have identified the following key performance indicator that they believe is useful in assessing how well the Company is performing against its strategic aims.

	2015 £000	2014 £000
Turnover	42,068	46,290
Gross Profit	1,318	2,320
Return on Sales	3.1%	5.0%

Approved by and signed on behalf of the Board of Directors

Martin Pryor
Director

22 March 2016

Directors' report

The directors present their report and the audited financial statements for the year ended 30 September 2015.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

E Toschi
J Green
M Pryor (appointed 1 October 2014)

Charitable donations

During the year, the company made charitable donations of £20 *(2014: £70)*.

Strategic report

The following items have been included within the strategic report on pages 1 to 2:

- Review of the business
- Future developments
- Principal risks and uncertainties
- Key performance indicators

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 auditor are aware of that information.

Approved by and signed on behalf of the Board of Directors

Martin Pryor
Director

Duferco House
Buntsford Park Road
Bromsgrove
Worcestershire
B60 3DX

22 March 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Duferco UK Limited Report on the financial statements

Our opinion

In our opinion, Duferco UK Limited 's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2015 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 30 September 2015;
- the Statement of Profit and Loss account for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report 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.

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 Directors' Responsibilities Statement set out on page 4, 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) ("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 parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Matthew Walker

Matthew Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
22 March 2016

Statement of profit and loss
for the year ended 30 September 2015

	Note	**2015**	**2014**
		£000	**£000**
Turnover	*2*	42,068	46,290
Cost of sales		-40,750	-43,970
Gross profit		**1,318**	**2,320**
Distribution costs		-1,378	-1,427
Administrative expenses		-1,009	-1,095
Operating loss	*3*	**-1,069**	**-202**
Interest payable and similar charges	*6*	-449	-544
Loss on ordinary activities before taxation		**-1,518**	**-746**
Tax on loss on ordinary activities	*7*	0	-453
Loss for the financial year		**-1,518**	**-1,199**

The company has no other comprehensive income in either the current or preceding year 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 10 to 20 form part of these financial statements.

Balance sheet
at 30 September 2015

	Note	**2015**	**2014**
		£000	**£000**
Fixed assets			
Tangible assets	*8*	232	234
		232	**234**
Current Assets			
Stocks	*9*	5,853	25,861
Debtors	*10*	10,369	21,591
Cash at banks and in hand		4,227	3,018
		20,450	**50,470**
Creditors: amounts falling due within one year	*11*	-15,898	-46,402
Net current assets		**4,552**	**4,068**
Total assets less current liabilities		**4,784**	**4,302**
Creditors: amounts falling due after more than one year	*12*	-4,100	-2,100
Net assets		**684**	**2,202**
Capital and reserves			
Called up share capital	*15*	4,600	4,600
Profit and loss account		-3,916	-2,398
Total shareholders' funds		**684**	**2,202**

The notes on pages 10 to 20 form part of these financial statements.

The financial statements on pages 7 to 20 were approved by the Board of Directors on 22 March 2016 and signed on its behalf by:

Martin Pryor
Director

Company number: 03538773

Statement of changes in equity
For the year ended 30 September 2015

	Called up share capital £000	Profit and loss account £000	Total shareholders funds £000
Balance as at 1 September 2014	2,500	-1,199	1,301
Increase in share capital	2,100	0	2,100
Loss for the financial year	0	-1,199	-1,199
Balance as at 30 September 2014	**4,600**	**-2,398**	**2,202**
Balance as at 1 September 2015	4,600	-2,398	2,202
Loss for the financial year	0	-1,518	-1,518
Balance as at 30 September 2015	**4,600**	**-3,916**	**684**

The notes on pages 10 to 20 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

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

These financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies adopting 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 the directors opinion there are no critical accounting estimates and judgments that impact the financial statements.

The Company's 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 6

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 related party transactions with fellow 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;
- 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.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

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 Business review in the strategic 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 profit and loss account. 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.

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 profit and loss 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
Computer equipment	- 50% per annum
Office equipment	- 10% per annum

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

1.5 Investments

Investments are initially measured at cost and then the value is adjusted to the fair value.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the average cost 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.

1.7 Loans

Loans are recognized initially at fair value, less attributable transaction costs. Subsequent to initial recognition, loans are stated at amortized cost calculated on an effective interest basis.

1. 8 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 profit and loss in the periods during which services are rendered by employees.

1.9 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 and are recognized in line with delivery or collection of the goods.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss 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 utilized. Given the uncertainty around the future profitability of the company, as asset has been recognised only to the extent that the deferred tax liability in respect of fixed assets and temporary differences is being offset.

Notes *(continued)*

2 Turnover

The company's turnover was all derived from its principal activity. Sales were made in the following geographical markets:

	2015	2014
	£000	**£000**
United Kingdom	35,381	39,274
Rest of Europe	225	618
Rest of World	6,462	6,398
	42,068	**46,290**

3 Operating loss

	2015	2014
Included in loss are the following:	**£000**	**£000**
Depreciation written off tangible fixed assets	8	8
Impairment (income)/charge of trade receivables	-8	46
Foreign exchange loss	54	2
Auditors' remuneration:		
Audit of financial statements	21	21
Audit-related assurance services	7	7
Taxation compliance services	9	6
Other services	1	1
	38	**35**

4 Remuneration of directors

	2015	2014
	£000	**£000**
Directors' emoluments	110	109
Compensation for loss of office	0	5
Company contributions to money purchase pension schemes	11	11
	121	**125**

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

	Number	
Money purchase pension schemes	1	1

Notes *(continued)*

5 Staff numbers and costs

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

	Number of employees 2015	2014
Sales	5	6
Commercial and administration	5	6
Directors	1	1
	11	**13**

The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	494	477
Social security costs	57	54
Other pension costs	48	47
	599	**578**

6 Interest payable and similar charges

	2015 £000	2014 £000
Bank loans and overdraft	449	544
	449	**544**

Notes *(continued)*

7 Tax on loss on ordinary activities

(i) Analysis of charge for the year

	2015 £000	2014 £000
Uk corporation taxes		
Current tax on income for the year	0	0
Adjustments in respect of prior periods	0	0
Total current tax	**0**	**0**
Deferred tax (see note 15)		
Origination and reversal of timing differences	0	-499
Effect of change in tax rates	0	45
Adjustments in respect of prior periods	0	1
Total deferred tax	**0**	**-453**
Tax charge on profit on ordinary activities	**0**	**-453**

(ii) Factors affecting the tax charge for the year

The current tax charge for the year is £Nil. The standard rate of corporation tax in the UK is 20.5% *(2014: 22 %)*. The differences are explained below:

	2015 £000	2014 £000
Loss on ordinary activities before taxation	**-1,518**	**-746**
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.5% (2014: 22%)	-311	-164
Effects of:		
Adjustment in respect of prior periods	0	1
Permanently disallowable expenditure	5	4
Fixed assets differences	0	-21
Amount related to tax loss carried forward	306	205
Other differences	0	-47
Total tax charge (see above)	**0**	**453**

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

Reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The unrecognised deferred tax asset at 30 September 2015 has been calculated based on the rate of 20%.

Notes *(continued)*

8 Tangible fixed assets

	Freehold land and buildings	Computer and office equipment	Total
Cost	**£000**	**£000**	**£000**
At the beginning of year	303	16	**319**
Addition	0	6	**6**
Write-off	0	-4	**-4**
At the end of year	**303**	**18**	**321**
Depreciation			
At the beginning of year	77	8	**85**
Charge for the year	5	3	**8**
Write-off	0	-4	**-4**
At the end of year	**82**	**7**	**89**
Net book value			
At 30 September 2015	**221**	**11**	**232**
At 30 September 2014	**226**	**8**	**234**

Included within freehold land and buildings is land of £50,000 *(2014: £50,000)* which is not depreciated.

9 Stocks

	2015	2014
	£000	£000
Finished goods and goods held for resale	5,853	25,861

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £ 40,343,000 *(2014: £ 43,155,000)*. The write-down of stocks to net realisable value amounted to £552,000 *(2014: £Nil)*. The write down is included in cost of sales.

Notes *(continued)*

10 Debtors

	2015 £000	2014 £000
Trade debtors	10,318	21,039
Amounts owed by group undertakings	50	196
Other debtors	2	58
VAT receivable	0	298
	10,369	**21,591**

11 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Bank loans (secured)	8,263	35,670
Trade creditors	426	753
Amounts owed to parent undertakings	30	56
Amounts owed to group undertakings	5,969	9,646
Taxation and social security	1,144	14
Accruals and deferred income	67	263
	15,898	**46,402**

The amounts owed to group undertakings are unsecured 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 S.A. It is repayable on demand. See note 13 for further information.

12 Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Amounts owed to parent undertaking	4,100	2,100

The amount owed to parent undertaking is unsecured, bears annual interests equal to LIBOR GBP 12 months + spread of 1% and is repayable on demand but not prior to October 1, 2020.

Notes *(continued)*

13 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.

	2015 £000	2014 £000
Creditors falling due more than one year		
Secured bank loans	0	0
Creditors falling due within less than one year		
Secured bank loans	8,263	35,670

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2015 £000	Carrying amount 2015 £000	Face value 2014 £000	Carrying amount 2014 £000
Standard Chartered Bank loan	GBP	2.27%	Repayable on demand	3,409	3,409	17,064	17,064
BNP (Fortis) bank overdraft	GBP	1.86%	Repayable on demand	4,854	4,854	13,857	13,857
BNP (Fortis) bank overdraft	EUR	1.60%	Repayable on demand	0	0	236	236
BNP (Fortis) bank overdraft	USD	1.96%	Repayable on demand	0	0	4,513	4,513
				8,263	**8,263**	**35,670**	**35,670**

Notes *(continued)*

14 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets, relating to losses, amounting to £916,831 are not recognised as the directors have assessed that it not yet probable that sufficient taxable profits will be generated in the forseeable future.

15 Called up share capital

	2015 £000	2014 £000
Authorized, allotted, called up and fully paid:		
4,600,000 ordinary shares of £1 each	4,600	4,600
(prior year: 4,600,000 ordinary shares of £1 each)		

16 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Duferco International Trading Holding S.A., a company incorporated in Luxembourg.

The ultimate parent undertaking and controlling party is Hebsteel Global Holding Pte. Ltd., Singapore ("Hebsteel") a fully owned subsidiary of Hebei Iron & Steel Group Co. Ltd., The People's Republic of China ("HBIS").

The smallest group in which the results of the company are consolidated is that headed by Duferco International Trading Holding S.A.

The consolidated financial statements of Duferco International Trading Holding S.A. may be obtained from:

Duferco International Trading Holding S.A.
Rue Guillaume Schneider 6
Luxembourg

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