

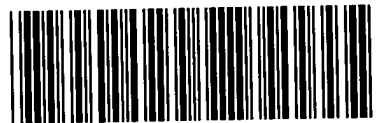
Company Registration No. 04386308

Metal One UK Limited

Report and Financial Statements

31 March 2015

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Metal One UK Limited
Company Registration No. 04386308

Report and financial statements 2015

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Metal One UK Limited
Company Registration No. 04386308

Report and financial statements 2015

Officers and professional advisers

Directors

S Endo
R Saito
S Suda
E Saito

Secretary

S Endo

Registered Office

Mid City Place
71 High Holborn
London
WC1V 6BA

Solicitors

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

Bankers

The Bank of Tokyo-Mitsubishi UFJ Ltd
Ropemaker Place
25 Ropemaker Street
London
EC2Y 9AN

Auditor

Deloitte LLP
Chartered Accountants
London

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities and financial review

The company's principal activities are of the wholesale of steel products. With a view to increasing global demand for oil and natural gas, we are trying to expand our business in linepipe and in Oil Country Tubular Goods (OCTG) which have been the main pillars of our business. In the meantime, we are also expanding our business field to flat products including raw materials for pipe production and titanium, stainless and high performance products to complement industrial pipe business that we had been enjoying in the past.

As shown in the company's profit and loss account on page 8, the company's turnover decreased by 22 % (2014: decrease by 25%).

The gross profit for the year decreased by 52% to £1,746,472 while there was a net operating loss of £650,265 (2014: 47% increase gross profit, operating profit £1,332,748). The gross profit decrease is mainly due to decrease in new order caused by stagnant market and drop in oil prices.

Foreign exchange losses of £146,214 (2014: losses of £125,982) represent 22% of operating loss (2014: 9.5% of operating profit) for the year. All of the gains and losses relate to trading transactions and are due to movements in foreign exchange rates.

The borrowing interest costs of £16,017 (2014: £22,553) were lower due to decreased turnover activity and is relatively low and stable due to high cash balances and low interest rates during the last few years. The interest costs are expected to increase further in the future in line with expected increase in trade activity.

A deferred tax asset of £122,735 (2014: £ Nil) was recognised on the balance sheet in respect of the anticipated loss relief during future periods, while a deferred tax asset of £4,224 (2014: £4,612) was recognised in respect of capital allowances in arrears of depreciation. As a result, the loss for the year after taxation amounted to £ 525,182 (2014: profit of £1,016,555). The balance sheet on page 9 shows the company's net current assets decreased.

There have been no significant events since the balance sheet date which require disclosure.

The company uses gross profit margin as a key performance indicator. The basis of calculation is dividing the gross profit by turnover as shown on page 8 of these financial statements. The result this year is 5.08% (2014: 8.16%). This has decreased due to a significantly lower proportion of the gross profit achieved by linepipe commission and OCTG products, which have a higher profit ratio compared to titanium, stainless and high performance alloys. This level of gross profit margin is expected to remain and to reduce slightly in the future as a higher proportion of profit will be expected from titanium, stainless and high performance alloys as a result to the change in the product mix.

Principal risks and uncertainties

Due to the nature of the steel trade business, the company faces competitive pressures, which could result in losing sales to its key competitors. The company manages this risk by giving fast responses and services to customers, not only in supplying products but also in handling all customer requests, and by maintaining strong relationships with customers.

Because of the trading nature of the company, the directors consider credit risk is relevant to this company. This risk is mitigated by periodic credit reviews on existing customers and suppliers as well as stringent business analysis and credit checks on new customers. While the short-term bank loans have decreased, the directors consider the interest rate risk is low. The company manages this risk by integrating interest costs into pricing and by timely accounts receivable collection.

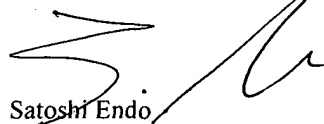
Foreign exchange risk represents a challenging issue for the company as majority of trading transactions are denominated in foreign currencies, particularly USD, EUR and JPY. The management is monitoring the variations in exchange rates very closely while mitigating the risk by using derivative instruments such as forward contracts and currency swaps.

Strategic report

Business developments and future prospects

The company is currently in the process of strengthening the sales and sourcing capability to achieve new business. We see delays in recovery of the economy within Europe and some of our other regions. However from the long-term point of view, we expect to establish the foundation for future business expansion and we are also expanding our business in Africa, including Nigeria, Egypt and Tunisia where we see growth potential in the future especially for pipe business.

Approved by the Board of Directors
and signed on behalf of the Board



Satoshi Endo
Managing Director

5th August 2015

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Dividends

Dividend of £1,000,000 was declared and paid during the financial year ending 31 March 2015 (2014: £705,276).

Directors

The current directors are shown on page 1. The directors who served throughout the year and up to the date of this report except as noted were:

A Saiki (Resigned 01 July 2014)
E Saito
T Fujii (Resigned 13 June 2014)
S Suda (Appointed 13 June 2014)
R Saito (Appointed 01 July 2014)
S. Endo (Appointed 01 July 2014)

Information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

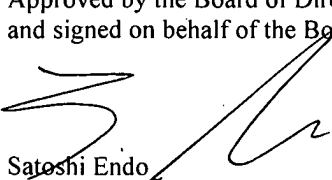
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP have expressed their willingness to continue in office as the auditor and a resolution to re-appoint them will be proposed.

Approved by the Board of Directors
and signed on behalf of the Board



Satoshi Endo
Managing Director

5th August 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 judgments 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; 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 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.

**Independent auditor's report to the members of
Metal One UK Limited**
Company Registration No. 04386308

We have audited the financial statements of Metal One UK Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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

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. 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.

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 31 March 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.

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.

**Independent auditor's report to the members of
Metal One UK Limited (continued)**
Company Registration No. 04386308

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.

Kevin Thompson

Kevin Thompson (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

5 August 2015

Metal One UK Limited
Company Registration No. 04386308

Profit and loss account
Year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover	2	34,363,526	44,202,488
Cost of sales		<u>(32,617,054)</u>	<u>(40,595,354)</u>
Gross profit		1,746,472	3,607,134
Administrative expenses		(2,542,592)	(2,461,592)
Foreign exchange (losses)		(146,214)	(125,982)
Other operating income	5	<u>292,069</u>	<u>313,188</u>
Operating (loss)/profit	4	(650,265)	1,332,748
Interest receivable and similar income	6	18,753	20,866
Interest payable and similar charges	7	<u>(16,017)</u>	<u>(22,553)</u>
(Loss)/Profit on ordinary activities before taxation		(647,529)	1,331,061
Tax on loss /(profit) on ordinary activities	8	<u>122,347</u>	<u>(314,506)</u>
(Loss)/Profit on ordinary activities after taxation	16, 17	<u><u>(525,182)</u></u>	<u><u>1,016,555</u></u>

All of the company's operations for both the current and the preceding financial period fall into the category of "Continuing Operations" as defined in Financial Reporting Standard 3.

There were no recognised gains or losses attributable to shareholders for the current or the preceding financial period other than as shown above.

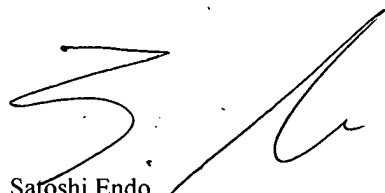
Metal One UK Limited
Company Registration No. 04386308

Balance sheet
As at 31 March 2015

	Notes	2015 £	2014 £
Fixed assets			
Intangible assets	10	1	1
Tangible assets	11	38,839	31,037
		<u>38,840</u>	<u>31,038</u>
Current assets			
Stocks	12	6,317,825	612,745
Debtors			
- due within one year	13	9,913,812	12,800,953
- due after one year	13	10,950	14,493
Current investment – time deposits		5,302,000	6,379,000
Cash at bank and in hand		491,501	2,323,084
Deferred tax asset	9	126,959	4,612
		<u>22,163,047</u>	<u>22,134,887</u>
Creditors: amounts falling due within one year	14	(14,601,492)	(13,040,348)
Net current assets		<u>7,561,555</u>	<u>9,094,539</u>
Total assets less current liabilities		<u>7,600,395</u>	<u>9,125,577</u>
Capital and reserves			
Called up share capital	15	8,000,000	8,000,000
Profit and loss account	16	(399,605)	1,125,577
Equity shareholders' funds	17	<u>7,600,395</u>	<u>9,125,577</u>

The financial statements of Metal One UK Limited registered number 04386308 were approved by the Board of Directors on *5th August* 2015.

Signed on behalf of the Board of Directors


Satoshi Endo
Managing Director

Notes to the accounts
Year ended 31 March 2015

1. Accounting policies

The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

Going concern basis

The cash and borrowing positions can be seen on the balance sheet on page 9 and note 14 on page 17. The company has a borrowing facility in place of £20m which is guaranteed by the parent company. This facility is reviewed on annual basis and is expected to be renewed during the next period. The directors believe that the company is well placed to manage its business risk successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

The company has not prepared a cash flow statement following the revision of FRS 1 on the basis that the immediate parent company produces consolidated accounts, which include a cash flow statement, into which the company's accounts are fully consolidated and are publicly available.

Intangible fixed assets

Intangible assets are valued at cost on acquisition and are amortised in equal annual amounts over their useful economic lives. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided against cost in equal annual instalments over the estimated useful life of the assets.

Plant and machinery	4 years
Furniture, fixtures and fittings	4 years

Stocks

Stocks consist of goods for resale stated at the lower of cost and net realisable value. Cost includes all the expenditure incurred in bringing stocks to their present location and condition.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales taxes.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies have been translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the rates prevailing on the dates of the transactions. Resulting differences on translation are charged or credited to the profit and loss account.

Notes to the accounts
Year ended 31 March 2015

1. Accounting policies (continued)

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases. Further details are given in note 18 to the accounts.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) by using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes or apply hedge accounting.

2. Turnover

In the opinion of the directors it is seriously prejudicial to the interest of the company and not meaningful to give an analysis of turnover, profit or net assets by geographical area. The directors are also of the opinion that the company's trading business constitutes one class of activity.

Metal One UK Limited
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Notes to the accounts
Year ended 31 March 2015

3. Information regarding directors and employees

	2015 £	2014 £
Directors' emoluments	<u>128,479</u>	<u>125,506</u>

The aggregate emoluments paid to the highest paid director during the period were: £77,312 in 2015 and £125,506 in 2014.

This does not include the emoluments of three of the directors who are remunerated directly from the ultimate parent in Japan. These directors are also directors of a number of Group companies and it is not possible to estimate the value of their services as directors of the company.

No pension contributions were made on behalf of the directors.

	2015 No.	2014 No.
Average number of persons employed (excluding directors)		
Trading and administration	<u>17</u>	<u>16</u>

	£	£
Employee costs (including directors' emoluments)		
Wages and salaries	1,042,580	1,089,096
Social security costs	205,147	188,136
Other pension costs (see note 19)	<u>37,814</u>	<u>39,691</u>
	<u>1,285,541</u>	<u>1,316,923</u>

Metal One UK Limited
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Notes to the accounts
Year ended 31 March 2015

4. Operating (loss)/profit

This is stated after charging the following amounts:

	2015 £	2014 £
Depreciation of tangible fixed assets – owned assets	12,318	11,574
Foreign exchange losses	146,214	125,982
Rentals under operating leases - other operating leases	140,818	142,449
	<u>140,818</u>	<u>142,449</u>

The analysis of auditor's remuneration is as follows:

Fees payable to the company's auditor for the audit of the company's annual accounts

	2015 £	2014 £
Total audit fee	26,000	22,000
Other services pursuant to legislation - Tax services	15,400	15,100
Total non-audit fee	<u>15,400</u>	<u>15,100</u>

5. Other operating income

Other operating income includes management recharges to other group companies for services provided.

6. Interest receivable and similar income

	2015 £	2014 £
Bank interest	18,015	20,155
Other interest receivable and similar income	738	711
	<u>18,753</u>	<u>20,866</u>

7. Interest payable and similar charges

	2015 £	2014 £
Interest on bank loans	<u>16,017</u>	<u>22,553</u>

Notes to the accounts
Year ended 31 March 2015

8. Tax on loss/(profit) on ordinary activities

(i) Analysis of tax credit/(charge) on ordinary activities

	2015 £	2014 £
Current tax		
United Kingdom corporation tax at 21 % (2014: 23%)	-	(314,362)
Adjustment in respect of prior years	-	-
	<u>-</u>	<u>(314,362)</u>
Deferred tax (see note 9)		
Origination and reversal of timing difference	(177)	295
Decrease in tax rate	(211)	(439)
Deferred tax arising during the year	122,735	-
	<u>122,347</u>	<u>(314,506)</u>
Total tax on loss/(profit) on ordinary activities	<u>122,347</u>	<u>(314,506)</u>

(ii) Factors affecting the current tax for the year

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	(647,529)	1,331,061
Tax at 21% (2014: 23%) thereon:	135,981	(306,144)
Factors affecting the charge for the period:		
Loss carried forward	(128,871)	-
Expenses not deductible for tax purposes	(7,287)	(7,923)
Non taxable income	-	-
Capital allowances in excess/(arrears) of depreciation	177	(295)
Adjustment in respect of prior years	-	-
	<u>-</u>	<u>(314,362)</u>
Total actual amount of current tax	<u>-</u>	<u>(314,362)</u>

The Government announced in budget 2012 that the main rate of corporation tax would be reduced from 23 % to 21% for the financial year beginning 1 April 2014, and from 21% to 20% for the financial year beginning 1 April 2015.

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Notes to the accounts
Year ended 31 March 2015

9. Deferred tax asset

The movements on deferred tax are as follows:

	2015 £	2014 £
At 1 April	4,612	4,756
Tax loss carry back	-	-
Credited/(charged) to profit and loss account	122,347	(144)
At 31 March	<u>126,959</u>	<u>4,612</u>

Deferred taxation provided and unprovided in the financial statements are as follows:

	Amount provided		Amount unprovided	
	2015 £	2014 £	2015 £	2014 £
Capital allowances in arrears of depreciation	4,224	4,612	-	-
Losses carried forward	122,735	-	-	-
Asset	<u>126,959</u>	<u>4,612</u>	<u>-</u>	<u>-</u>

10. Intangible assets

	£
Cost	
At 1 April 2014 and 31 March 2015	<u>1,221</u>
Accumulated amortisation	
At 1 April 2014 and 31 March 2015	<u>1,220</u>
Net book value	
At 1 April 2014 and 31 March 2015	<u>1</u>

Intangible assets represent the amortised value of a website asset acquired during 2003.

Metal One UK Limited
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Notes to the accounts
Year ended 31 March 2015

11. Tangible fixed assets

	Plant and machinery £	Furniture, fixtures and fittings £	Total £
Cost			
At 1 April 2014	132,612	41,534	174,146
Additions	18,614	1,506	20,120
Disposals	(1,377)	-	(1,377)
At 31 March 2015	149,849	43,040	192,889
Accumulated depreciation			
At 1 April 2014	104,878	38,231	143,109
Additions	11,018	1,300	12,318
Disposals	(1,377)	-	(1,377)
At 31 March 2015	114,519	39,531	154,050
Net book value			
At 31 March 2015	35,330	3,509	38,839
At 31 March 2014	27,734	3,303	31,037

12. Stocks

	2015 £	2014 £
Finished goods and goods for resale	6,317,825	612,745

There is no material difference between the balance sheet value of stock and their replacement cost.

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Notes to the accounts
Year ended 31 March 2015

13. Debtors

	2015 £	2014 £
Amounts due within one year:		
Trade debtors	8,242,771	10,864,139
Amounts owed by group undertakings	1,534,084	1,855,636
Prepayments and accrued income	28,180	22,458
VAT	39,662	32,324
Other debtors	69,115	26,396
	<u>9,913,812</u>	<u>12,800,953</u>
Amounts due after one year:		
Other debtors	<u>10,950</u>	<u>14,493</u>

14. Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	7,346,719	450,473
Trade creditors	317,224	825,289
Amounts owed to group undertakings	6,489,185	11,254,276
Other creditors including taxation and social security	106,543	217,721
Accruals and deferred income	341,821	292,589
	<u>14,601,492</u>	<u>13,040,348</u>

The bank loans and overdrafts are guaranteed by the immediate parent company, Metal One Corporation.

15. Called up share capital

	2015 £	2014 £
Authorised:		
800,000,000 ordinary shares of £0.01 each	<u>8,000,000</u>	<u>8,000,000</u>
Called up, allotted and fully paid:		
800,000,000 ordinary shares of £0.01 each	<u>8,000,000</u>	<u>8,000,000</u>

Metal One UK Limited
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Notes to the accounts
Year ended 31 March 2015

16. Movement on reserves

	Profit and loss account £
Balance at 1 April 2014	1,125,577
(Loss) for the accounting period	(525,182)
Dividend declared and paid during accounting period	(1,000,000)
Balance at 31 March 2015	<u>(399,605)</u>

17. Reconciliation of movements in equity shareholders' funds

	2015 £	2014 £
Opening equity shareholders' funds	9,125,577	8,814,298
(Loss)/profit for the accounting period	(525,182)	1,016,555
Dividend declared and paid during accounting period	(1,000,000)	(705,276)
Closing equity shareholders' funds	<u>7,600,395</u>	<u>9,125,577</u>

18. Operating lease commitments

At 31 March 2015, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 2015 £	2014 £
Leases which expire:		
Within one year	1,125	-
Two to five years	-	2,240
After five years	163,999	163,999
	<u>165,124</u>	<u>166,239</u>

19. Pension schemes

The company operates a defined contribution scheme. The cost for the accounting period was £ 37,814 (2014: £39,691). There were no outstanding contributions (2014: £nil) for the month of 31 March 2015 as at the balance sheet date.

Metal One UK Limited
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Notes to the accounts
Year ended 31 March 2015

20. Derivatives not included at fair value

The company has derivatives which are not included at fair value in the accounts:

	Principal		Fair value	
	2015	2014	2015	2014
	£	£	£	£
Forward foreign exchange contracts gain/(loss)	1,264,835	1,836,807	59,125	54,473

The company uses the derivatives to hedge its exposures to changes in foreign currency exchange rates. The fair values are based on market values of equivalent instruments at the balance sheet date.

21. Immediate and ultimate parent company

In the opinion of the directors, the company's ultimate parent company and controlling entity is Mitsubishi Corporation, a company incorporated in Japan. This is the largest group in which the company is consolidated. The immediate parent company is Metal One Corporation, a company incorporated in Japan. This is the smallest group in which the company is consolidated.

Copies of the group financial statements of the ultimate parent company can be obtained from Mitsubishi Corporation, Department AA-F, 6-3 Marunouchi 2-Chome, Chiyoda-ku, Tokyo 100-8086, Japan.

Copies of the consolidated financial statements of the immediate parent company can be obtained from Metal One Corporation, JP Tower, 7-2, Marunouchi 2-Chome, Chiyoda-ku, Tokyo 100-7032, Japan.

22. Related party transactions

The company has taken advantage of the exemption from related party disclosures available in Financial Reporting Standard No.8 - Related Party Disclosures, as the transactions are entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

Related party transactions which do not satisfy disclosure exemption criteria above are as follows:

	Sales to related party		Amounts owed to Metal One UK Ltd	
	2015	2014	2015	2014
	£	£	£	£
Princes Industrie Alimentari SRL (Mitsubishi Corporation, ultimate parent company owns 90% of Princes Ltd, which owns 51% of Princes Industrie Alimentari SRL)	1,392,295	151,560	1,392,295	151,560

Metal One UK Limited
Company Registration No. 04386308

Notes to the accounts
Year ended 31 March 2015

	Purchases from related party		Amounts owed by Metal One UK Ltd	
	2015	2014	2015	2014
	£	£	£	£
Sojitz Corporation (Sojitz Corporation owns 40% of Metal One Corporation, which owns 100% of Metal One UK Ltd)	<u>28,874</u>	<u>67,849</u>	<u>15,049</u>	<u>13,565</u>