

Company Registration No 00932617 (England and Wales)

**A K STEEL LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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# A K STEEL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	V Rao J Geraeds
<b>Company number</b>	00932617
<b>Registered office</b>	Saffron Ground Ditchmore Lane Stevenage Herts SG1 3LJ
<b>Auditors</b>	Streets Audit LLP Potton House A1/A428 Interchange, Wyboston Lakes Great North Road Bedfordshire MK44 3BZ
<b>Business address</b>	Saffron Ground Ditchmore Lane Stevenage Herts SG1 3LJ
<b>Bankers</b>	HSBC Bank PLC Station Place Letchworth Garden City Herts SG6 3AJ

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# A K STEEL LIMITED

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# **A K STEEL LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present their report and financial statements for the year ended 31 December 2013

The directors' report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies exemption

#### **Principal activities**

The principal activity of the company continued to be that of the importation and sale of speciality steel products from associated companies and licensed producers

#### **Directors**

The following directors have held office since 1 January 2013

V Rao

J Geraeds

#### **Risk exposure**

The company continues to face severe competition in the UK from many stockholders and pricing is also under pressure on certain products. The company's exposure to foreign exchange risk continues to be minimal. The directors are satisfied that the company's risk exposure is adequately managed and mitigated.

#### **Future intentions**

The company plans to continue to grow and expand the customer base. The oil and gas market continues to be a strong market in the UK from which the company hopes to generate a strong order book during the forthcoming year. Some further products are also to be added to the existing product range within the next year.

#### **Going concern**

The company continues to report profits before tax and is forecast to do so for a period of at least 12 months from the date of signing this report ("the foreseeable future"). In addition to this, the company enjoys a positive cash position which is forecast to remain positive for the foreseeable future. The company has a diverse customer base and is well positioned with significant financial resources. As a consequence the directors believe that the company is well placed to manage its business risks 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.

#### **Auditors**

Streets Audit LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

In the case of each of the persons who are directors of the company at the date when this report is approved

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and

- Each of the directors has taken all the steps that they ought to have taken as directors to make themselves 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.

# A K STEEL LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **Statement of directors' responsibilities**

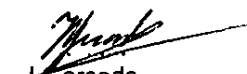
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations

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, 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.

On behalf of the board

  
J. Geraeds  
Director  
22/04/2014

# **A K STEEL LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF A K STEEL LIMITED**

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We have audited the financial statements of AK Steel Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 19. 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 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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.

#### **Other matters**

The financial statements of AK Steel Limited for the year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those statements on 15 May 2013.

#### **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 December 2013 and of its profit 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **A K STEEL LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

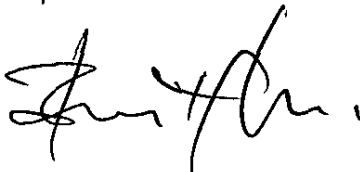
### **TO THE MEMBERS OF A K STEEL LIMITED**

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#### **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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



**Benjamin Halstead (Senior Statutory Auditor)**  
**for and on behalf of Streets Audit LLP**  
**Chartered Accountants & Statutory Auditor**

*24/04/2014*

Potton House  
A1/A428 Interchange, Wyboston Lakes  
Great North Road  
Bedfordshire  
MK44 3BZ

# A K STEEL LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	2,735,787	2,809,758
Cost of sales		(1,663,150)	(1,812,693)
Gross profit		1,072,637	997,065
Distribution costs		(240,740)	(227,266)
Administrative expenses		(676,271)	(636,084)
Other operating income		225,428	182,683
Operating profit	3	381,054	316,398
Interest payable and similar charges	5	(1,550)	(1,543)
Profit on ordinary activities before taxation		379,504	314,855
Tax on profit on ordinary activities	6	(80,499)	(98,123)
Profit for the year	14	299,005	216,732

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



# A K STEEL LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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	Notes	2013 £	2012 £
Profit for the financial year		299,005	216,732
Actuarial gain on pension scheme		36,000	50,000
		<hr/>	<hr/>
<b>Total recognised gains and losses relating to the year</b>		<b>335,005</b>	<b>266,732</b>
		<hr/>	<hr/>

# A K STEEL LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	7		4,203		5,335
<b>Current assets</b>					
Stocks	8	756,162		590,503	
Debtors	9	736,722		854,573	
Cash at bank and in hand		594,407		430,099	
		<u>2,087,291</u>		<u>1,875,175</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(224,787)</u>		<u>(278,537)</u>	
<b>Net current assets</b>			<u>1,862,504</u>		<u>1,596,638</u>
<b>Total assets less current liabilities</b>			<u>1,866,707</u>		<u>1,601,973</u>
<b>Provisions for liabilities</b>	11		<u>(1,009)</u>		<u>(1,280)</u>
<b>Retirement benefit obligations</b>	12		<u>1,865,698</u> <u>(74,000)</u>		<u>1,600,693</u> <u>(144,000)</u>
			<u>1,791,698</u>		<u>1,456,693</u>
<b>Capital and reserves</b>					
Called up share capital	13	455,000		455,000	
Profit and loss account	14	1,336,698		1,001,693	
<b>Shareholders' funds</b>	15	<u>1,791,698</u>		<u>1,456,693</u>	

Approved by the Board and authorised for issue on 24/04/2014

  
J. Geraeds  
Director

Company Registration No 00932617

# **A K STEEL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The going concern basis has been adopted in preparing the financial statements, as described in more detail on page 1

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 100 percent of the voting rights are controlled within the group

#### **1.2 Turnover**

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

Revenue is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its provision of goods and services. It is measured at the fair value of the right to consideration, which represents amounts chargeable to customers, including expenses and disbursements but excluding value added tax

#### **1.3 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	20% reducing balance
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#### **1.4 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### **1.5 Stock**

Stock is stated at the lower of cost, based on purchase price, and net realisable 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

The company also operates a defined benefit scheme. Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses

# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 1 Accounting policies

##### 1.7 Deferred taxation

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

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

##### 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

##### 1.9 Other operating income

Other operating income is included in the accounts on an accruals basis

#### 2 Turnover

In the opinion of the directors, there is one business segment which is reflected geographically as follows

##### Geographical market

	Turnover	
	2013 £	2012 £
United Kingdom	2,666,263	2,670,183
Rest of Europe	69,524	139,575
	<u>2,735,787</u>	<u>2,809,758</u>

# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

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<b>3</b>	<b>Operating profit</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Depreciation of tangible assets	1,132	1,415
	Loss on foreign exchange transactions	-	22,034
	Operating lease rentals	152,400	152,234
	Auditors' remuneration	7,220	16,467
	Directors' remuneration	135,023	146,516
	and after crediting		
	Profit on foreign exchange transactions	(380)	-
		<hr/>	<hr/>

<b>4</b>	<b>Directors' remuneration</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Directors' remuneration	123,378	132,204
	Directors' pension costs	11,645	14,312
		<hr/>	<hr/>
		135,023	146,516
		<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2012 - 1)

<b>5</b>	<b>Interest payable</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	On overdue tax	1,550	1,543
		<hr/>	<hr/>

# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

6	Taxation	2013 £	2012 £
	<b>Domestic current year tax</b>		
	U K corporation tax	80,770	73,217
	Adjustment for prior years	-	25,169
	<b>Total current tax</b>	<b>80,770</b>	<b>98,386</b>
	<b>Deferred tax</b>		
	Origination and reversal of timing difference	(271)	(263)
		<b>80,499</b>	<b>98,123</b>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<b>379,504</b>	<b>314,855</b>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23 25% (2012 - 24 50%)	<b>88,235</b>	<b>77,139</b>
	Effects of		
	Non deductible expenses	(7,728)	(4,041)
	Depreciation add back	263	346
	Capital allowances	-	(227)
	Tax losses utilised	-	25,169
		<b>(7,465)</b>	<b>21,247</b>
	<b>Current tax charge for the year</b>	<b>80,770</b>	<b>98,386</b>

# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 7 Tangible fixed assets

	Fixtures, fittings and equipment £
<b>Cost</b>	
At 1 January 2013 & at 31 December 2013	9,755
<b>Depreciation</b>	
At 1 January 2013	4,420
Charge for the year	1,132
At 31 December 2013	5,552
<b>Net book value</b>	
At 31 December 2013	4,203
At 31 December 2012	5,335

8 Stocks	2013 £	2012 £
Goods held for resale	756,162	590,503

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

9 Debtors	2013 £	2012 £
Trade debtors	634,976	765,371
Amounts owed by group undertakings	31,071	27,502
Other debtors	46,742	39,831
Prepayments and accrued income	23,933	21,869
	736,722	854,573

All debtors are due within one year

# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

10 Creditors amounts falling due within one year	2013 £	2012 £
Bank loans and overdrafts	271	271
Trade creditors	44,070	60,416
Amounts owed to group undertakings and undertakings in which the company has a participating interest	33,776	53,669
Corporation tax	6,544	29,796
Other taxes and social security costs	50,839	63,741
Accruals and deferred income	89,287	70,644
	<u>224,787</u>	<u>278,537</u>

The bank overdraft is secured over fixed and floating charges over the company's assets

11 Provisions for liabilities	Deferred tax liability £
Balance at 1 January 2013	1,280
Profit and loss account	(271)
Balance at 31 December 2013	<u>1,009</u>

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>1,009</u>	<u>1,280</u>



# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 12 Pension and other post-retirement benefit commitments Defined contribution

	2013 £	2012 £
Contributions payable by the company for the year	11,645	14,312

#### Employee benefit obligations

The company operates a defined benefit pension scheme for qualifying employees. Under the scheme, the employees are entitled to retirement benefits, on attainment of a retirement age of 65, of 1/60 of final salary for each year of service up to a maximum of 40/60 of final salary. No other post-retirement benefits are provided. The scheme is a funded scheme.

The most recent actuarial valuation of scheme assets and the present value of the defined benefit obligation was carried out at 31 December 2013 by A H Probyn, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

The projected unit credit method is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. The accumulated benefit obligation (ABO) is an actuarial measure of the present value for service already rendered but differs from the projected unit credit method in that it includes no assumptions for future salary increases. At the balance sheet date the gross accumulated benefit obligation was £1,450,000.

#### The amounts recognised in the balance sheet are as follows

	Defined benefit pension plans	
	2013 £	2012 £
Present value of funded obligations	1,451,000	1,376,000
Fair value of plan assets	(1,377,000)	(1,232,000)
	74,000	144,000

# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 12 Pension and other post-retirement benefit commitments

The amounts recognised in the profit and loss are as follows:

	Defined benefit pension plans	
	2013 £	2012 £
<b>Included in operating profit</b>		
Current service cost	8,000	8,000
	<u>8,000</u>	<u>8,000</u>
<b>Included in other finance costs</b>		
Interest on obligation	59,000	62,000
Expected return on pension scheme assets	(74,000)	(60,000)
	<u>(15,000)</u>	<u>2,000</u>
Total	<u>(7,000)</u>	<u>10,000</u>
Actual return on plan assets	<u>134,000</u>	<u>126,000</u>

#### Analysis of amount recognised in the statement of total recognised gains and losses:

	Defined benefit pension plans	
	2013 £	2012 £
Actual return less expected return on pension scheme assets	60,000	66,000
Experience gains and losses arising on scheme liabilities	(24,000)	25,000
Changes in assumptions underlying the present value of the scheme liabilities	-	(41,000)
	<u>36,000</u>	<u>50,000</u>

# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 12 Pension and other post-retirement benefit commitments

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2013	2012
	£	£
Opening defined benefit obligation	1,376,000	1,327,000
Current service cost	8,000	8,000
Interest cost	59,000	62,000
Actuarial losses	24,000	16,000
Benefits paid	(19,000)	(40,000)
Contributions from scheme participants	3,000	3,000
Total	1,451,000	1,376,000

Changes in fair value of plan assets are as follows.

	Defined benefit pension plans	
	2013	2012
	£	£
Opening fair value of plan assets	1,232,000	1,116,000
Expected return	74,000	60,000
Actuarial gains	60,000	66,000
Contributions by employer	27,000	27,000
Contributions from scheme participants	3,000	3,000
Benefits paid	(19,000)	(40,000)
	1,377,000	1,232,000

The major categories of plan assets as a percentage of total plan assets are as follows:

	2013	2012
	%	%
Equities	40	90
Bonds	26	4
Property	15	-
Other assets	19	6

# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 12 Pension and other post-retirement benefit commitments

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2013 %	2012 %
Discount rate at 31 December 2013	4.70	4.30
Expected return on plan assets at 31 December 2013	4.28	4.30
Future salary increases	4.60	4.00
Future pension increases	3.50	3.00

Amounts for the current and previous four periods are as follows  
Defined benefit pension plans

	2013 £	2012 £	2011 £	2010 £	2009 £
Defined benefit obligation	(1,451,000)	(1,376,000)	(1,327,000)	(1,371,000)	(2,359,000)
Plan assets	1,377,000	1,232,000	1,116,000	1,255,000	1,641,000
Surplus/(deficit)	(74,000)	(144,000)	(211,000)	(116,000)	(718,000)
Experience adjustments on plan liabilities	(24,000)	25,000	43,000	642,000	6,000
Experience adjustments on plan assets	60,000	66,000	(146,000)	26,000	(66,000)

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses since the adoption of FRS 17 is £1,014,000 (2012 - £1,050,000)

The estimated amounts of contribution expected to be paid to the scheme during the next financial year is £29,000 (2012 - £28,000)

#### 13 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
455,000 Ordinary shares of £1 each	455,000	455,000

# A K STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2013	1,001,693
Profit for the year	299,005
Actuarial gains or losses on pension scheme assets	36,000
Balance at 31 December 2013	1,336,698

#### 15 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	299,005	216,732
Other recognised gains and losses	36,000	50,000
Net addition to shareholders' funds	335,005	266,732
Opening shareholders' funds	1,456,693	1,189,961
Closing shareholders' funds	1,791,698	1,456,693

#### 16 Financial commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014

	Land and buildings 2013 £	2012 £	Other 2013 £	2012 £
Operating leases which expire				
Within one year	-	-	10,790	-
Between two and five years	152,400	152,400	5,262	19,470
	152,400	152,400	16,052	-

# AK STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

### 17 Employees

#### Number of employees

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

	2013 Number	2012 Number
Administration staff	5	5
Employment costs		
	2013 £	2012 £
Wages and salaries	370,447	270,548
Social security costs	38,122	32,402
Other pension costs	4,645	24,312
Staff welfare costs	19,864	13,582
	433,078	340,844

### 18 Control

100% of the issued share capital of the company is owned by AK Steel International Limited, a company registered in England and Wales where accounts are available from its registered office at PO Box 501, The Nexus Building, Broadway, Letchworth Garden City, Herts, SG6 9BL. The directors consider this to be the immediate holding company.

The company's ultimate parent undertaking and controlling party is AK Steel Holding Corporation, a company incorporated in the United States of America. Copies of the accounts of the ultimate parent company are available from 703 Curtis Street, Middletown, Ohio 45043 0001, United States of America and this is the only group in which the results of the company are consolidated.

### 19 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 not to disclose transactions with group companies on the grounds that AK Steel Limited is a wholly owned subsidiary of the group.