

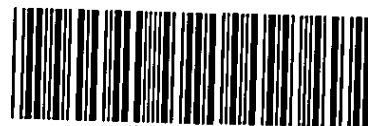
# Reports & Financial Statements

For the year ended 31 December 2006

## **Steelhold Plc**

**Company Registration No: 2585858**

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COMPANIES HOUSE

## **STEELHOLD PLC**

<b>DIRECTORS</b>	M Dufour T Lejeune J-B Courtier
<b>SECRETARY</b>	Reed Smith Corporate Services Limited
<b>COMPANY NUMBER</b>	2585858
<b>REGISTERED OFFICE</b>	4 Prince's Way Solihull West Midlands B91 3AL
<b>AUDITORS</b>	Mazars LLP The Atrium Park Street West Luton Bedfordshire LU1 3BE

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**DIRECTORS' REPORT**

The directors present their report and financial statements for the year ended 31 December 2006

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS**

The following directors have held office since 1 January 2006

J-B Courtier      Managing Director  
M Dufour  
T Lejeune

**DIRECTORS' INTERESTS**

The interests of the directors holding office at 31 December 2006 in the ordinary shares of Steelhold Plc, according to the register of directors' interests, were as shown below

	Number of shares	
	31 December 2006	31 December 2005
T Lejeune	1	1

**DIRECTORS' REPORT (continued)**

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

During the year, the company's only source of income was interest from the cash held on deposit and from the group

**RESULTS**

The results for the year are set out on page 5

The profit for the year amounted to £2,176 (2005 £2,747), which is taken to the profit and loss account

**AUDITORS**

A resolution to reappoint Mazars LLP as auditors to the company and to authorise the directors to fix their remuneration will be proposed at the annual general meeting

Approved by the board on  
and signed on its behalf by

25<sup>th</sup> July 2007

  
J.B Courtier  
Director

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEELHOLD PLC**

We have audited the financial statements of Steelhold Plc for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cashflow Statement and related notes. These financial statements have been prepared under the historical cost convention and on a realisation basis and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 opinion we have formed.

### **Respective responsibilities of directors and auditors**

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

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

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

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

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**Mazars LLP – The Atrium - Park Street West - Luton - Bedfordshire - LU1 3BE**  
**Tel +44 (0) 1582 700700 – Fax +44 (0) 1582 700701 – Web [www.mazars.co.uk](http://www.mazars.co.uk)**

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group, and is a limited liability partnership registered in England with registered number OC308299. A list of partners names is available for inspection at the firm's registered office, 24 Bevis Marks, London EC3A 7NR. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work.

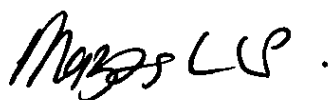


**INVESTOR IN PEOPLE**

## **Opinion**

In our opinion

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



MAZARS LLP  
CHARTERED ACCOUNTANTS  
and Registered Auditors  
The Atrium  
Park Street West  
Luton  
Bedfordshire  
LU1 3BE

Date **27** July 2007

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 2006**

	Notes	2006 £	2005 £
TURNOVER	2	-	-
Administrative expenses		<u>(7,181)</u>	<u>(5,837)</u>
OPERATING LOSS	3	(7,181)	(5,837)
Other interest receivable and similar income	4	<u>10,289</u>	<u>9,761</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,108	3,924
Tax on profit on ordinary activities	6	<u>(932)</u>	<u>(1,177)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u><u>2,176</u></u>	<u><u>2,747</u></u>

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


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

## BALANCE SHEET as at 31 December 2006

	Notes	2006 £	2005 £
<b>CURRENT ASSETS</b>			
Debtors	7	221,900	211,745
Cash at bank and in hand		11,247	25,711
		<u>233,147</u>	<u>237,456</u>
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	(6,842)	(13,327)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>226,305</u>	<u>224,129</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	9	7,337,898	7,337,898
Share premium account	10	15,238,580	15,238,580
Profit and loss account	10	(22,350,173)	(22,352,349)
<b>SHAREHOLDERS' FUNDS</b>	11	<u>226,305</u>	<u>224,129</u>

Approved by the Board on  
and signed on its behalf by

25 July 2007

  
J-B Courtier  
Director



**CASH FLOW STATEMENT**

For the year ended 31 December 2006

	Notes	£	2006 £	£	2005 £	£
<b>Net cash outflow from operating activities</b>	12		(7,854)		(5,096)	
<b>Returns on investments and servicing of finance</b>						
Interest received		132		171		
<b>Net cash inflow for returns on investments and servicing of finance</b>			132		171	
<b>Taxation</b>			(6,742)		(1,032)	
<b>Net cash outflow before management of liquid resources and financing</b>			(14,464)		(5,957)	
<b>Decrease in cash in the year</b>	13		(14,464)		(5,957)	

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2006

**1 ACCOUNTING POLICIES****(a) Accounting convention**

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards and on a realisation basis as it is the intention of the directors to ultimately wind down the company following the termination of its contract with other group companies

**(b) Turnover**

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

**(c) 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 substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less or to receive more tax. Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date

**2 TURNOVER**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

**3 OPERATING LOSS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging		
Auditors' remuneration – audit services	2,600	2,600
Auditors' remuneration – services other than audit	1,780	1,600
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2006 (continued)**

**4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Interest receivable from group undertakings	10,157	9,590
Bank interest	127	171
Other interest	5	-
	<u>10,289</u>	<u>9,761</u>

**5 EMPLOYEES**

**Number of employees**

There were no employees during the current or prior year. No emoluments were receivable by directors in respect of qualifying services in the current or prior year.

**6 TAXATION**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>(a) Analysis of charge in year</b>		
Current tax		
UK corporation tax on profits of the year	<u>932</u>	<u>1,177</u>

**(b) Factors affecting tax charge of year**

There is no significant difference between the average rate of tax for the year based on the UK standard company rate of corporation tax of 30% (2005: 30%) and the actual tax charge for the year.

**7 DEBTORS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	221,587	211,430
Other debtors	313	315
	<u>221,900</u>	<u>211,745</u>

Included in amounts owed by group undertakings is a loan to Arcelor Treasury of £221,587 (2005: £211,430).

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2006 (continued)**

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Corporation tax	932	6,741
Accruals and deferred income	5,910	6,586
	<u>6,842</u>	<u>13,327</u>

Included within the corporation tax creditor is an amount of £nil (2005 £5,564) due to Arcelor FCS Commercial UK Limited in respect of payment for group relief

**9 SHARE CAPITAL**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Authorised 29,351,592 ordinary shares of 25p each	<u>7,337,898</u>	<u>7,337,898</u>
Allotted, called up and fully paid 29,351,592 ordinary shares of 25p each	<u>7,337,898</u>	<u>7,337,898</u>

**10 STATEMENT OF MOVEMENTS ON RESERVES**

	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
Balance at 1 January 2006	15,238,580	(22,352,349)	(7,113,769)
Retained profit for the year	-	2,176	2,176
Balance at 31 December 2006	<u>15,238,580</u>	<u>(22,350,173)</u>	<u>(7,111,593)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2006 (continued)**

**11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	2,176	2,747
Opening shareholders' funds	224,129	221,382
	<u>226,305</u>	<u>224,129</u>
Closing shareholders' funds	<u>226,305</u>	<u>224,129</u>

**12 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating loss	(7,181)	(5,837)
Decrease/(increase) in debtors	2	(315)
(Decrease)/increase in creditors within one year	(675)	1,056
	<u>(7,854)</u>	<u>(5,096)</u>
Net cash outflow from operating activities	<u>(7,854)</u>	<u>(5,096)</u>

**13 ANALYSIS OF NET FUNDS**

	<b>1 January</b>		<b>31 December</b>
	<b>2006</b>	<b>Cash flow</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Net cash			
Cash at bank and in hand	25,711	(14,464)	11,247
	<u>25,711</u>	<u>(14,464)</u>	<u>11,247</u>
Net funds	<u>25,711</u>	<u>(14,464)</u>	<u>11,247</u>

**14 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Decrease in cash in the year	(14,464)	(5,957)
Opening net funds	25,711	31,668
	<u>11,247</u>	<u>25,711</u>
Closing net funds	<u>11,247</u>	<u>25,711</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2006 (continued)**

**15 RELATED PARTY TRANSACTIONS**

Accountancy fees of £1,500 were charged by Arcelor Commercial FCSE UK (2005 £nil) and interest was received from a loan account with Arcelor Treasury of £10,157 (2005 £9,590) The balance outstanding is shown in note 7

**16 CONTROL**

The immediate parent company is Arcelor France SA, incorporated in France, and the ultimate parent company is Arcelor SA incorporated in Luxembourg

The company is not consolidated within the parent company accounts