

A K STEEL LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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COMPANIES HOUSE

Company Registration No 00932617 (England and Wales)

A K STEEL LIMITED

COMPANY INFORMATION

Directors	J Geraeds V Rao
Company number	00932617
Registered office	Saffron Ground Ditchmore Lane Stevenage Herts SG1 3LJ
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor Cambridge, UK
Bankers	HSBC Bank plc Station Place Letchworth Garden City Herts SG6 3AJ

A K STEEL LIMITED

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A K STEEL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

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

Principal activities and review of the business

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

Results and dividends

The results for the year are set out on page 5

During the year the company paid dividends of £Nil (2010 - £Nil) to its members

Directors

The following directors have held office throughout the year and to the date of this report being signed

J Geraeds
V Rao

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

Auditor

In accordance with the company's articles, a resolution proposing that Deloitte LLP be reappointed as auditor of the company will be put to the Annual 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 2011

Directors' responsibilities statement

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 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

Date 30/5/2012

A K STEEL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A K STEEL LIMITED

We have audited the financial statements of AK Steel Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. 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 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 (APB'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. 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 December 2011 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

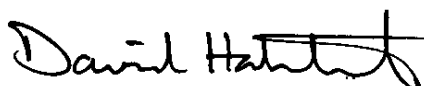
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF A K STEEL LIMITED

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 or take advantage of the small companies exemption in preparing the directors' report



David Halstead FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants & Statutory Auditor

Cambridge, United Kingdom

Date **30/05/2012**

A K STEEL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	4,161,692	2,242,546
Cost of sales		(2,736,321)	(1,525,180)
Gross profit		1,425,371	717,366
Distribution costs		(224,766)	(170,906)
Administrative expenses		(651,561)	(641,893)
Other operating income		155,298	162,570
Operating profit	3	704,342	67,137
Other interest receivable and similar income	4	-	1,980
Profit on ordinary activities before taxation		704,342	69,117
Tax (charge)/credit on profit on ordinary activities	5	(110,979)	37,553
Profit for the year	13	593,363	106,670

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 2011

	Notes	2011 £	2010 £
Profit for the financial year		593,363	106,670
Actuarial (loss)/gain on pension scheme	11	(168,000)	616,000
Total recognised gains and losses relating to the year		<u>425,363</u>	<u>722,670</u>

A K STEEL LIMITED

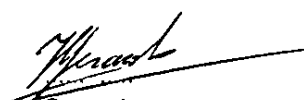
BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6		6,750		5,659
Current assets					
Stocks	7	723,459		555,537	
Debtors	8	847,425		667,732	
Cash at bank and in hand		641,847		121,055	
		2,212,731		1,344,324	
Creditors' amounts falling due within one year	9	(816,977)		(468,125)	
Net current assets			1,395,754		876,199
Total assets less current liabilities			1,402,504		881,858
Provisions for liabilities	10		(1,543)		(1,260)
			1,400,961		880,598
Retirement benefit obligations	11		(211,000)		(116,000)
Net Assets			1,189,961		764,598
Capital and reserves					
Called up share capital	12	455,000		455,000	
Profit and loss account	13	734,961		309,598	
Shareholders' funds	14	1,189,961		764,598	

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime

Approved by the Board and authorised for issue on 30/5/2012


J Geraeds
Director

Company Registration No 00932617

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

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 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.

1.4 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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1.5 Leasing

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

1.6 Stock

Stock is stated at the lower of cost and net realisable value.

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

(continued)

1.7 Pensions

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.

1.8 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 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.

1.9 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.

1.10 Other operating income

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

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

2 Turnover

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

Geographical market

	Turnover 2011 £	2010 £
United Kingdom	2,726,000	2,037,865
Rest of Europe	1,435,692	204,681
	<u>4,161,692</u>	<u>2,242,546</u>

3 Operating profit

	2011 £	2010 £
Operating profit is stated after charging		
Depreciation of tangible assets	1,739	1,266
Loss on foreign exchange transactions	19,079	11,857
Operating lease rentals		
- Plant and machinery	-	-
- Other	29,648	27,828
Auditor's remuneration Fees payable to the company's auditor for the audit of the company's annual accounts	<u>20,526</u>	<u>15,691</u>

4 Investment income

	2011 £	2010 £
Other interest	<u>-</u>	<u>1,980</u>

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

5	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	142,565	21,097
	Adjustment for prior years	(31,869)	(59,910)
	Current tax charge/(credit)	110,696	(38,813)
	Deferred tax		
	Origination and reversal of timing difference	283	1,260
		110,979	(37,553)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	704,342	69,117
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.50% (2010 - 28.00%)	186,651	19,353
	Effects of		
	Non deductible expenses	(43,736)	4,914
	Depreciation add back	461	354
	Capital allowances	(811)	(2,020)
	Adjustments to previous periods	(31,869)	(59,910)
	Other tax adjustments	-	(1,504)
		(75,955)	(58,166)
	Current tax charge/(credit)	110,696	(38,813)

In March 2011, the UK Government announced a reduction in the standard rate of UK corporation tax to 26% effective 1 April 2011. This rate reduction was substantively enacted in March 2011.

In March 2012, the UK Government announced the main rate of UK corporation tax would reduce to 24% with effect from 1 April 2012, with subsequent 1% reductions annually to 22% by April 2014. These changes were substantively enacted on 26 March 2012.

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2011	6,925
Additions	2,830
	<hr/>
At 31 December 2011	9,755
	<hr/>
Depreciation	
At 1 January 2011	1,266
Charge for the year	1,739
	<hr/>
At 31 December 2011	3,005
	<hr/>
Net book value	
At 31 December 2011	6,750
	<hr/>
At 31 December 2010	5,659
	<hr/>

7 Stocks	2011 £	2010 £
Finished goods and goods for resale	723,459	555,537
	<hr/>	<hr/>

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

8 Debtors	2011 £	2010 £
Trade debtors	824,551	606,391
Amounts owed by parent and fellow subsidiary undertakings	7,905	15,391
Corporation tax	-	26,182
Other debtors	1,160	-
Prepayments and accrued income	13,809	19,768
	<hr/>	<hr/>
	847,425	667,732
	<hr/>	<hr/>

All debtors are due within one year

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

9 Creditors amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	139	619
Trade creditors	184,936	93,595
Amounts owed to parent and fellow subsidiary undertakings	321,168	235,478
Corporation tax	130,672	-
Other taxes and social security costs	73,628	41,925
Accruals and deferred income	106,434	96,508
	<u>816,977</u>	<u>468,125</u>

10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2011	1,260
Charge to profit and loss account	283
Balance at 31 December 2011	<u>1,543</u>

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	<u>1,543</u>	<u>1,260</u>

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

11 Pension and other post-retirement benefit commitments

Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	10,328	8,658

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 2011 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 £1,327 million.

The amounts recognised in the balance sheet are as follows:

	2011 £	Defined benefit pension plans 2010 £
Present value of funded obligations	1,327,000	1,371,000
Fair value of plan assets	(1,116,000)	(1,255,000)
	211,000	116,000

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

11 Pension and other post-retirement benefit commitments

(continued)

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

	2011 £	Defined benefit pension plans 2010 £
Included in operating profit		
Current service cost	34,000	33,000
	<u>34,000</u>	<u>33,000</u>
Included in other finance costs		
Interest on obligation	70,000	103,000
Expected return on pension scheme assets	(82,000)	(79,000)
	<u>(12,000)</u>	<u>24,000</u>
Total	<u>22,000</u>	<u>57,000</u>
 Actual return on plan assets	 <u>64,000</u>	 <u>105,000</u>

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

	2011 £	Defined benefit pension plans 2010 £
Actual return less expected return on pension scheme assets	(146,000)	26,000
Experience gains and losses arising on scheme liabilities	43,000	642,000
Changes in assumptions underlying the present value of the scheme liabilities	(65,000)	(52,000)
	<u>(168,000)</u>	<u>616,000</u>

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

11 Pension and other post-retirement benefit commitments (continued)

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

	2011 £	Defined benefit pension plans 2010 £
Opening defined benefit obligation	1,371,000	2,359,000
Current service cost	42,000	42,000
Interest cost	70,000	103,000
Actuarial losses/(gains)	22,000	(590,000)
Value of insured pensions	-	(543,000)
Benefits paid	(178,000)	-
Total	<u>1,327,000</u>	<u>1,371,000</u>

Changes in fair value of plan assets are as follows

	2011 £	Defined benefit pension plans 2010 £
Opening fair value of plan assets	1,255,000	1,641,000
Expected return	82,000	79,000
Actuarial gains/(losses)	(146,000)	26,000
Contributions by employer	95,000	43,000
Contributions from scheme participants	8,000	9,000
Value of insured pensions	-	(543,000)
Benefits paid	(178,000)	-
	<u>1,116,000</u>	<u>1,255,000</u>

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

	2011 %	2010 %
Equities	89	90
Bonds	5	4
Other assets	6	6

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

11 Pension and other post-retirement benefit commitments (continued)

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

	2011 %	2010 %
Discount rate at 31 December 2011	4.70	5.40
Expected return on plan assets at 31 December 2011	5.40	6.70
Future salary increases	4.20	4.60
Future pension increases	3.10	3.50

Amounts for the current and previous four periods are as follows.

Defined benefit pension plans

	2011 £	2010 £	2009 £	2008 £	2007 £
Defined benefit obligation	(1,327,000)	(1,371,000)	(2,359,000)	(1,568,000)	(1,538,000)
Plan assets	1,116,000	1,255,000	1,641,000	1,513,000	1,761,000
(Deficit)/surplus	(211,000)	(116,000)	(718,000)	(55,000)	223,000
Experience adjustments on plan liabilities	43,000	642,000	6,000	(21,000)	349,000
Experience adjustments on plan assets	(146,000)	26,000	(66,000)	(347,000)	(276,000)

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses since the adoption of FRS 17 is £1,080,000 (2010 - £912,000)

The estimated amounts of contribution expected to be paid to the scheme during the next financial year is £28,000 (2010 - £31,000)

12 Share capital	2011 £	2010 £
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 2011

13 Statement of movements on profit and loss account

	£
Balance at 1 January 2011	309,598
Profit for the year	593,363
Actuarial losses on pension scheme assets	(168,000)
Balance at 31 December 2011	<u>734,961</u>

14 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the financial year	593,363	106,670
Other recognised gains and losses	(168,000)	616,000
Net addition to shareholders' funds	<u>425,363</u>	<u>722,670</u>
Opening shareholders' funds	<u>764,598</u>	<u>41,928</u>
Closing shareholders' funds	<u>1,189,961</u>	<u>764,598</u>

15 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Within one year	-	-	-	1,015
Between two and five years	<u>33,000</u>	<u>27,000</u>	<u>1,240</u>	<u>1,240</u>
	<u>33,000</u>	<u>27,000</u>	<u>1,240</u>	<u>2,255</u>

A K STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

16 Directors' emoluments

	2011 £	2010 £
Emoluments for qualifying services	135,928	107,345
Company pension contributions to money purchase schemes	10,328	8,658
	<u>146,256</u>	<u>116,003</u>

17 Employees

Number of employees

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

	2011 Number	2010 Number
Administration staff	<u>6</u>	<u>5</u>

Employment costs

	2011 £	2010 £
Wages and salaries	309,536	275,144
Social security costs	34,377	32,016
Other pension costs	32,328	65,658
Staff welfare costs	14,642	12,337
	<u>390,883</u>	<u>385,155</u>

18 Controlling party

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.

A K STEEL LIMITED

ADDITIONAL INFORMATION (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2011

The additional information which comprises the detailed trading profit and loss account and the schedule of distribution costs and administrative expenses has been prepared from the accounting records of the company. The additional information does not form part of the statutory financial statements.

A K STEEL LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2011

		2011		2010
	£	£	£	£
Turnover				
Intercompany sales		129,253		147,470
Domestic sales		4,032,439		2,095,076
		4,161,692		2,242,546
Cost of sales		(2,736,321)		(1,525,180)
Gross profit	34.25%	1,425,371	31.99%	717,366
Distribution costs	224,766		170,906	
Administrative expenses	651,561		641,893	
		(876,327)		(812,799)
		549,044		(95,433)
Other operating income				
Sundry income	1,771		-	
Commissions	153,527		162,570	
		155,298		162,570
Operating profit		704,342		67,137
Other interest receivable and similar income				
Interest on tax refunds		-		1,980
Profit before taxation	16.92%	704,342	3.08%	69,117

A K STEEL LIMITED

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES (UNAUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Distribution costs		
Storage	141,597	96,000
Carriage outwards	56	-
Carriage in	83,113	74,906
	<u>224,766</u>	<u>170,906</u>
Administrative expenses		
Wages and salaries	173,608	167,799
Directors' remuneration	135,928	107,345
Employer's N I contributions	34,377	32,016
Directors' pension costs	10,328	8,658
Defined benefit pension costs	22,000	57,000
Employee BUPA	14,642	12,337
Rent	29,648	27,828
Rates	453	-
Insurance	12,856	17,967
Light and heat	(186)	605
Repairs and maintenance	4,084	16,761
Printing, postage and stationery	4,211	4,717
Advertising	2,443	3,989
Telephone	7,379	6,616
Technical assistance	998	1,194
Hire of equipment	16,523	20,264
Motor running expenses	12,618	8,610
Travelling expenses	46,455	23,212
Entertaining	4,843	2,570
Legal and professional fees	40,743	58,052
Accountancy	23,675	20,505
Audit fees	20,526	15,691
Bank charges	409	2,178
Bad and doubtful debts	-	(48)
Loss on foreign currency	19,079	11,857
Sundry expenses	11,258	10,173
Subscriptions	924	2,731
Depreciation on tangible fixed assets	1,739	1,266
	<u>651,561</u>	<u>641,893</u>