Klöckner UK France Holding Limited

Directors' report and financial statements

Registered number 5310738

31 December 2013

Contents

Strategic Report

Principal activities

The company is a holding company. The principal activity of its subsidiary companies is metals distribution.

Business review, results and key performance indicators

The trading results for the period and the Company's financial position at the end of the period are shown in the attached financial statements.

The directors do not recommend the payment of a dividend (2012: £nil).

The business review and key performance indicators of the Group are disclosed in the financial statements of ASD Limited.

Principal risks and uncertainties

The principal risks and uncertainties of the company and its investment in subsidiary entities are detailed within the financial statements of ASD Limited.

Future developments

No changes in the nature of the company are anticipated.

By order of the board

N. Skelton

N Skelton
Director

Valley Farm Road
Stourton
Leeds
LS10 1SD

16 September 2014

Directors' report

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

Directors

The directors who served during the year are as follows:

K Avaliani
N Skelton

Dividends and results for the year

The results for the year ended 31 December 2013 are shown in the profit and loss account on page 6. The directors do not recommend the payment of a dividend *(2012: £nil)*.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

N Skelton

N Skelton
Director

Valley Farm Road
Stourton
Leeds
LS10 1SD

16 September 2014

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepting Accounting Practice).

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and analysed 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Klöckner UK France Holding Limited

We have audited the financial statements of Klöckner UK France Holding Limited for the year ended 31 December 2013 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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 set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 loss for the year then ended;
- have been properly prepared in accordance with UK 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 Klöckner UK France Holding Limited *(continued)*

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.

Jeremy Gledhill

Jeremy Gledhill (Senior Statutory Auditor)

For and on behalf of

KPMG LLP
Statutory Auditor

Chartered Accountants
1 The Embankment
Leeds
West Yorkshire
LS1 4DW

16th September 2014

Statement of Profit and Loss
for year ended 31 December 2013

	Note	**2013 Total £000**	2012 Total £000
Administrative expenses		**(280)**	(66)
Impairment provision against investment in subsidiary undertaking		**(5,650)**	-
Amounts written off investments		**-**	(10,590)
Operating loss		**(5,930)**	(10,656)
Income from shares in group undertakings		**-**	16,899
Interest receivable and similar income	*5*	**17**	-
Interest payable and similar charges	*6*	**(1,216)**	(1,850)
(Loss)/profit on ordinary activities before taxation		**(7,129)**	4,393
Tax on profit on ordinary activities	*7*	**-**	-
(Loss)/profit for the financial year		**(7,129)**	4,393

The results for the period relate solely to continuing activities.

There is no material difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The company has no recognised gains or losses other than those reflected in the above profit and loss account.

The notes on pages 10 to 21 form part of the financial statements.

Statement of Other Comprehensive Income
for the year ended 31 December 2013

	2013	2012
	£000	£000
(Loss)/profit for the financial period	**(7,129)**	4,393
Other comprehensive income, net of tax	**-**	-
Total comprehensive income for the financial period	**(7,129)**	4,393

The notes on pages 10 to 21 form part of these financial statements.

Balance Sheet
at 31 December 2013

	Note	2013		2012	
		£000	**£000**	£000	£000
Fixed assets					
Investments	*8*	**91,200**		96,850	
			91,200		96,850
Current assets					
Debtors	*9*	**7**		6,214	
		7		6,214	
Creditors: amounts falling due within one year	*10*	**(65,966)**		(70,694)	
Net current liabilities			**(65,959)**		(64,480)
Total assets less current liabilities			**25,241**		32,370
Net assets			**25,241**		32,370
Capital and reserves					
Called up share capital	*12*		**1,800**		1,800
Profit and loss account			**23,441**		30,570
Shareholders' funds			**25,241**		32,370

The notes on pages 10 to 21 form part of the financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 16 September 2014 and signed on their behalf by:

N. Skelton

N Skelton
Director

Company registered number: 5310738

Statement of Changes in Equity
for the year ended 31 December 2013

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2012	1,800	26,177	27,977
	1,800	26,177	27,977
Total comprehensive income for the period			
Profit or loss	-	4,393	4,393
Total comprehensive income for the period	-	4,393	4,393
Balance at 31 December 2012	**1,800**	**30,570**	**32,370**

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2013	1,800	30,570	32,370
Total comprehensive income for the period			
Profit or loss	-	(7,129)	(7,129)
Total other comprehensive income	-	-	-
Total comprehensive income for the period	-	23,441	25,241
Total contributions by and distributions to owners	-	23,441	25,241
Balance at 31 December 2013	**1,800**	**23,441**	**25,241**

Notes
(forming part of the financial statements)

1 Accounting policies

Klöckner UK France Holding Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has adopted FRS 101 early and for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance of the Company is provided in note 15.

The Company's ultimate parent undertaking, Klockner & Co SE includes the Company in its consolidated financial statements. The consolidated financial statements of Klockner & Co SE are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from The Secretary, Valley Farm Road, Stourton, Leeds, LS10 1SD.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy (see note 15); and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Klöckner & Co SE include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- The disclosures required by IFRS 7 Financial Instrument Disclosures.

Notes *(continued)*

1 Accounting policies *(continued)*

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 31 December 2013 for the purposes of the transition to FRS 101.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

In determining whether the company's annual financial statements can be prepared on a going concern basis, the directors considered all factors likely to materially affect its future development, performance and its financial position, including cash flows, liquidity position and borrowing facilities and the risks and uncertainties relating to its business activities. The group undertakes forecasts and projections of trading, cash flows and working capital requirements on a regular basis.

The key factors considered by the directors were as follows:

- the impact of the competitive environment within which the group operates;
- the potential actions that could be taken in the event that revenues are worse than expected, to ensure that operating profit and cash flows are protected;
- the available finance facilities.

The group's forecast and projections, taking account of possible changes in trading performance, show that the group should be able to operate within the level of its current facilities for the foreseeable future and accordingly, they continue to adopt the going concern basis of preparing the Directors' report and financial statements.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than [investment property, stocks and deferred tax assets], are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

Notes *(continued)*

1 Accounting policies *(continued)*

***Impairment excluding stocks, and deferred tax assets** (continued)*

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Expenses

Interest receivable and Interest payable –Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include_interest receivable on funds invested- and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes *(continued)*

1 Accounting policies *(continued)*

***Taxation** (continued)*

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2013	2012
	£000	£000
Impairment provision against investment in subsidiary undertaking	**5,650**	-
Amounts written off investments	-	10,590

The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) (Amendment) Regulations 2011 is mandatory for periods starting on/after 1 October 2011. The comparatives in respect of the disclosures of Auditor Remuneration have been restated accordingly.

Auditor's remuneration:

	2013	2012
	£000	£000
Audit of these financial statements	**55**	78

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Klockner & Co SE.

Notes *(continued)*

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2013	2012
Average number of employees	-	-
	-	-

The aggregate payroll costs of these persons were as follows:

	2013	2012
	£000	£000
Wages and salaries	-	-
Company contributions to money purchase pension schemes	-	-
	-	-

4 Directors' remuneration

The directors received no remuneration from the company during the year.

5 Interest receivable and similar income

	2013	2012
	£000	£000
Interest receivable	**17**	-
Total other interest receivable and similar income	**17**	-

6 Interest payable and similar charges

	2013	2012
	£000	£000
Amounts payable on group loans	**1,216**	1,850
Total other interest payable and similar charges	**1,216**	1,850

Of the above amount £1,216,000 *(2012: £1,850,000)* was payable to group undertakings.

Notes *(continued)*

7 Taxation

Recognised in the income statement

	2013	2012
	£000	£000
UK corporation tax		
Current tax on income for the period	-	-
Total current tax	-	-
Tax on profit on ordinary activities	-	-

Reconciliation of effective tax rate

	2013	2012
	£000	£000
(Loss)/profit for the year	**(7,129)**	4,393
(Loss)/profit excluding taxation	**(7,129)**	4,393
Tax using the UK corporation tax rate of 23.25% (2012 24.5%)	**(1,658)**	1,076
Effects of:		
Income not assessable to tax	-	(4,140)
Expenses not deductible for tax	**1,318**	2,599
Group relief not paid for or charged	**221**	465
Losses	**119**	-
Total tax expense (including tax on discontinued operations)	-	-

An unrecognised deferred tax asset in respect of corporation tax losses totals £248,000 *(2012: £128,000)*.

The directors have elected not to recognise the deferred tax asset as they do not believe with sufficient certainty, that they will be absorbed by forecast taxable profits in the foreseeable future.

A reduction in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

Further reductions to 21% (effective from1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

Notes *(continued)*

8 Investments in subsidiary companies

	Shares in group undertakings £000
Cost	
At beginning of year	107,440
Disposals and transfers	(12,650)
At end of year	94,790
Provisions	
At beginning of year	10,590
Disposals and review	(7,000)
At end of year	3,590
At 31 December 2013	**91,200**
At 31 December 2012	96,850

During the year the directors reviewed impairment provisions held against investments in subsidiary undertakings. These were adjusted to reflect the underlying value of the subsidiary companies.

The Company has the following investments in subsidiaries:

	Country of Incorporation	**Class of shares held**	**Ownership 2013**	**Ownership 2012**
ASD Limited	UK	Ordinary	**100%**	100%
Armstrong Steel Limited	UK	Ordinary	**0%**	100%
ASD Westok Limited	UK	Ordinary	**100%**	100%
Richardsons Westgarth Limited	UK	Ordinary	**100%**	100%
ASD Interpipe Limited	UK	Ordinary	**100%**	100%
ASD Multitubes Limited	UK	Ordinary	**100%**	100%

During the year, the following company, in which Klöckner UK France Holding Limited held a 100% holding, was liquidated:

Klöckner Metal Services Ltd

During the year, the following company, in which Klöckner UK France Holding Limited held a 100% holding, was transferred to ASD Limited:

Armstrong Steel Limited

Notes *(continued)*

9 Debtors

	2013	2012
	£000	£000
Amounts owed by group undertakings	-	6,212
Other debtors	**7**	2
	7	6,214

10 Creditors: amounts falling due within one year

	2013	2012
	£000	£000
Amounts owed to group undertakings	**65,833**	70,551
Accruals and deferred income	**133**	143
	65,966	70,694

Amounts owed to group undertakings include £27m that is repayable in May 2014. Interest accrues on this loan at LIBOR plus floating rate margin. The average rate charged during the year on this loan was 2.9% *(2012: 2.6%).* Subsequent to the year end the facility repayment date has been extended to May 2015.

11 Creditors: amounts falling after more than one year

	2013	2012
	£000	£000
Amounts owed to group undertakings	-	-

A total committed group facility of £75 million is available for the Klöckner UK sub-group to drawdown which expires in May 2014.

The Klöckner group has entered into a multi-jurisdictional European asset backed securitisation (ABS) funded by an Irish FVC, Klöckner Receivables Funding Limited. The trade debtor books of two subsidiary companies are securitised under this ABS scheme.

Notes *(continued)*

12 Capital and reserves

Share capital

In thousands of shares	Ordinary shares **2013**	2012
On issue at 1 January 2013	**1,800**	1,800
On issue at 31 December 2013 – fully paid	**1,800**	1,800

	2013 £000	2012 £000
Allotted, called up and fully paid		
Ordinary shares of £1 each	**1,800**	1,800
Shares classified in shareholders' funds	**1,800**	1,800

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Related parties

Other related party transactions

	Administrative expenses incurred from **2013 £000**	2012 £000
Parent	**4**	4
	4	4

Notes *(continued)*

13 Related parties *(continued)*

	Receivables outstanding		Creditors outstanding	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Parent	**-**	-	**27,039**	49,069
Subsidiaries	**-**	6,212	**38,794**	21,482
	-	6,212	**65,833**	70,551

14 Ultimate parent company and parent company of larger group

The largest group in which the results of the Company are consolidated is that headed by Klöckner & Co SE, incorporated in Germany. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from: The Secretary, Valley Farm Road, Stourton, Leeds, LS10 1SD

15 Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2013, the comparative information presented in these financial statements for the year ended 31 December 2012 and in the preparation of an opening FRS 101 balance sheet at 01 January 2012 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Notes *(continued)*

15 Explanation of transition to FRS 101 from old UK GAAP *(continued)*

Reconciliation of equity

		1 January 2012 comparative			**31 December 2012 comparative**		
		UK GAAP	Effect of transition to FRS 101	FRS 101	**UK GAAP**	**Effect of transition to FRS 101**	**FRS 101**
	Note	£000	£000	£000	**£000**	**£000**	**£000**
Fixed assets							
Intangible assets		101,790	-	101,790	**96,850**	-	**96,850**
		101,790	-	101,790	**96,850**	-	**96,850**
Current assets							
Debtors		17	-	17	**6,214**	-	**6,214**
Cash at bank and in hand		48		48	**-**		**-**
		65	-	65	**6,214**	-	**6,241**
Creditors: amounts due within one year							
Amounts owed to group undertakings		(4,678)	-	(4,678)	**(70,551)**	-	**(70,551)**
Accruals and deferred income		(95)	-	(95)	**(143)**	-	**(143)**
		(4,773)	-	(4,773)	**(70,694)**	-	**(70,694)**
Net current assets/liabilities		(4,708)	-	(4,708)	**(64,480)**	-	**(64,480)**
Creditors: amounts falling due after more than one year		(69,105)	-	(69,105)	**-**	**-**	**-**
Net assets/liabilities		27,977	-	27,977	**32,370**	-	**32,370**
Capital and reserves							
Called up share capital		1,800	-	1,800	**1,800**	-	**1,800**
Profit and loss account		26,177	-	26,177	**30,570**	-	**30,570**
Shareholders' equity		27,977	-	27,977	**32,370**	-	**32,370**

Notes *(continued)*

15 Explanation of transition to FRS 101 *(continued)*

Reconciliation of profit/loss for 2012

	Note	UK GAAP £000	2012 Effect of transition to FRS 101 £000	FRS 101 £000
Administrative expenses		(66)	-	**(66)**
Amounts written off investments		(10,590)	-	**(10,590)**
		(10,656)	-	**(10,656)**
Operating profit				
Income from shares in group undertakings		16,899	-	**16,899**
Interest payable and similar charges		(1,850)	-	**(1,850)**
Profit on ordinary activities before taxation		4,393	-	**4,393**
Tax on profit on ordinary activities		-	-	-
Profit for the financial year		4,393	-	**4,393**