

STEELMIN LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

PAGES FOR FILING WITH REGISTRAR

FOR THE YEAR ENDED 30 DECEMBER 2017

Company Registration No. 07734349 (England and Wales)

BALANCE SHEET
AS AT 30 DECEMBER 2017

	Note	2017 €	2016 €
Fixed assets			
Tangible assets	4	1,417,173	-
Investments	5	3,470,960	3,120,960
		<u>4,888,133</u>	<u>3,120,960</u>
Current assets			
Debtors: amounts falling due within one year	6	5,412,752	3,107,823
Cash at bank and in hand	7	12,741	17,137
		<u>5,425,493</u>	<u>3,124,960</u>
Creditors: amounts falling due within one year	8	(7,512,914)	(2,012,867)
Net current (liabilities)/assets		<u>(2,087,421)</u>	<u>1,112,093</u>
Total assets less current liabilities		<u>2,800,712</u>	<u>4,233,053</u>
Creditors: amounts falling due after more than one year	9	(1,209,000)	(1,209,000)
Net assets		<u><u>1,591,712</u></u>	<u><u>3,024,053</u></u>
Capital and reserves			
Called up share capital	10	1,671	1,293
Share premium account		7,858,603	7,006,401
Profit and loss account		<u>(6,268,562)</u>	<u>(3,983,641)</u>
		<u><u>1,591,712</u></u>	<u><u>3,024,053</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and mem Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to a preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies r

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to com companies' regime.

BALANCE SHEET (CONTINUED)
AS AT 30 DECEMBER 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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C Mcnamee
Director

Date: 28 September 2018

The notes on pages 3 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2017

Steelmin Limited is a private company limited by share capital, incorporated in England and Wales. The address of the registered office is: Steelmin Limited, 10th Floor, 100 Old Broad Street, London, EC2M 1AP.

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounts in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end of assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except for those that qualify for recognition in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income within 'other operating income'.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease income before the date of transition to the standard 01 July 2015 to continue to be charged over the period to the first market rent review of the lease.

STEELMIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2017

2. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which contributions are paid into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Accruals are recognised as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Land is not depreciated
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, when there is a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

STEELMIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2017

2. Accounting policies (continued)

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses are recognised in profit or loss for the period.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than three months. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured at transaction price, less any impairment. Other financial liabilities, including bank loans, are measured at transaction price, less any impairment, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities. Debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Trade debtors and creditors, which are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term financial instrument transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is significantly different from the market rate, the financial asset or liability is measured, initially, at the present value of the cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded and their fair value can be reliably determined; otherwise they are measured at cost less impairment;
- at cost less impairment for all other investments.

STEELMIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2017

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset on the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to offset amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2016 - 3).

4. Tangible fixed assets

	Freehold property €
Cost or valuation	
Additions	1,417,173
At 30 December 2017	<u>1,417,173</u>
Net book value	
At 30 December 2017	<u>1,417,173</u>
At 30 December 2016	<u>-</u>

STEELMIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2017

5. Fixed asset investments

	Investments in subsidiary companies €
Cost or valuation	
At 31 December 2016	3,120,960
Additions	350,000
At 30 December 2017	3,470,960
Net book value	
At 30 December 2017	3,470,960
At 30 December 2016	3,120,960

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Steelmin BH Limited		
liability Jajce	Ordinary	100 %
Steel Minerals Pty Limited	Ordinary	100 %

6. Debtors

	2017 €	2016 €
Amounts owed by group undertakings	5,251,559	2,940,987
Other debtors	160,739	165,744
Called up share capital not paid	454	120
Prepayments	-	972
	5,412,752	3,107,823

STEELMIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2017

7. Cash and cash equivalents

	2017 €	2016 €
Cash at bank and in hand	12,741	17,137
Less: bank overdrafts	(54)	(20,998)
	<u>12,687</u>	<u>(3,861)</u>

Cash at bank and in hand is measured at fair value, which is calculated as amounts held on deposit at banks employed by the company less any impairments. No impairments to cash balances have been made in these accounts as all cash deposits are held at credible financial institutions.

8. Creditors: Amounts falling due within one year

	2017 €	2016 €
Bank overdrafts	54	20,998
Trade creditors	81,097	12,625
Other taxation and social security	-	61,325
Other creditors	5,932,337	1,459,303
Accruals	1,499,426	458,616
	<u>7,512,914</u>	<u>2,012,867</u>

9. Creditors: Amounts falling due after more than one year

	2017 €	2016 €
Other creditors	<u>1,209,000</u>	<u>1,209,000</u>

10. Share capital

	2017 €	2016 €
Allotted, called up and fully paid		
1,551 (2016 - 1,173) Ordinary shares shares of €1.00 each	1,551	1,173
120 (2016 - 120) Ordinary A shares shares of €1.00 each	120	120
	<u>1,671</u>	<u>1,293</u>

The company issued 401,298,039 (2016: 51,066,667) ordinary €0.000000942857 shares at a premium totalling €852,202 (2016 consideration of €852,246 (2016: €102,133)).

STEELMIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2017

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from the independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounts Contributions totalling €292 (2016: €Nil) were payable to the fund at the balance sheet date.

12. Related party transactions

The company has taken advantage of the exemption offered by FRS 102 not to disclose transactions entered into with fellow subsidiaries, as all subsidiaries are wholly owned by the company.

At the balance sheet date, the company was owed €6,231,503 (2016: €3,920,397) by a fellow subsidiary. A provision of €979,944 (2016: €979,410) was made against this balance.

During the year a director repaid €Nil (2016: €69,232) to the company and borrowed €Nil (2016: €51,744). As at the balance sheet date the director owed €51,744 (2016: €51,744) to the company. This loan is interest free and repayable on demand. It is intended that this amount will be cleared in full shortly after the year end.

During the year a related company, with a shared director, lent the company €3,848,000 (2016: €Nil). Interest was accrued on this balance totalling €261,792 (2016: €Nil). As at the balance sheet date the company owed the related company €4,109,792. This was repaid in full on 21 February 2018.

As at the balance sheet date a related company, with a shared director, was owed €194,865 (2016: €154,704) by the company.

13. Post balance sheet events

On the 21st March 2018 a total amount of €2,313,664 (consisting of loans and interest) was converted into 444,187,151 ordinary shares. As at the year end the amount of loans and interest due by the company to be subsequently converted into share capital amounted to €2,313,664.

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.