

**Company Registration No. 07842594**

**Stemcor Agency Services Limited**

**Report and Financial Statements  
31 December 2017**



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## **Corporate information**

### **Directors**

Andrew Checketts

Julian Verden

### **Auditors**

Ernst & Young LLP

1 More London Place

London

SE1 2AF

### **Registered Office**

Longbow House

4th Floor, 14-20 Chiswell Street

London

EC1Y 4TW

## Strategic report

The directors present their strategic report for the year ended 31 December 2017.

### Review of the business

The Company is a wholly owned subsidiary of Stemcor Global Holdings Limited ("the Group").

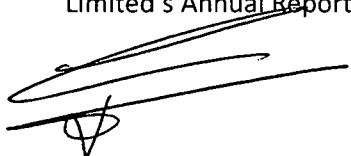
The principal activity of the Company is trading in steel products and being the sole UK agent for a European steel mill. There have not been any significant changes in the Company's principal activity in the year under review. However, the agency agreement with the European steel mill ceased and with it the activities of the entity, and the Directors are intending to wind the Company up during 2018.

The Group manages its operations on a divisional basis. For this reason, the Company's directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

### Principal Risks and Uncertainties

Stemcor Agency Services Limited's principal risk is that the wider Stemcor Group fails to comply with its covenanted obligations under the terms of its financing agreements. A covenant breach could lead to a default, which in turn could close trade finance funding to the Group.

The operating financial and strategic risks, which affect the Company, are discussed in the Stemcor Global Holdings Limited's Annual Report, which does not form part of this report.



J Verden  
Director  
4 May 2018

## **Directors' report**

The directors present their report for the year ended 31 December 2017.

### **Directors of the Company**

The current directors are shown on page 3.

### **Share capital**

No additional ordinary shares were issued during the financial year.

### **Directors indemnities**

The Company's articles of association provide, subject to the provisions of local legislation, that the Company may indemnify any director or former director of the Company in respect of any losses or liabilities he or she may incur in connection with any proven or alleged negligence, default, breach of duty or breach of trust in relation to the Company (including by funding any expenditure incurred or to be incurred by him or her). In addition, directors and officers of the Company and its subsidiaries are covered by Directors' & Officers liability insurance.

### **Results**

The results for the year are set out on page 11.

### **Dividends**

No dividends were paid during the year and no dividend is proposed in relation to 2017 (2016: Nil).

### **Future developments**

The directors will look to wind the Company up during 2018.

### **Events since the balance sheet date**

There were no events that occurred between the end of the reporting period and the date when the financial statements were authorised for issue that affect the accounts at 31 December 2017.

### **Going Concern**

As a consequence of the cessation of the Agency agreement the Company has ceased its operations. It is expected that the Company will be liquidated during 2018 after settling all its liabilities. Consequently, the financial statements have been prepared on the basis that the Company will no longer be a going concern.

### **Political donations**

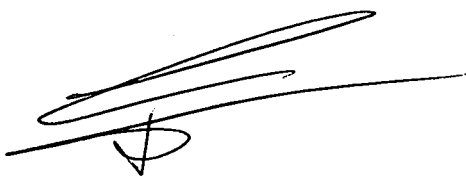
No political donations were made during the year.

## Directors' report

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By Order of the Board

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name J Verden.

J Verden  
Director  
4 May 2018

## **Directors' responsibility statement**

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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 UK 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 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.

# **Independent auditor's report to the members of Stemcor Agency Services Limited**

## **Opinion**

We have audited the financial statements of Stemcor Agency Services Limited for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, Statement of Financial Position and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". These financial statements have been prepared break-up basis. As described in the accounting policies note, the financial statements have been prepared on a basis other than going concern.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2017 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.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Use of our report**

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.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.



We have nothing to report in this regard.

## **Independent auditor's report to the members of Stemcor Agency Services Limited (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent auditor's report to the members of Stemcor Agency Services Limited (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ernst & Young LLP  
William Binns (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
London

4 May 2018

## Income Statement

For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Turnover		151	181
Administrative income /(expenses)		13	(132)
<b>Operating profit</b>	2	<b>164</b>	49
Exceptional items	4	362	-
Interest payable and similar charges	5	-	(13)
<b>Profit on ordinary activities before taxation</b>		<b>526</b>	36
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		<b>526</b>	36

The results above are derived solely from discontinuing operations.

The accompanying Notes are an integral part of the annual accounts.

## Statement of Comprehensive Income

For the year ended 31 December 2017

	2017 £'000	2016 £'000
Profit for the year	526	36
Other comprehensive profit for the financial year	-	-
<b>Total comprehensive profit for the financial year</b>	<b>526</b>	36

## Statement of Changes in Equity

For the year ended 31 December 2017

	Share capital £'000	Profit and loss account £'000	Equity shareholder (deficit) /funds £'000
At 1 January 2016	-	(562)	(562)
Profit for the year	-	36	36
<b>At 31 December 2016</b>	-	<b>(526)</b>	<b>(526)</b>
Profit for the year	-	526	526
<b>At 31 December 2017</b>	-	<b>-</b>	<b>-</b>

## Statement of Financial Position

At 31 December 2017

	Notes	2017 £'000	2016 £'000
<b>Current assets</b>			
Debtors: Amounts falling due within one year	7	-	80
Cash at bank and in hand		<u>12</u>	<u>19</u>
		<b>12</b>	<b>99</b>
<b>Creditors: amounts falling due within one year</b>	8	<u>(12)</u>	<u>(625)</u>
<b>Net current assets/(liabilities)</b>		-	(526)
<b>Net assets/(liabilities)</b>		<u>-</u>	<u>(526)</u>
<b>Capital and reserves</b>			
Share capital	9	-	-
Profit and loss account		<u>-</u>	<u>(526)</u>
<b>Shareholders' funds/(deficit)</b>		<u>-</u>	<u>(526)</u>

The accompanying Notes are an integral part of the annual accounts.

The financial statements of Stemcor Agency Services Limited (registered number 07842594) were approved by the board of directors and authorised for issue on 4 May 2018.

They are signed on its behalf by:



A Checketts  
Director

## Notes to the financial statements

### 1. Accounting policies

Stemcor Agency Services Limited (the Company) is a limited company incorporated in England and Wales. The Registered Office is Longbow House, 4th Floor, 14-20 Chiswell Street, London EC1Y 4TW.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to financial statements of companies for the year ended 31 December 2017.

#### Basis of preparation

The financial statements of Stemcor Agency Services Limited were authorised for issue by the Board of Directors on 4 May 2018. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in GBP which is the functional currency of the Company and rounded to the nearest £'000.

#### Exemptions

As permitted by FRS 102 Section 1.12, the Company has taken advantage of the exemptions available under that standard in relation to presentation of cash flow statement and the aggregate remuneration of key management personnel. Where required equivalent disclosures are given in the consolidated financial statements of Stemcor Global Holdings Limited.

#### Going Concern

As a consequence of the cessation of the Agency agreement the Company has ceased its operations. It is expected that the Company will be liquidated during 2018 after settling all its liabilities. Liquidation cost will be borne by parent company. Consequently, the financial statements have been prepared on the basis that the Company will no longer be a going concern.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

#### Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of the exchange ruling at the Statement of Financial Position date. All differences are taken to administrative expenses in the Income Statement.

#### Revenue Recognition

Turnover represents the invoiced amount of agency commission net of value added tax, duty and trade discounts.

## Notes to the financial statements

### 1. Accounting policies (continued)

#### **Taxation**

The Group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimates are required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 6.

#### **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

#### **Short-term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement.

#### **Provisions for liabilities**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### **Pensions**

The Group operates several money purchase pension schemes, including the "Stemcor Group Retirement Scheme", which are defined contribution schemes. Contributions to these defined contribution schemes are charged to the income statement as they are payable. The Company participates in the Group's pension schemes.

## Notes to the financial statements

### 2. Operating loss

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Auditor's remuneration in respect of audit services – audit of the Company's financial statements	<b>(5)</b>	<b>(5)</b>

Non audit fees paid to the Company's auditor for the year amounted to £nil (2016: £nil)

### 3. Staff costs

#### (a) Staff Costs

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	-	(94)
Social Security	-	(10)
Pension costs (note 10)	-	(5)
	<b>-</b>	<b>(109)</b>

The average monthly number of employees during the year was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Sales and administration staff	-	1

#### (b) Directors remuneration

Neither of the 2 directors (2016: 2) received any emoluments in respect of their services as directors of the Company during the year ended 31 December 2017 (2016: £nil).

The remuneration of the directors is paid by Stemcor Holdings 2 Limited. The directors act in a group capacity only and do not allocate specific time to the Company and therefore it is not possible to make an accurate apportionment of their emoluments in respect of the Company.

## Notes to the financial statements

### 4. Exceptional item

The full amount of £361,796 (2016: £nil) charged to Exceptional items relates to waiver of intercompany receivables by the counterparty entities.

### 5. Interest payable and similar charges

	2017	2016
	£'000	£'000
Interest to parent and fellow subsidiary undertakings	-	(13)

### 6. Tax on profit on ordinary activities

The tax charge is made up as follows:

	2017	2016
	£'000	£'000
<b>Current Taxation</b>		
UK corporation tax for the year at 19.25% (2016:20%)	-	-
Tax on profit on ordinary activities	-	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19.25% (2016:20%). The actual tax charge for the current period differs from the standard rate for the reasons set out in the following reconciliation:

	2017	2016
	£'000	£'000
Profit on ordinary activities before tax	526	36
Expected tax charge at 19.25% (2016: 20%)	(101)	(7)
Utilisation of tax losses	32	9
Income not taxable	69	-
Creation of unrecognised temporary differences	-	(2)
<b>Current tax charge</b>	-	-

The Company has tax losses arising in the UK of £0.3m (2016: £0.5m) that are available indefinitely for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group and there is insufficient evidence of their utilisation in the near future.



## Notes to the financial statements

### 7. Debtors

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	-	80

Included in debtors is £nil (2016: £nil) of debtors due after more than one year.

### 8. Creditors: amounts falling due within one year

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to fellow group undertakings	(12)	(620)
Accruals and deferred income	-	(5)
	<b>(12)</b>	<b>(625)</b>

### 9. Share capital

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid:</b>		
2 Ordinary shares of £1 each	-	-

### 10. Pensions

The principal pension arrangements are defined contribution schemes and other money purchase schemes. The assets are held separately from those of the Group in independently administered funds. The costs were charged to the income statement as incurred. There were no outstanding contributions or prepaid contributions at either the beginning or end of the financial year.

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Defined contribution scheme	-	5

## **Notes to the financial statements**

### **11. Contingent liabilities**

At 31 December 2017, the Company had no material contingent liabilities.

### **12. Events after the reporting period**

There were no events that occurred between the end of the reporting period and the date when the financial statements were authorised for issue that affect the accounts as at 31 December 2017.

### **13. Related party transaction**

The Company has taken advantage of the disclosure exemption under FRS102 regarding the requirement of Section 33 Related Part Disclosures paragraph 33.1A, and has not disclosed transactions with other subsidiaries of Stemcor Global Holdings Limited.

### **14. Ultimate parent company and controlling party**

The immediate parent company of Stemcor Agency Services Limited is Stemcor Holdings 2 Limited, which is incorporated in Great Britain and registered in England and Wales. The ultimate parent company is Stemcor Global Holdings Limited incorporated in Jersey.

The smallest and largest undertaking for which the Company is a member and for which group financial statements are prepared is Stemcor Global Holdings Limited. The consolidated accounts of Stemcor Global Holdings Limited can be found on the Jersey companies house website.