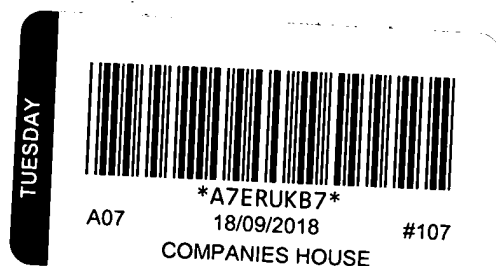


Benteler Holdings Limited

**Annual report and financial
statements**

Registered number - 02848427

For the year ended 31 December 2017



Contents

Strategic report	1
Director's report	2
Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements	3
Independent auditor's report to the members of Benteler Holdings Limited	4
Statement of profit and loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Cash flow statement	9
Notes	10

Strategic report

Business review and principal activities

Benteler Holdings Limited is the parent company of Benteler Distribution Limited. The company is a wholly-owned subsidiary of Benteler International AG and operates as part of the group's steel tube distribution division.

Benteler Distribution's principal activities are the sale and processing of carbon steel tube to the engineering industry in the UK and Eire. There have not been any significant changes in these principal activities in the year under review.

Principal risks and uncertainties

The principal risks facing the business are that the value of investment in the undertaking, which is dependent on the subsidiary. The director manages the risk through regular monitoring of subsidiary's performance.

The results for the year are set out in the statement of profit and loss and comprehensive income on page 6.

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

Going concern

The going concern basis is appropriate as Benteler Distribution Limited has sufficient cash or funding to fully repay the debt and other expenses.

Dividend

During the year, the Company has paid a dividend of £1 million to Benteler International AG (2016: £Nil).

By order of the board



A Harris
Secretary

4 April 2018

Director's report

The director presents his report and audited financial statements for the year ended 31 December 2017.

Director

The director who held office during the year and subsequently were as follows:

R Heath

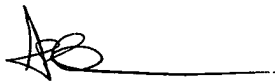
Disclosure of information to auditor

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



A Harris
Secretary

Crompton Way
Bolton
BL1 8TY
4 April 2018

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, the 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 International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Benteler Holdings Limited

Opinion

We have audited the financial statements of Benteler Holdings Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of profit or loss and other comprehensive income, Statement of financial position, Statement of cash flows, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state 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 International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Benteler Holdings Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

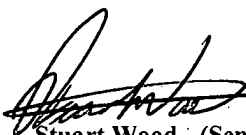
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Stuart Wood (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

4 April 2018

Statement of profit and loss and other comprehensive income
for the year ended 31 December 2017

	<i>Note</i>	2017 £	2016 £
Revenue		-	-
Gross profit		-	-
Administration expenses		-	-
Profit from ongoing activities		-	-
Financial income		-	-
Financial expenses		-	-
Net financing income		-	-
Dividend from subsidiary		1,000,000	-
Profit before tax		1,000,000	-
Taxation	5	-	-
Profit for the financial year		1,000,000	-
Other comprehensive income		-	-
Total comprehensive income for the year		1,000,000	-

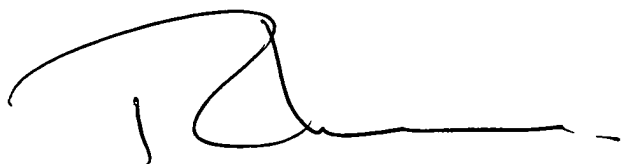
The notes on page 10 to 15 form part of the financial statements.

Statement of financial position
at 31 December 2017

	<i>Note</i>	2017 £	2016 £
Current assets			
Investment in subsidiaries	6	1,258,893	1,258,893
Trade and other receivables	7	1,733,423	1,733,423
		<u> </u>	<u> </u>
Total assets		2,992,316	2,992,316
		<u> </u>	<u> </u>
Equity			
Share capital	8	2,800,000	2,800,000
Retained earnings		192,316	192,316
		<u> </u>	<u> </u>
Total equity		2,992,316	2,992,316
		<u> </u>	<u> </u>

The notes on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the board of Director on 4 April 2018 and were signed on its behalf by:



R Heath

Director

Company register number: 2848427

Statement of changes in equity
for the year ended 31 December 2017

	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2016	2,800,000	192,316	2,992,316
Total comprehensive income for the year			
Profit for the year	-	-	-
	<u>2,800,000</u>	<u>192,316</u>	<u>2,992,316</u>
Balance at 31 December 2016	2,800,000	192,316	2,992,316
	<u>2,800,000</u>	<u>192,316</u>	<u>2,992,316</u>
Balance at 1 January 2017	2,800,000	192,316	2,992,316
Total comprehensive income for the year			
Profit for the year	-	1,000,000	1,000,000
<i>Transactions with owners</i>			
Dividend paid	-	(1,000,000)	(1,000,000)
	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Balance at 31 December 2017	2,800,000	192,316	2,992,316
	<u>2,800,000</u>	<u>192,316</u>	<u>2,992,316</u>

The notes on pages 10 to 15 form part of these financial statements.

Cash flow statement
for year ended 31 December 2017

	<i>Note</i>	2017	2016
		£	£
Cash flows from investing activities			
Dividend received		1,000,000	-
		<hr/>	<hr/>
Net cash from investing activities		1,000,000	-
		<hr/>	<hr/>
Cash from finance activities			
Dividend paid		(1,000,000)	-
		<hr/>	<hr/>
Net cash from investing activities		-	-
		<hr/>	<hr/>
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		-	-
		<hr/>	<hr/>

The notes on page 10 to 15 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Benteler Holdings Limited (the "Company") is a company incorporated, domiciled and registered in England. The registered number is 2848427 and the registered address is New Progress Works, Crompton Way, Bolton, BL1 8TY.

The Company is exempt by virtue of Section 400 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.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to the financial statements of the Company for the year ended 31 December 2017 and applied in accordance with the Companies Act 2006. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017.

The Company's financial statements are presented in sterling and all values are to the nearest pound except when otherwise indicated.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The director believes the going concern basis to be appropriate as Benteler Distribution Limited has sufficient cash or funding to fully repay the debt and other expenses.

Measurement convention

The financial statements are prepared on the historical cost.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are re-translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

Investments

Investments in subsidiaries are carried at cost less impairment.

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes (continued)

1 Accounting policies (continued)

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Trade and other receivables

Trade and other receivables are stated at their nominal amount (discounted if material) less impairment losses.

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 statement of cash flows.

Impairment

The carrying amounts of the Company's assets other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Provisions

A provision is recognised in the balance sheet when the Company has a present 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. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income 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.

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 on 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 asset can be utilised.

Standards issued but not yet effective

Details of new standards effective for annual periods beginning after 1 January 2017, applicable to the Company are noted below. The Company has not early adopted the new standards in preparing these financial statements, and based on its assessment does not expect a material impact in the period of initial application.

- IFRS 9 – Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

1 Accounting policies (continued)

Standards issued but not yet effective (continued)

i. Classification – Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

Based on its assessment, the Company does not believe that the new classification requirements will have a material impact on its accounting for financial assets, since it has not designated any financial assets as FVOCI or FVTPL. The Company only has financial assets currently classified as loans and receivables, which will continue to be recorded at amortised cost as per IFRS 9.

ii. Impairment – Financial assets

Based on experience, the Company does not expect a material impact on adoption of IFRS 9, as the credit risk is presumed to be very low.

2 Expenses and auditors' remuneration

Audit fees of £1,250 (2016: £1,250) have been borne by the Company's subsidiary.

3 Staff numbers and costs

There were no employees during the year (2016: none).

4 Director's remuneration

The director received no remuneration in the year (2016: £Nil).

Notes (continued)

5 Taxation

Recognised in the income statement

	2017 £	2016 £
<i>Current tax expense</i>		
Current year	-	-
Adjustments for prior years	-	-
	<hr/>	<hr/>
Current tax expense	-	-
	<hr/>	<hr/>

Reconciliation of effective tax rate

	2017 £	2016 £
Profit before tax	1,000,000	-
Tax using the UK corporation tax rate of 19.25% (2016: 20%)	192,500	-
Non-taxable dividend income	(192,500)	-
	<hr/>	<hr/>
Total tax in income statement	-	-
	<hr/>	<hr/>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

6 Investments in subsidiaries

	Shares in associated undertakings £
<i>Cost and net book value</i>	1,258,893
	<hr/>

The principal subsidiary company is Benteler Distribution Limited. Benteler Holdings Limited owns 100% of the ordinary shares of this company, incorporated in England and Wales. The company is engaged in the distribution and processing of mechanical and hydraulic precision steel tubes.

Benteler Distribution Limited had capital and reserves at 31 December 2017 of £4,437,443 (2016: £5,406,374) and made a loss for the year of £19,634 (2016: profit of £843,339).

7 Trade and other receivables

	2017 £	2016 £
Trade receivables due from group undertakings	1,733,423	1,733,423
	<hr/>	<hr/>

Notes (continued)

8 Share capital

	Ordinary Shares	
	2017	2016
	£	£
<i>Allotted, called up and fully paid:</i>		
2,800,000 ordinary shares of £1 each	2,800,000	2,800,000

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.

9 Financial instruments

Overview

The Company has exposure to credit and liquidity risk that arises in the normal course of the Company's business. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included.

The Board of Director has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Director oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Fair value of financial instruments

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

	2017	2016
	£	£
Financial assets		
Receivables due from group undertakings	1,733,423	1,733,423
Total financial assets	1,733,423	1,733,423

Notes (continued)

10 Related parties

Identity of related parties

The Company has a related party relationship with its subsidiaries, holding company and key management personnel.

Transactions with key management personnel

The Company's key management personnel is the Director. Details of director's remuneration are given in note 4. There were no other transactions with key management personnel in either the current or preceding year.

Other related party transactions

During the year the company had the following transactions with its related parties:

	Balance due from related party		Balance due to related party	
	2017	2016	2017	2016
	£	£	£	£
Other group undertakings	1,733,423	1,733,423	-	-
	<u>1,733,423</u>	<u>1,733,423</u>	<u>-</u>	<u>-</u>
	<u><u>1,733,423</u></u>	<u><u>1,733,423</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The company has entered into a cross guarantee with the following UK companies; Benteler Distribution Limited, Benteler UK Limited, Benteler Automotive UK Limited in respect of security for liabilities.

11 Capital management

The company is financed through its ordinary share capital.

12 Post balance sheet events

There were no significant post balance sheet events.

13 Ultimate parent company and parent company of larger group

The parent company of Benteler Holdings Limited is Benteler Distribution International GmbH, incorporated and registered in Germany and the ultimate parent company and ultimate controlling party is Benteler International AG, incorporated and registered in Austria.

The largest and smallest group in which the results of the company are consolidated is that headed by Benteler International AG.

Copies of these financial statements can be obtained from Schillerstrasse 25-27, 5020 Salzburg, Austria.