

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 1994

Company Registration Number: 264420



BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 30 September 1994.

PRINCIPAL ACTIVITIES

The Company has operated and continues to operate as an investment holding company.

RESULTS AND DIVIDENDS

The profit for the year was £4,606,000 (1993: £3,574,000). A final dividend of £650,000 is proposed (1993: £Nil) resulting in a transfer to reserves of £3,956,000 (1993: £3,574,000).

DIRECTORS

The following Directors served during the year:

Mr V H Sher
Mr G C L Rowan
Mr A W N Green
Mr D J Farmer
Mr M M Murray

The Directors at 30 September 1994 had no interests in the shares of Group companies which are required to be shown in this report.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for the year. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.


FIXED ASSETS

Movements on tangible fixed assets and fixed asset investments are disclosed in notes 7 and 8 respectively.

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution to re-appoint Coopers & Lybrand as the Company's auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



D J FARMER
SECRETARY

Adelaide House
London Bridge
London EC4R 9DP

14 DECEMBER 1994

**AUDITORS' REPORT TO THE MEMBERS OF BRITISH AMALGAMATED METAL INVESTMENTS
LIMITED**

We have audited the financial statements on pages 4 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 1 and 2 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

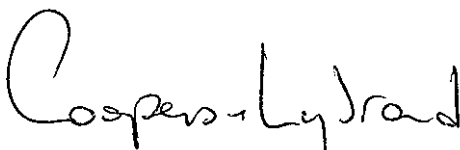
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 30 September 1994 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND

Chartered Accountants and Registered Auditors

LONDON

14 DECEMBER 1994

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		<u>£'000</u>	<u>£'000</u>
Operating income		6	6
Operating charges	2	(1)	(16)
Operating profit		5	(10)
Investment income	3	4,603	2,873
Exceptional item	4	-	713
Profit on ordinary activities before taxation		4,608	3,576
Tax on profit on ordinary activities	5	(2)	(2)
Profit on ordinary activities after taxation		4,606	3,574
Dividends paid and proposed	6	(650)	-
Retained profit for the year		3,956	3,574
Retained profit brought forward		14,666	11,092
Retained profit carried forward		18,622	14,666

There were no recognised gains or losses in the year other than the profit.

All activities of the Company are continuing.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		<u>£'000</u>	<u>£'000</u>
<u>ASSETS</u>			
<u>FIXED ASSETS</u>			
Tangible assets	7	7	7
Investments	8	42,854	42,854
		-----	-----
		42,861	42,861
		-----	-----
<u>CURRENT ASSETS</u>			
Debtors	9	4,755	3,200
Cash at bank		-	1
		-----	-----
		4,755	3,201
		-----	-----
		47,616	46,062
		=====	=====
<u>LIABILITIES</u>			
<u>CAPITAL AND RESERVES</u>			
Called-up share capital	10	2,526	2,526
Share premium account		53	53
Profit and loss account		18,622	14,666
		-----	-----
Equity shareholders' funds	11	21,201	17,245
<u>CREDITORS</u>			
	12	26,415	28,817
		-----	-----
		47,616	46,062
		=====	=====

The financial statements on pages 4 to 11 were approved by the Board of Directors on 14 December 1994 and were signed on their behalf by:

G C L ROWAN

D J FARMER

DIRECTORS

G C L Rowan
D J Farmer

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1994

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards applicable in the United Kingdom. A summary of the more important policies is given below.

BASIS OF ACCOUNTING

The Company prepares its financial statements on the historical cost basis of accounting as amended by the revaluation of fixed asset investments.

Fixed asset investments are included in the balance sheet at valuation.

Consolidated financial statements are not submitted as the company is a wholly-owned subsidiary of another body corporate incorporated in Great Britain.

DIVIDEND INCOME

Dividend income from subsidiaries in the United Kingdom included in the profit and loss account which has been received under the terms of a group election under Section 247, Income and Corporation Taxes Act 1988 does not include tax credits. Otherwise, the associated tax credit is included in dividend income with a corresponding increase in the tax charge.

Dividend income from overseas subsidiaries is shown inclusive of withholding taxes which are shown as overseas taxation within the taxation charge for the year.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities expressed in foreign currencies are translated into sterling at rates ruling at the balance sheet date. Any profit or loss arising on translation is included in the profit and loss account.

DEPRECIATION

Tangible fixed assets are depreciated in equal annual instalments over their estimated useful lives using an annual rate of 2% for freehold land and buildings.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1994 (CONTINUED)

	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
2. <u>OPERATING CHARGES</u>		
Depreciation	-	1
Other operating charges	1	15
	-----	-----
	1	16
	=====	=====
<p>The directors did not receive any remuneration for their services to the company during the year (1993: £Nil).</p>		
3. <u>INVESTMENT INCOME</u>		
Dividend income from shares in subsidiary undertakings	4,602	2,872
Other interest	1	1
	-----	-----
	4,603	2,873
	=====	=====
4. <u>EXCEPTIONAL ITEM</u>		
Profit arising on sale of shares in Consolidated Alloys (New Zealand) Limited to a fellow subsidiary (Amalgamet (Australasia) Pty Limited)	-	713
	=====	=====
5. <u>TAXATION</u>		
U.K. Corporation tax at 33% (1993: 33%)	155	43
Double taxation relief	(153)	(41)
	-----	-----
	2	2
	=====	=====

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1994 (continued)**

	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
6. <u>DIVIDENDS</u>		
Final dividend proposed	650	-
	=====	=====
7. <u>TANGIBLE FIXED ASSETS</u>		
Freehold land and buildings		
	<u>Cost</u>	<u>Depreciation</u>
	<u>£'000</u>	<u>£'000</u>
1 October 1993 and		<u>Net book</u>
30 September 1994	13	<u>amount</u>
	=====	<u>£'000</u>
		=====
8. <u>FIXED ASSET INVESTMENTS</u>		
		<u>Shares in</u>
		<u>Subsidiary</u>
		<u>Undertakings</u>
		<u>£'000</u>
At 1 October 1993		
and 30 September 1994		42,854
		=====

In the opinion of the Directors the aggregate value of the investments in subsidiary undertakings is not less than the amount shown above.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 SEPTEMBER 1994 (continued)**

The Company holds more than 10% of the equity of the following companies.

<u>Company and country of incorporation/ registration</u>	<u>Principal Place of business</u>	<u>Main activities</u>	<u>Percentage of equity shares held</u> %
(A) <u>Subsidiary Undertakings</u> (Principal Subsidiaries only)			
<u>England</u>			
BKS Surveys Ltd	Coleraine	Digital mapping and spatial data engineering	100
Keeling & Walker Ltd	Stoke-on-Trent	Tin oxide manufacturing	100
Mountstar Metal Corporation Ltd	Biggleswade	Scrap trading and reprocessing	100
Oakland Metal Company Ltd	London	Minerals trading	100
William Rowland Ltd	Sheffield Birmingham Glasgow	Metals trading and distribution	100
Amalgamated Metal Trading Ltd	London	London Metal Exchange ring dealer	100
AMT (Futures) Ltd	London	Commodity and financial futures brokers	100
<u>Singapore</u>			
Amalgamet (South East Asia) Pte Ltd	Singapore	Metals, concentrates and minerals trading	100
<u>USA</u>			
Amalgamet Inc	New Jersey	Metals, concentrates and minerals trading	100
<u>Canada</u>			
Premetalco Inc	Toronto Calgary Edmonton Montreal Vancouver	Metals, concentrates and minerals trading; steel service centres; chemicals and construction materials distribution; manufacture of pumps and heat exchangers	55*

* The company's holding comprises 55% of the "A" ordinary shares, the other 45% of which are held by The British Metal Corporation Limited, a fellow subsidiary undertaking of Amalgamated Metal Corporation PLC.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1994 (continued)**

<u>Company and country of incorporation/ registration</u>	<u>Principal Place of Business</u>	<u>Main activities</u>	<u>Percentage of equity shares held</u> %
<u>Malaysia</u>			
Escoy Holdings Bhd	Penang	Investment holding company and property investment	50.5

<u>1994</u>	<u>1993</u>
<u>£'000</u>	<u>£'000</u>

9. DEBTORS

Amounts falling due within
one year:

Amounts owed by Group undertakings

- Fellow subsidiary undertakings	410	410
- Dividends receivable	4,345	2,790
	-----	-----
	4,755	3,200
	=====	=====

10. CALLED-UP SHARE CAPITAL

Authorised:

10,108,000 ordinary shares of 25p each	2,527	2,527
	=====	=====

Allotted, called up and fully paid:

10,104,410 ordinary shares of 25p each	2,526	2,526
	=====	=====

11. EQUITY SHAREHOLDERS' FUNDS

At 1 October	17,245	13,671
Recognised gain		
Retained profit for the year	3,956	3,574
	-----	-----
At 30 September	21,201	17,245
	=====	=====

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1994 (continued)

	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
12. <u>CREDITORS</u>		
Amounts falling due within one year:		
Amounts owed to Group undertakings		
- Proposed Dividend	650	-
- Parent Undertakings	25,759	28,811
Corporate taxation	2	1
Other creditors	1	2
	-----	-----
	26,412	28,814
Amounts falling due after more than one year:		
Corporate taxation	3	3
	-----	-----
	26,415	28,817
	=====	=====

13. CASH FLOW STATEMENT

The Company is a wholly-owned subsidiary of Amalgamated Metal Corporation PLC (Note 14) whose financial statements include a consolidated cash flow statement. Consequently, in accordance with FRS1 the Company is exempt from preparing a cash flow statement as part of these financial statements.

14. PARENT UNDERTAKINGS

The ultimate parent undertaking is Preussag AG (a company incorporated in Germany). Copies of the consolidated financial statements are available from:

Preussag AG
Karl-Wiechert-Allee 4
30625 Hannover
Germany

The parent of the smallest group of undertakings that prepares consolidated financial statements is Amalgamated Metal Corporation PLC (a company registered in England and Wales). Copies of the consolidated financial statements are available at the company's registered office:

Adelaide House
London Bridge
London EC4R 9DP