

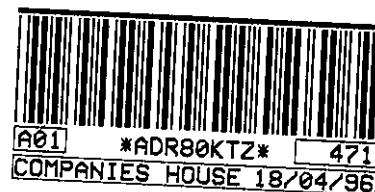
BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 1995

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 1995.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The profit for the year was £5,276,000 (1994: £4,606,000). A final dividend of £750,000 is proposed (1994: £650,000) resulting in a transfer to reserves of £4,526,000 (1994: £3,956,000).

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 1995 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

20 DECEMBER 1995

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

We have audited the financial statements on pages 4 to 12.

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.

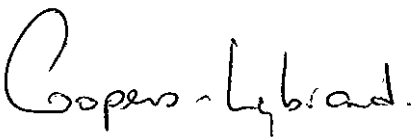
BASIS OF OPINION

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 1995 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

22 DECEMBER 1995

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		<u>£'000</u>	<u>£'000</u>
Operating income		10	6
Operating charges	2	(1)	(1)
		-----	-----
Operating profit		9	5
Investment income	4	5,358	4,603
		-----	-----
Profit on ordinary activities before taxation		5,367	4,608
Tax on profit on ordinary activities	5	(91)	(2)
		-----	-----
Profit on ordinary activities after taxation		5,276	4,606
Dividends paid and proposed	6	(750)	(650)
		-----	-----
Retained profit for the year		4,526	3,956
Retained profit brought forward		18,622	14,666
		-----	-----
Retained profit carried forward		23,148	18,622
		=====	=====

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 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		<u>£'000</u>	<u>£'000</u>
<u>ASSETS</u>			
<u>FIXED ASSETS</u>			
Tangible assets	7	7	7
Investments	8	46,049	42,854
		-----	-----
		46,056	42,861
		-----	-----
<u>CURRENT ASSETS</u>			
Debtors	9	4,402	4,755
		-----	-----
		4,402	4,755
		-----	-----
		50,458	47,616
		=====	=====
<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		23,148	18,622
		-----	-----
Equity shareholders' funds	11	25,727	21,201
<u>CREDITORS</u>			
	12	24,731	26,415
		-----	-----
		50,458	47,616
		=====	=====

The financial statements on pages 4 to 12 were approved by the Board of Directors on 20 December 1995 and were signed on their behalf by:

G C L ROWAN

D J FARMER

DIRECTORS

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1995

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 periodically valued. Each subsidiary undertaking is valued by reference to its earnings and net assets. Investments acquired subsequent to the latest valuation are included in the balance sheet at cost. At each balance sheet date, the aggregate carrying value of investments is reviewed, with provision made for any permanent diminution in value.

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 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 1995 (continued)**

	<u>1995</u>	<u>1994</u>
	<u>£'000</u>	<u>£'000</u>
2. <u>OPERATING CHARGES</u>		
Other operating charges	1	1
	-----	-----
	1	1
	=====	=====
3. <u>DIRECTORS' REMUNERATION</u>		
The Directors did not receive any remuneration for their services to the Company during the year (1994: £Nil).		
4. <u>INVESTMENT INCOME</u>		
Dividend income from shares in subsidiary undertakings	5,357	4,602
Other interest	1	1
	-----	-----
	5,358	4,603
	=====	=====
5. <u>TAXATION</u>		
U.K. Corporation tax at 33% (1994: 33%)	482	155
Double taxation relief	(445)	(153)
Overseas taxation	54	-
	-----	-----
	91	2
	=====	=====

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1995 (continued)**

	<u>1995</u>	<u>1994</u>
	<u>£'000</u>	<u>£'000</u>
6. <u>DIVIDENDS PAID AND PROPOSED</u>		
Final dividend proposed	750	650
	=====	=====
7. <u>TANGIBLE FIXED ASSETS</u>		
Freehold land and buildings		
	<u>Cost</u>	<u>Depreciation</u>
	<u>£'000</u>	<u>£'000</u>
		<u>Net book</u>
		<u>amount</u>
		<u>£'000</u>
1 October and 30 September	13	(6)
	=====	=====
8. <u>FIXED ASSET INVESTMENTS</u>		
		<u>Shares in</u>
		<u>Subsidiary</u>
		<u>Undertakings</u>
		<u>£'000</u>
<u>At valuation/cost</u>		
At 1 October		42,854
Acquisitions in year		3,195

At 30 September		46,049
		=====

The carrying value of the investments was reviewed at 30 September 1995, primarily by reference to the underlying net assets in each subsidiary undertaking. On this basis, the aggregate value of the investments at 30 September 1995 is not less than £46,049,000 and no provision for diminution in value was necessary.

There were three acquisitions in the year. Shares in Thailand Smelting & Refining Co Limited ("Thaisarco") were acquired from a third party, while the Premetalco 'B' shares were acquired from Preussag AG, the ultimate parent undertaking (note 14). These holdings are further detailed below. 100% of the ordinary share capital of Brandhurst Ltd (not a principal subsidiary undertaking as set out below) was acquired from Hayes Metals Ltd, a fellow subsidiary of the immediate parent undertaking, Consolidated Tin Smelters Ltd.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 SEPTEMBER 1995 (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 distribution; construction materials manufacture and distribution; manufacture of heat exchangers	(note)

The Company's holding comprises 55% of the "A" ordinary shares, together with 100% of the "B" shares. The other 45% of the "A" ordinary shares 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 1995 (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>%</u>
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Thailand

Thailand Smelting & Refining Company Limited (Thaisarco)	Phuket	Tin smelting	50 *
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* The Company holds 50% of the ordinary shares of Thaisarco, and Escoy Holdings Bhd (below) holds the other 50%, giving the Company an effective 75.25% holding.

Malaysia

Escoy Holdings Bhd	Penang	Investment holding company and property investment	50.5
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Principal subsidiary undertakings include all companies which traded in the year. Dormant companies are not included.

<u>1995</u>	<u>1994</u>
<u>£'000</u>	<u>£'000</u>

9. DEBTORS

Amounts falling due within
one year:

Amounts owed by Group undertakings

- Fellow subsidiary undertakings	11	410
- Dividends receivable	4,391	4,345
	-----	-----
	4,402	4,755
	=====	=====

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
	=====	=====

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995 (continued)

	<u>1995</u>	<u>1994</u>
	<u>£'000</u>	<u>£'000</u>
11. <u>EQUITY SHAREHOLDERS' FUNDS</u>		
At 1 October	21,201	17,245
Recognised gain		
Retained profit for the year	4,526	3,956
	-----	-----
At 30 September	25,727	21,201
	=====	=====
12. <u>CREDITORS</u>		
Amounts falling due within one year:		
Amounts owed to Group undertakings		
- Proposed Dividend	750	650
- Parent Undertakings	23,939	25,759
Corporate taxation	40	2
Other creditors	2	1
	-----	-----
	24,731	26,412
Amounts falling due after more than one year:		
Corporate taxation	-	3
	-----	-----
	24,731	26,415
	=====	=====

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.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1995 (Continued)

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