

**BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**

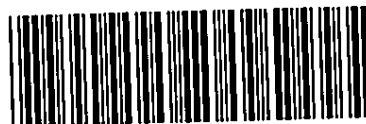
**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2007**

Company Registration no 264420

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# **BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007**

The Directors present their report and the financial statements for the year ended 31 December 2007

### **PRINCIPAL ACTIVITIES**

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

### **RESULTS**

The profit for the year after taxation was £6,011,000 (2006 £11,698,000)

The shareholders' funds were £25,050,000 at the end of the year and the Directors consider the balance sheet satisfactory

### **DIRECTORS**

The following Directors served during the year

Mr V H Sher  
Mr G C L Rowan  
Mr G P Robbins

### **DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of its profit or loss for the 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 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 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

**BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**

**AUDITORS**

The Directors have taken all reasonable steps to acquaint themselves with relevant audit information and have ensured that the auditors have received such information. The Directors are not aware of any relevant audit information that has not been passed to the auditors.

In accordance with Section 385 of the Companies Act 1985 a resolution to reappoint BDO Stoy Hayward LLP as auditors to the Company will be proposed at the Annual General Meeting.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink that reads "A H Heywood". The signature is written in a cursive, slightly slanted style.

**A H HEYWOOD  
COMPANY SECRETARY**

55 Bishopsgate  
London  
EC2N 3AH

**28 March 2008**

## **BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**

We have audited the financial statements of British Amalgamated Metal Investments Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out on page 6.

#### *Respective Responsibilities of Directors and Auditors*

As described in the Statement of Directors' Responsibilities for the Financial Statements, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants and Registered Auditors*

London

Date 28 March 2008

**BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER**

**PROFIT AND LOSS ACCOUNT**

		<b><u>2007</u></b> <b><u>£'000</u></b>	<b><u>2006</u></b> <b><u>£'000</u></b>
Investment income	3	5,898	12,551
Interest	4	69	(158)
Other income		70	6
Other costs		(3)	(109)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		6,034	12,290
Tax on profit on ordinary activities	5	(23)	(592)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		<u>6,011</u>	<u>11,698</u>

There were no recognised gains or losses in the year other than the profit above, and therefore no separate statement of total recognised gains or losses has been prepared

All activities of the Company are continuing

The notes on pages 6 to 11 form part of these financial statements

**BRITISH AMALGAMATED METAL INVESTMENTS LIMITED****BALANCE SHEET AS AT 31 DECEMBER**

	Notes	<u>2007</u> <u>£'000</u>	<u>2006</u> <u>£'000</u>
<b><u>FIXED ASSETS</u></b>			
Tangible assets	6	104	105
Investments	7	24,877	29,375
		<u>24,981</u>	<u>29,480</u>
<b><u>CURRENT ASSETS</u></b>			
Debtors	8	83	9,658
Dividends Receivable		-	808
Cash at Bank		9	3
		<u>92</u>	<u>10,469</u>
		<u>25,073</u>	<u>39,949</u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called up share capital	9	2,526	2,526
Share premium account	10	53	53
Revaluation Reserve	10	101	101
Profit and Loss Account	10	22,370	26,471
Shareholders' funds	10	<u>25,050</u>	<u>29,151</u>
<b><u>CREDITORS</u></b>	11	23	10,798
		<u>25,073</u>	<u>39,949</u>

The financial statements on pages 4 to 11 were approved by the Board of Directors on 28 March 2008 and signed on its behalf by

V H SHER



G C L ROWAN



**DIRECTORS**

The notes on pages 6 to 11 form part of these financial statements

# **BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2007**

### **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with accounting standards applicable in the United Kingdom and the Companies Act 1985. The Company prepares its financial statements under the historical cost convention, as amended by the revaluation of the freehold property (note 6) and investments. A summary of the more important accounting policies is given below.

#### **FIXED ASSET INVESTMENTS**

Fixed asset investments are periodically valued. 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 impairment.

#### **CONSOLIDATION**

Consolidated financial statements are not submitted as the Company is a wholly owned subsidiary of another body corporate incorporated in Great Britain (note 13).

#### **DIVIDEND INCOME**

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.

### **2 DIRECTORS' REMUNERATION**

The Directors did not receive any remuneration in respect of their services to the Company during the year (2006 Nil).

### **3 INVESTMENT INCOME**

Dividend income from shares in subsidiary undertakings

<u>2007</u>	<u>2006</u>
<u>£'000</u>	<u>£'000</u>
5,898	12,551
<u>5,898</u>	<u>12,551</u>

**BRITISH AMALGAMATED METAL INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)**

<b>4</b>	<b><u>INTEREST</u></b>	<b><u>2007</u></b> <b><u>£'000</u></b>	<b><u>2006</u></b> <b><u>£'000</u></b>
	Receivable from parent undertaking	356	115
	Payable to parent undertaking	(287)	(191)
	Payable to fellow subsidiary undertaking	-	(82)
		<u>69</u>	<u>(158)</u>

<b>5.</b>	<b><u>TAXATION</u></b>		
	UK corporation tax	385	5,434
	Double taxation relief	(362)	(5,480)
	Overseas taxation	-	638
		<u>23</u>	<u>592</u>

**Factors affecting tax charge for year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

Profit on ordinary activities before tax	<u>6,034</u>	<u>12,290</u>
Profit on ordinary activities multiplied by the standard rate of corporate tax in the UK of 30% (2006 30%)	1,811	3,687
Effects of		
Taxation on dividends from overseas companies	363	(3,541)
Overseas taxation	-	638
UK dividends not taxable	(1,770)	(224)
Profit on capital reduction	(19)	-
Double tax relief	(362)	-
Expenses not deductible for tax purposes	-	1
Capital loss carried forward	-	31
Current tax charge for year	<u>23</u>	<u>592</u>

The Company had no timing differences for deferred tax purposes in the year (2006 £nil)



**BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)**

**6. TANGIBLE FIXED ASSETS**

	<b><u>£'000</u></b>
<b>Valuation</b>	
At 1 January 2007	105
Depreciation charge for the year	(1)
<b>Net Book Value</b>	
At 31 December 2007	<u>104</u>
At 31 December 2006	<u>105</u>

**7. FIXED ASSET INVESTMENTS**

	<b>Shares in Subsidiary <u>Undertakings</u> £'000</b>
Cost/Valuation at 1 January 2007	29,375
Disposals	
Escoy capital repayment	(4,498)
Cost/Valuation at 31 December 2007	<u><u>24,877</u></u>

The Directors have considered the value of all the fixed asset investments as at 31 December 2007 and are satisfied that their aggregate value was not less than £24,877,000

**BRITISH AMALGAMATED METAL INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)**

<u>Company and country of incorporation/ registration</u>	<u>Principal places of business</u>	<u>Main activities</u>	<u>Percentage of equity shares held %</u>
<b><u>Subsidiary Undertakings</u></b>			
<b><u>Great Britain</u></b>			
Amalgamated Metal Trading Ltd	London	London Metal Exchange ring dealer	100
AMT Futures Ltd	London	Commodity and financial futures brokers	100
<b><u>Singapore</u></b>			
Amalgamet (South East Asia) Pte Ltd	Singapore	Metals, concentrates and minerals trading	100
<b><u>USA</u></b>			
Amalgamet Inc	New York	Metals, concentrates and minerals trading	100
<b><u>Canada</u></b>			
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	59.5*
<p>* The Company's interest comprises 59.5% of the ordinary shares, the other 40.5% of which are held by The British Metal Corporation Limited, a fellow subsidiary undertaking of Amalgamated Metal Investment Holdings Limited</p>			
<b><u>Thailand</u></b>			
Thailand Smelting & Refining Company Limited (Thaisarco)	Phuket	Tin and tantalum smelting, solders and metal powders	50*
<p>* 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</p>			
<b><u>Malaysia</u></b>			
Escoy Holdings Bhd	Penang	Investment holding company	50.5

**BRITISH AMALGAMATED METAL INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)**

	<u>2007</u> <u>£'000</u>	<u>2006</u> <u>£'000</u>
<b>8. <u>DEBTORS</u></b>		
Amounts falling due within one year		
Amounts owed by Group undertakings		
- Parent undertaking	83	9,612
Taxation recoverable	-	46
	<u>83</u>	<u>9,658</u>
Amounts owed by Group undertakings are unsecured and have no fixed date of repayment. Interest was charged on the balance at the end of each day at an annual rate of 5.75% up to 6 August 2007 and after that date at 6.75%.		
<b>9 <u>CALLED UP SHARE CAPITAL</u></b>		
Authorised		
10,108,000 ordinary shares of 25p each	<u>2,527</u>	<u>2,527</u>
Allotted, called up and fully paid		
10,104,410 ordinary shares of 25p each	<u>2,526</u>	<u>2,526</u>
<b>10. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u></b>		
Called up share capital (note 9)	<u>2,526</u>	<u>2,526</u>
Share premium account	<u>53</u>	<u>53</u>
Revaluation reserve	<u>101</u>	<u>101</u>
Profit and loss account		
Brought forward	26,471	26,773
Retained profit for the financial year	6,011	11,698
Dividends declared and paid	(10,112)	(12,000)
Profit and loss account carried forward	<u>22,370</u>	<u>26,471</u>
Closing shareholders' funds	<u>25,050</u>	<u>29,151</u>

**BRITISH AMALGAMATED METAL INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007 (CONTINUED)**

	<u>2007</u> <u>£'000</u>	<u>2006</u> <u>£'000</u>
<b>11. <u>CREDITORS</u></b>		
Amounts falling due within one year		
Amount owed to Group undertakings		
- Parent undertaking	-	9,010
- Fellow subsidiary undertaking	-	1,713
Taxation payable	23	-
Other		75
	<u>23</u>	<u>10,798</u>

Amounts owed to Group undertakings are unsecured and have no fixed date of repayment. Interest was charged on the balance at the end of each day at an annual rate of 5.75% up to 6 August 2007 and after that date at 6.75%.

**12 CASH FLOW STATEMENT**

The Company is a wholly owned subsidiary of Amalgamated Metal Corporation PLC (note 13) 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.

**13 PARENT UNDERTAKINGS**

The Company is a subsidiary of Amalgamated Metal Investment Holdings Limited, which is incorporated in England and Wales.

The Company's ultimate parent undertaking is AMCO Investments Limited ("AMCO"), a company incorporated in England and Wales. AMCO is the parent of the largest group of undertakings for which consolidated financial statements are drawn up and of which the Company is a member. Copies of the consolidated financial statements of AMCO are available from Companies House.

Amalgamated Metal Corporation PLC ("AMC") is the parent of the smallest group of undertakings for which consolidated financial statements are drawn up and of which the Company is a member. Copies of the consolidated financial statements are available at AMC's registered office, 55 Bishopsgate, London EC2N 3AH.

**14. RELATED PARTIES**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, "Related Party Transactions", not to disclose transactions with members of the group headed by AMCO Investments Limited on the grounds that at least 90% of the voting rights in the Company are controlled within that group and the Company is included in consolidated financial statements.

**15 FINANCIAL REPORTING STANDARD 29, FINANCIAL INSTRUMENTS: DISCLOSURES**

The Company has taken advantage of the exemption allowed by Financial Reporting Standard 29, "Financial Instruments: Disclosures", not to make any disclosures that comply with that standard on the grounds that at least 90% of the voting rights of the Company are controlled by Amalgamated Metal Corporation PLC for which consolidated financial statements are publicly available. Disclosures required by FRS 29 are given in the accounts of Amalgamated Metal Corporation PLC.