

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2012

Company Registration no 264420

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BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors present their report and the financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The profit for the year after taxation was £28,971,000 (2011 £86,173,000)

On 19 December 2012 an interim dividend of £5,000,000 was paid (2011 interim dividend £64,000,000) No final dividend in respect of 2012 is recommended by the Directors (2011 nil)

The shareholders' funds were £71,120,000 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

The Directors are responsible for preparing 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 the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS (CONTINUED)

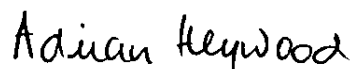
The Company's business activities and performance are set out in the Directors' Report on page 1. The Company is expected to continue to have access to adequate funding resources for twelve months following the date of signing the financial statements. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. On the basis of their assessment of the Company's financial position and of the enquiries made of Amalgamated Metal Corporation PLC, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for at least twelve months following the date of signing the financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

AUDITORS

The Directors have taken all reasonable steps to acquaint themselves with any 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.

BDO LLP have expressed their willingness to continue in office.

BY ORDER OF THE BOARD



**A H HEYWOOD
COMPANY SECRETARY**

55 Bishopsgate
London
EC2N 3AH

3 April 2013

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

We have audited the financial statements of British Amalgamated Metal Investments Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 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.

Respective Responsibilities of Directors and Auditors

As explained more fully in the statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year ended 31 December 2012 for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

BDO LLP

Andrew Richardson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date: 3 April 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**FOR THE YEAR ENDED 31 DECEMBER****PROFIT AND LOSS ACCOUNT**

	Notes	<u>2012</u> <u>£'000</u>	<u>2011</u> <u>£'000</u>
Investment income	3	28,700	5,923
Interest	4	742	403
Profit on sale of subsidiary company - discontinued operation	5	-	80,008
Other income		5	5
Exchange differences		(444)	(73)
Other costs		(74)	(5)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		28,929	86,261
Tax on profit on ordinary activities	6	42	(88)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		<u>28,971</u>	<u>86,173</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

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

	Notes	<u>2012</u> <u>£'000</u>	<u>2011</u> <u>£'000</u>
<u>FIXED ASSETS</u>			
Tangible assets	8	85	85
Investments	9	26,815	26,810
		<u>26,900</u>	<u>26,895</u>
<u>CURRENT ASSETS</u>			
Debtors	10	44,202	20,354
Cash at Bank		18	13
		<u>44,220</u>	<u>20,367</u>
		<u>71,120</u>	<u>47,262</u>
<u>CAPITAL AND RESERVES</u>			
Share capital	11	2,526	2,526
Share premium account	12	53	53
Revaluation Reserve	12	85	86
Profit and Loss Account	12	68,456	44,484
Shareholders' funds	12	<u>71,120</u>	<u>47,149</u>
<u>CREDITORS</u>			
	13	-	113
		<u>71,120</u>	<u>47,262</u>

Company Registration no 264420

The financial statements were approved by the Board of Directors and authorised for issue on 03 April 2013

**V H SHER****G C L ROWAN****DIRECTORS**

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2012**

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards applicable in the United Kingdom and the Companies Act 2006. The Company prepares its financial statements under the historical cost convention, as amended by the revaluation of the freehold property (note 7) 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 England and Wales (note 15).

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.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

2. DIRECTORS' REMUNERATION

The Directors did not receive any remuneration in respect of their services to the Company during the year (2011 nil)

	<u>2012</u> <u>£'000</u>	<u>2011</u> <u>£'000</u>
3 <u>INVESTMENT INCOME</u>		
Dividend income from shares in subsidiary undertakings	28,700	5,923
	<u>28,700</u>	<u>5,923</u>

4. INTEREST

Receivable from parent undertakings	47	274
Receivable from subsidiary undertaking	636	129
Receivable from other sources	59	-
	<u>742</u>	<u>403</u>

5. PROFIT ON SALE OF SUBSIDIARY PREMOTALCO INC

In August 2011 the Company along with its sister company, The British Metal Corporation Limited, completed the sale of Premetalco Inc

	<u>2011</u> <u>£'000</u>
Sale proceeds less associated costs	90,845
Carrying value of assets disposed of	10,837
	<u>80,008</u>

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

	<u>2012</u> <u>£'000</u>	<u>2011</u> <u>£'000</u>
6. <u>TAXATION</u>		
UK corporation tax	(42)	88
Double taxation relief	(26)	-
Overseas taxation	26	-
	<u>(42)</u>	<u>88</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>28,929</u>	<u>86,261</u>
Profit on ordinary activities multiplied by the standard rate of corporate tax in the UK of 24.50% (2011: 26.49%)	7,087	22,853
Effects of		
Dividends not taxable	(7,031)	(1,569)
Permanent disallowables	18	-
Tax receivable on utilisation of Company's capital losses	(116)	-
Gain not taxable	-	(21,196)
Overseas taxation	26	-
Double taxation relief	(26)	-
Current tax (credit)/charge for year	<u>(42)</u>	<u>88</u>

The Company had no timing differences for deferred tax purposes in the year (2011: nil)

7 DIVIDENDS

Ordinary shares		
Interim dividend paid of 49.48p per share (2011: 63.33p)	<u>5,000</u>	<u>64,000</u>

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

8. TANGIBLE FIXED ASSETS

<u>Freehold Land & Buildings: Investment Property</u>	<u>£'000</u>
Valuation as at 1 January 2012 and 31 December 2012	<u>85</u>

9. FIXED ASSET INVESTMENTS

	Shares in Subsidiary Undertakings £'000
<u>Cost/Valuation</u>	
At 1 January 2012	26,810
Purchase of shares in Escoy Holdings Bhd	5
At 31 December 2012	<u>26,815</u>

The Directors have considered the value of all the fixed asset investments as at 31 December 2012 and are satisfied that their aggregate value was not less than £26,815,000

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012 (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>
<u>Subsidiary Undertakings</u>			
<u>Great Britain</u>			
Amalgamated Metal Trading Ltd	London	London Metal Exchange ring dealer	100
AMT Futures Ltd	London	Commodity and financial futures brokers and fund management	100
<u>Singapore</u>			
Amalgamet (South East Asia) Pte Ltd	Singapore	Metals, concentrates and minerals trading	100
<u>USA</u>			
Amalgamet Inc	New York	Metals, concentrates and minerals trading	100
<u>Canada</u>			
BAMI Canada Inc	Toronto	Investment and property holding company	100 ⁺
⁺ BAMI Canada Inc controls two limited partnerships, Debro Steel LP (steel service centre) and Amalgamet Canada LP (metals, concentrates and minerals trading), both of which are located in Toronto			
<u>Thailand</u>			
Thailand Smelting & Refining Company Limited (Thaisarco)	Phuket Bangkok Laem Chabang	Tin refining, manufacture of solders and metal powders and distribution of metals	50*
* The Company holds 50% of the ordinary shares of Thaisarco, and Escoy Holdings Bhd (below) holds the other 50%, giving the Company an effective 75.6% holding			
<u>Malaysia</u>			
Escoy Holdings Bhd	Penang	Investment holding company	51.2

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

	<u>2012</u> <u>£'000</u>	<u>2011</u> <u>£'000</u>
10. DEBTORS		
Amounts falling due after more than one year		
Loan to BAMl Canada Inc	17,901	17,089
Deferred consideration	1,057	1,084
Amounts falling due within one year		
Deferred consideration	-	1,695
Amounts owed by parent undertakings	24,552	64
Taxation recoverable	68	-
Prepayments and accrued income	624	422
	<u>44,202</u>	<u>20,354</u>

Interest is currently charged at 3.5% per annum on the loan to BAMl Canada Inc

Amounts owed by other 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 1.75%

	<u>2012</u> <u>£'000</u>	<u>2011</u> <u>£'000</u>
11. SHARE CAPITAL		
10,104,410 ordinary shares of 25p each	<u>2,526</u>	<u>2,526</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Called up share capital (note 11)	<u>2,526</u>	<u>2,526</u>
Share premium account	<u>53</u>	<u>53</u>
Revaluation reserve		
Brought forward	86	100
Revaluation of freehold property	-	(14)
Transfer	(1)	-
Carried forward	<u>85</u>	<u>86</u>
Profit and loss account		
Brought forward	44,484	22,311
Profit for the financial year	28,971	86,173
Dividends declared and paid (note 7)	(5,000)	(64,000)
Transfer	1	-
Profit and loss account carried forward	<u>68,456</u>	<u>44,484</u>
Closing shareholders' funds	<u>71,120</u>	<u>47,149</u>

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

	<u>2012</u> <u>£'000</u>	<u>2011</u> <u>£'000</u>
13. <u>CREDITORS</u>		
Amounts falling due within one year		
Amount owed to Group undertakings		
- Parent undertaking	-	14
Taxation payable	-	88
Accruals and deferred income	-	11
	<u>-</u>	<u>113</u>

14 CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of Amalgamated Metal Corporation PLC (note 15) 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.

15. 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.

16. 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 100% of the voting rights in the Company are controlled within that group and the Company is included in consolidated financial statements.

17 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.