

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

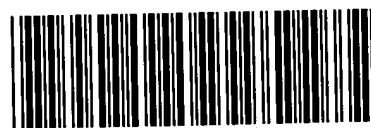
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

Company Registration no: 264420

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BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report and the financial statements for the year ended 31 December 2014.

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 £4,739,000 (2013: £1,599,000).

On 28 November 2014 an interim dividend of £20,800,000 was paid (2013 interim dividend: £28,298,000). No final dividend in respect of 2014 is recommended by the Directors (2013: nil).

The shareholders' funds were £28,360,000 at the end of the year (2013: £44,421,000) and the Directors consider the balance sheet satisfactory.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is an investment company, and its main risks relate to the trading risks of its subsidiaries. These comprise (but are not restricted to) the demand and supply and price fluctuations of the commodities and products they sell.

DIRECTORS

The following Directors served during the year:

Mr V H Sher (resigned 3 February 2015)
Mr G C L Rowan (resigned 3 February 2015)
Mr G P Robbins
Mr H T K Brown (appointed 3 February 2015)
Mr H Michie (appointed 3 February 2015)

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing 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 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.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS (CONTINUED)

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.

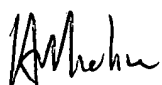
The Company's business activities and performance are set out in the Directors' Report on page 1. The Company is expected to continue to have access to adequate funding resources for at least twelve months following the date of signing the financial statements. The Company participates in the Group's 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

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

BY ORDER OF THE BOARD



**H MICHIE
DIRECTOR**

55 Bishopsgate
London
EC2N 3AH

29 July 2015

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 2014 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting
- have been prepared in accordance with the requirements of the Companies Act 2006.

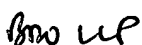
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year ended 31 December 2014 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; or
- the Directors were not entitled to the exemption from the requirement to prepare a strategic report.



Neil Fung-On (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date: 29 July 2015

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>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
Investment income	3	5,030	1,944
Interest	4	645	1,112
Other income		11	5
Amount written off investment	8	(480)	-
Exchange differences		(401)	(1,427)
Other costs		(14)	(2)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		4,791	1,632
Tax on profit on ordinary activities	5	(52)	(33)
		<hr/>	<hr/>
Profit on ordinary activities after taxation	11	4,739	1,599
		<hr/> <hr/>	<hr/> <hr/>

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>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
<u>FIXED ASSETS</u>			
Tangible assets	7	85	85
Investments	8	22,908	27,345
		<u>22,993</u>	<u>27,430</u>
<u>CURRENT ASSETS</u>			
Debtors	9	21,330	17,759
Cash at Bank		50	169
		<u>21,380</u>	<u>17,928</u>
		<u>44,373</u>	<u>45,358</u>
<u>CAPITAL AND RESERVES</u>			
Share capital	10	2,526	2,526
Share premium account	11	53	53
Revaluation Reserve	11	85	85
Profit and Loss Account	11	25,696	41,757
Shareholders' funds	11	<u>28,360</u>	<u>44,421</u>
<u>CREDITORS</u>	12	16,013	937
		<u>44,373</u>	<u>45,358</u>

Company Registration no: 264420

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2015



G P ROBBINS



H MICHIE

DIRECTORS

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2014**

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

Certain fixed asset investments are carried at valuation. Investments acquired subsequent to valuations are included in the balance sheet at cost. At each balance sheet date the carrying value of each investment is reviewed, with provision made for impairment.

CONSOLIDATION

Consolidated financial statements are not prepared as the Company is a wholly owned subsidiary of another body corporate incorporated in England and Wales (note 14).

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 2014 (CONTINUED)

2. DIRECTORS AND EMPLOYEES

The number of employees (including Directors) throughout the year was three (2013: three).

The Directors did not receive any remuneration in respect of their services to the Company during the year (2013: nil).

3. INVESTMENT INCOME

Dividend income from shares in subsidiary undertakings

	<u>2014</u>	<u>2013</u>
	<u>£'000</u>	<u>£'000</u>
	5,030	1,944
	<u>5,030</u>	<u>1,944</u>

4. INTEREST

Receivable from parent undertakings
Receivable from subsidiary undertaking
Receivable from other sources

	174	455
	471	628
	-	29
	<u>645</u>	<u>1,112</u>

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
5. <u>TAXATION</u>		
UK corporation tax	52	(84)
Double taxation relief	(120)	(37)
Overseas taxation	120	37
Prior year adjustment	-	117
	<u>52</u>	<u>33</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>4,791</u>	<u>1,632</u>
Profit on ordinary activities at the standard rate of corporate tax in the UK of 21.49% (2013: 23.25%)	1,030	379
Effects of:		
Dividends not taxable	(1,081)	(451)
Permanent disallowables	103	-
Tax receivable on utilisation of Company's capital losses	-	(12)
Overseas taxation	120	37
Double taxation relief	(120)	(37)
Prior year adjustment and miscellaneous	-	117
Current tax charge for year	<u>52</u>	<u>33</u>

The Company had no timing differences for deferred tax purposes in the year (2013: nil).

6. DIVIDENDS

Ordinary shares:		
Interim dividend paid of 205.85p per share (2013: 280.06p)	<u>20,800</u>	<u>28,298</u>

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

7. TANGIBLE FIXED ASSETS

<u>Freehold Land & Buildings: Investment Property</u>	<u>£'000</u>
Valuation as at 1 January 2014 and 31 December 2014	<u>85</u>

8. FIXED ASSET INVESTMENTS

	Shares in Subsidiary Undertakings
	<u>£'000</u>
<u>Cost/Valuation</u>	
At 1 January 2014	27,345
Purchase of shares in Escoy Holdings Bhd	3
Investments sold	(3,960)
Amount written off investment (below)	(480)
At 31 December 2014	<u>22,908</u>

The Directors have considered the value of all the fixed asset investments as at 31 December 2014 and are satisfied that their aggregate value was not less than £22,908,000.

The amount written off the investment arose on a capital repayment by BAM I Canada Inc, and was due to changes in exchange rates since the shares were purchased in 2011.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014 (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	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 77.05% holding.			
<u>Malaysia</u>			
Escoy Holdings Bhd	Penang	Investment holding company	54.091

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
9. <u>DEBTORS</u>		
Amounts falling due after more than one year :		
Loan to BAMl Canada Inc	-	16,477
Amounts falling due within one year :		
Amounts owed by parent undertakings	21,262	437
Taxation recoverable	68	122
Prepayments and accrued income	-	723
	<u>21,330</u>	<u>17,759</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>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
10. <u>SHARE CAPITAL</u>		
10,104,410 ordinary shares of 25p each	<u>2,526</u>	<u>2,526</u>

11. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</u>		
Called up share capital (note 10)	<u>2,526</u>	<u>2,526</u>
Share premium account	<u>53</u>	<u>53</u>
Revaluation reserve		
Brought forward	85	85
Transfer	-	-
Carried forward	<u>85</u>	<u>85</u>
Profit and loss account		
Brought forward	41,757	68,456
Profit for the financial year	4,739	1,599
Dividends declared and paid (note 6)	(20,800)	(28,298)
Profit and loss account carried forward	<u>25,696</u>	<u>41,757</u>
Closing shareholders' funds	<u>28,360</u>	<u>44,421</u>

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)**

	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
12. CREDITORS		
Amounts falling due within one year:		
Amount owed to Group undertakings:		
- Parent undertaking	16,013	901
Accruals and deferred income	-	36
	<u>16,013</u>	<u>937</u>

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 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.

15. 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.

AMC pays a fee to BDO LLP, which includes the cost of the audit of the Company. It is not practicable to allocate to the Company a share of that fee, and the Company does not pay anything to AMC.

16. 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 under that standard on the grounds that 100% 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.