

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2017

Company Registration no: 264420

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BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

In preparing this director's report advantage has been taken of the small companies exemption.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The profit for the year after taxation was £243,000 (2016: £5,387,000).

No Interim dividend was paid in 2017 (2016: £10,000,000). No final dividend in respect of 2017 is recommended by the Directors (2016: nil).

The equity attributable to the owners of the parent company was £15,850,000 at the end of the year (2016: £15,596,000) .

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is an investment and property holding 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 D S Sher
Mr A J King
Mr H T K Brown
Mr H Michie

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.

BY ORDER OF THE BOARD



**H MICHIE
DIRECTOR**

55 Bishopsgate
London
EC2N 3AH

30th July 2018

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

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 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 accounting 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.

The Company's business activities and performance are set out in the Directors' Report on page 1. The Company participates in group 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.

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 (the 'company') for the year ended 31 December 2017 which comprise the Statement of Income & Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH AMALGAMATED METAL INVESTMENTS LIMITED
(CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITISH AMALGAMATED METAL INVESTMENTS LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BDO LLP

Peter Smith (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date: 30th July 2018

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

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

STATEMENT OF INCOME & RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Investment income	4	-	6,124
Net interest income	5	310	356
Other income		5	5
Loss on return of capital by subsidiary		-	(610)
Exchange differences		(11)	5
Other costs		(3)	(2)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		301	5,878
Tax on profit on ordinary activities	6	(58)	(491)
		<hr/>	<hr/>
Profit for the financial year		243	5,387
		<hr/>	<hr/>
Retained profits at 1st January		12,942	17,555
Dividends paid	7	-	(10,000)
		<hr/>	<hr/>
Retained profits at 31st December		<u>13,185</u>	<u>12,942</u>

The notes on pages 8 to 14 form part of these financial statements.

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

The result of the financial year is wholly attributable to the continuing operation of the company

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED**BALANCE SHEET****FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
<u>FIXED ASSETS</u>			
Tangible assets	8	85	85
Investments	9	15,315	15,312
		<u>15,400</u>	<u>15,397</u>
<u>CURRENT ASSETS</u>			
Debtors	10	22,197	21,918
Cash at Bank		27	43
		<u>22,224</u>	<u>21,961</u>
		<u>37,624</u>	<u>37,358</u>
<u>CAPITAL AND RESERVES</u>			
Share capital	11	2,526	2,526
Share premium account		53	53
Revaluation Reserve		86	75
Profit and Loss Account		13,185	12,942
		<u>15,850</u>	<u>15,596</u>
Equity attributable to owners of the parent			
Provisions for liabilities	12	7	9
CREDITORS	13	21,767	21,753
		<u>37,624</u>	<u>37,358</u>

The notes on pages 8 to 14 form part of these financial statements.

Company Registration no: 264420

The financial statements were approved by the Board of Directors and authorised for issue on 30th July 2018.


HTK BROWN
DIRECTOR


H MICHIE
DIRECTOR

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. COMPANY INFORMATION

British Amalgamated Metal Investments Limited is incorporated in the UK, registration number 264420, and is limited by shares. The registered office is 55 Bishopsgate, London EC2N 3AH.

2. ACCOUNTING POLICIES

The financial statements have been prepared in compliance with FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Group management to exercise judgement in applying the Group's accounting policies.

The individual accounts of British Amalgamated Metal Investments Limited have adopted the following disclosure exemption:

- the requirement to present a statement of cash flows and related notes.
- disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole in the consolidated financial statements of Amalgamated Metal Corporation PLC (note 14).

The Company prepares its financial statements under the historical cost convention, as amended by the revaluation of the freehold property (note 8) and investments. A summary of the more important accounting policies is given below.

Fixed Asset Investments

Fixed asset investments are stated at cost less provision of any impairment in value. At each balance sheet date the carrying value of each investment is reviewed for any indication of 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. Dividend income is recognised when the right to receive payment is established.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

ACCOUNTING POLICIES continued

Foreign currency translations

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses are recognised in profit or loss.

Current and deferred taxation

The tax expense for the period comprises current tax and deferred tax.

The tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all timing differences that have originated but not reversed by the balance sheet date except that:

- Deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Deferred tax balances are reversed if and when all conditions for obtaining associated tax allowances have been met.

3. DIRECTORS AND EMPLOYEES

The average number of employees (all of whom were Directors) during the year was four (2016: three). The key management personnel are considered to be Directors of the company.

The Directors did not receive any remuneration in respect of their services to the Company during the year (2016: nil).

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £'000	2016 £'000
4. <u>INVESTMENT INCOME</u>		
Dividend income from shares in subsidiary undertakings	-	6,124
	<u>-</u>	<u>6,124</u>
5. <u>NET INTEREST INCOME</u>		
Receivable from parent undertakings	1,009	1,280
Payable to parent undertaking	(699)	(924)
	<u>310</u>	<u>356</u>
	2017 £'000	2016 £'000
6. <u>TAXATION</u>		
UK corporation tax	60	73
Overseas taxation	-	407
Adjustments to prior period charges	(2)	11
	<u>58</u>	<u>491</u>

Factors affecting tax charge for year

The tax assessed for the year is the same as (2016: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

Profit on ordinary activities before tax	<u>301</u>	<u>5,878</u>
Profit on ordinary activities at the standard rate of corporate tax in the UK of 19.25% (2016: 20.00%)	58	1,176
Effects of:		
Dividends not taxable	-	(1,225)
Loss on return of capital	-	122
Overseas taxation	-	407
Deferred Tax	(2)	-
Adjustments to prior period charges	2	11
Tax charge for year	<u>58</u>	<u>491</u>

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £'000	2016 £'000
7. <u>DIVIDENDS</u>		
Ordinary shares:		
Interim dividend paid of 0.00p per share (2016: 98.97p)	-	10,000
	<u>-</u>	<u>10,000</u>
8. <u>TANGIBLE FIXED ASSETS</u>		
<u>Freehold Land & Buildings: Investment Property</u>		£'000
Valuation as at 1 January 2017 and 31 December 2017		85
		<u>85</u>
9. <u>FIXED ASSET INVESTMENTS</u>		
		Shares in Subsidiary Undertakings £'000
<u>Cost/Valuation</u>		
At 1 January 2017		15,312
Increase in holding in Escoy		3
At 31 December 2017		<u>15,315</u>

The Directors have considered the value of all the fixed asset investments as at 31 December 2017 and are satisfied that their aggregate value was not less than £15,315,000.

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9. **FIXED ASSET INVESTMENTS (continued)**

Company	Registered Office	Main activities	Percentage of equity shares held %
<u>Subsidiary Undertakings</u>			
Amalgamated Metal Trading Ltd	55 Bishopsgate, London, EC2N 3AH	London Metal Exchange ring dealer	100
AMT Futures Ltd	55 Bishopsgate, London, EC2N 3AH	Commodity and financial futures brokers	100
Amalgamet (South East Asia) Pte Ltd	10 Anson Road, #09 –18 International Plaza, Singapore, 079903	Metals, concentrates and minerals trading	100
Amalgamet Inc	222 Bloomingdale Road, White Plains, New York 10605, USA	Metals, concentrates and minerals trading	100
BAMI Canada Inc	595 Burrard St, Three Bentall Centre, Vancouver, British Columbia, V7X 1L3, Canada	Investment and property holding company	100†
† As at 31st December 2017, BAMI Canada Inc controlled one limited partnership, Amalgamet Canada LP (metals, concentrates and minerals trading), located in Ontario.			
Thailand Smelting & Refining Company Limited (Thaisarco)	116/17–18 Srivit Building, Soonthornkosa Road, Klongtoey, Bangkok 10110, Thailand	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 77.3% holding.			
Escoy Holdings Bhd	51–11–E2 Jalan, Sultan Ahmad Shah, Menara BHL, 10050, Penang, Malaysia	Investment holding company	54.59

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
10. <u>DEBTORS</u>		
Amounts falling due within one year :		
Amounts owed by parent undertakings	22,197	21,918
	<u>22,197</u>	<u>21,918</u>

Amounts owed by other parent 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 1.63%.

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
11. <u>SHARE CAPITAL</u>		
10,104,410 ordinary shares of 25p each	<u>2,526</u>	<u>2,526</u>

12. <u>PROVISIONS FOR LIABILITIES</u>		
Deferred tax arising on valuation of property	<u>7</u>	<u>9</u>

13. <u>CREDITORS</u>		
Amounts falling due within one year:		
Amount owed to Parent undertaking	21,707	21,680
Taxation payable	60	73
	<u>21,767</u>	<u>21,753</u>

BRITISH AMALGAMATED METAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14. ULTIMATE AND CONTROLLING HOLDING COMPANY

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.

All costs are borne by AMC, 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.