EUROMETAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31st DECEMBER, 2002

372180

EUROMETAL LIMITED

DIRECTORS	R.D. Oppenheimer	Chairman
SECRETARY	R.J.A. Smith	
REGISTERED OFFICE	Level 27 CityPoint, 1 Ropemaker Street, London EC2Y 9ST	
REGISTERED NUMBER	393180 (England & Wales)	
AUDITORS	Norton Lewis & Co Chartered Accountants 246/248 Gt. Portland Street London W1W 5JL	

REPORT AND FINANCIAL STATEMENTS - 31st DECEMBER, 2002

EUROMETAL LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the financial statements for the year ended 31st December, 2002.

ACTIVITIES AND FINANCIAL RESULT

The company did not trade during the year.

DIVIDEND

The directors do not recommend the payment of a dividend for the year under review.

POST BALANCE SHEET EVENTS

Since the end of the financial year, no events have occurred which should be brought to the attention of shareholders.

TAX STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

DIRECTORS

The directors who held office during the year were as follows:

W.J. Attenborough (Resigned 17.1.03)
R.D. Oppenheimer

The directors held no interest in the shares of the company during the year. The directors, except R D Oppenheimer, are eligible to participate in a sharesave scheme and an executive share scheme of the ultimate parent company, Stemcor Holdings Limited. The interests of the directors in the shares of the ultimate parent company are disclosed in the financial statements of that company, except for:-

	Ordinary Shares		Options	
	2002	2001	2002	2001
W J Attenborough	32,250	32,250	10,000	10,000

The exercise price of the share options is £2.50 and they must be exercised before 23rd July 2007.

EUROMETAL LIMITED

REPORT OF THE DIRECTORS
(continued)

DIRECTORS' RESPONSIBILITIES

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 the profit or loss of the company for that 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;
follow applicable accounting standards, 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.

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.

AUDITORS

The auditors, Norton Lewis & Co will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of
the board of directors

Roderick Smith

R.J.A. SMITH
Secretary

Approved by the board: 28th February, 2003

AUDITORS' REPORT TO THE SHAREHOLDERS OF

EUROMETAL LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared in accordance with the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, 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 financial 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 the company's affairs as at 31st December 2002 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

NORTON LEWIS & CO
Chartered Accountants
& Registered Auditors,
246/248 Gt. Portland Street
London W1W 5JL

28th February, 2003

EUROMETAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 2002

	2002	2001
	£	£
PROFIT/(LOSS) on ordinary activities before and after taxation	-	-
RETAINED PROFIT brought forward	37,303	37,303
RETAINED PROFIT carried forward	£ 37,303	£ 37,303

The company did not trade and has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 and 7 form part of these financial statements

EUROMETAL LIMITED

BALANCE SHEET - 31st DECEMBER, 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Debtors	2	538,303	538,303
NET CURRENT ASSETS		538,303	538,303
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 538,303	£ 538,303
CREDITORS: amounts falling due after more than one year	3	500,000	500,000
CAPITAL AND RESERVES			
Called up share capital	4	1,000	1,000
Profit and loss account		37,303	37,303
Shareholders' funds	5	38,303	38,303
		£ 538,303	£ 538,303

Signed on behalf of
the board of directors

R.D. OPPENHEIMER
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Director

Approved by the board: 28th February, 2003

EUROMETAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER, 2002

1. ACCOUNTING POLICIES

(a) Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Cash flow
Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

2. DEBTORS

	2002	2001
Amounts owed by group undertakings	£ 538,303	£ 538,303

The balance above is due from fellow subsidiary undertakings of the company.

3. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Stemcor Limited has granted the company a loan of £500,000 which is repayable not later than 31st December 2011. This loan is interest free.

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

1,000 ordinary shares of £1 each	£ 1,000	£ 1,000

5. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS

	£	£
Profit (loss) for the financial year after taxation	-	-
Opening shareholders' funds at 1st January 2002	38,303	38,303
Closing shareholders' funds at 31st December 2002	£ 38,303	£ 38,303

6. ULTIMATE HOLDING COMPANY

The ultimate holding company of Eurometal Limited is Stemcor Holdings Limited which is incorporated in the United Kingdom and registered in England and Wales. The largest and smallest group which consolidates the company's financial statements is Stemcor Holdings Limited.

Copies of the ultimate holding company's financial statements can be obtained from:

Companies House
Crown Way,
Cardiff,
CF4 3UZ