

REGISTRAR

EUROMETAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31st DECEMBER, 2003



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EUROMETAL LIMITED

DIRECTORS R.D. Oppenheimer Chairman
 D.J. Paul

SECRETARY R.J.A. Smith

REGISTERED OFFICE Level 27 CityPoint,
 1 Ropemaker Street,
 London EC2Y 9ST

REGISTERED NUMBER 393180 (England & Wales)

ACCOUNTANTS Norton Lewis & Co
 Chartered Accountants
 246/248 Gt. Portland Street
 London W1W 5JL

REPORT AND FINANCIAL STATEMENTS - 31st DECEMBER, 2003

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EUROMETAL LIMITED**REPORT OF THE DIRECTORS**

The directors present their report with the financial statements for the year ended 31st December, 2003.

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
D.J. Paul (Appointed 10.4.03)

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	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
W J Attenborough	39,150	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:

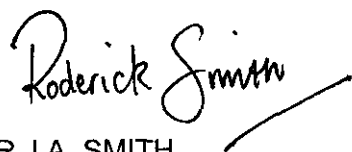
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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

Having met the requirements of Section 249AA of the Companies Act 1985, the company has dispensed with the appointment of auditors and the requirement to produce audited accounts.

Signed on behalf of
the board of directors

A handwritten signature in black ink, appearing to read 'Roderick Smith', with a long horizontal flourish extending to the right.

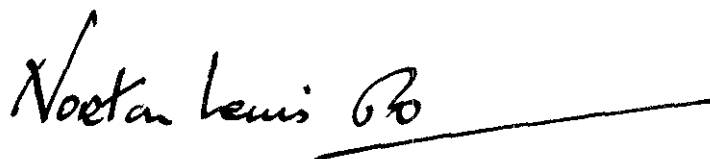
R.J.A. SMITH
Secretary

Approved by the board: 27th February, 2004

EUROMETAL LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS
OF EUROMETAL LIMITED

You are responsible for the preparation of the accounts for the year ended 31st December 2003 set out on pages 4 to 7, and you consider that the company is exempt from an audit under the provisions of S.249AA(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

A handwritten signature in black ink, appearing to read 'Norton Lewis & Co', followed by a horizontal line.

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

27th February, 2004

EUROMETAL LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31st DECEMBER, 2003**

	<u>2003</u>	<u>2002</u>
	£	£
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, 2003**

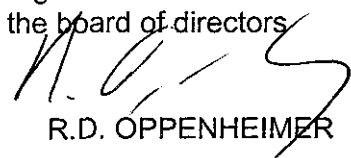
	<u>Notes</u>	<u>2003</u> £	<u>2002</u> £
CURRENT ASSETS			
Debtors	2	538,303	538,303
		<hr/>	<hr/>
NET CURRENT ASSETS		538,303	538,303
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 538,303	£ 538,303
		<hr/>	<hr/>
CREDITORS: amounts falling due after more than one year	3	500,000	500,000
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	4	1,000	1,000
Profit and loss account		37,303	37,303
		<hr/>	<hr/>
Shareholders' funds	5	38,303	38,303
		<hr/>	<hr/>
		<hr/>	<hr/>
		£ 538,303	£ 538,303
		<hr/>	<hr/>

For the year ended 31st December 2003 the company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The directors acknowledge their responsibility for: (I) Ensuring the company keeps accounting records which comply with section 221; and (II) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Signed on behalf of
the board of directors



R.D. OPPENHEIMER

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Director

Approved by the board: 27th February, 2004

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

EUROMETAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER, 2003****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

	<u>2003</u>	<u>2002</u>
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
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5. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS

	£	£
Profit (loss) for the financial year after taxation	-	-
Opening shareholders' funds at 1 st January 2003	38,303	38,303
Closing shareholders' funds at 31 st December 2003	£ 38,303	£ 38,303

EUROMETAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER, 2003

(continued)

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