

Company Registration No. 1222727 (England and Wales)

FBM METALS (U.K.) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008



FBM METALS (U.K.) LIMITED

COMPANY INFORMATION

Directors	Michael Wilkinson Ansgar Uhlemann
Secretary	Julia Wilkinson
Company number	1222727
Registered office	73 Wimpole Street London W1G 8AZ
Auditors	Littlestone Martin Glenton 73 Wimpole Street London W1G 8AZ

FBM METALS (U.K.) LIMITED

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FBM METALS (U.K.) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The principal activity of the company continues to be trading in metals.

Although, as anticipated, turnover fell from £20.6million in 2007 to £14.8million this year the company's net profit before tax rose from £2.36million to £2.84million as shown in the profit and loss account on page 5. This was due mainly to a significant amount of business in non-UK and in particular non-European areas where the company benefited from sizeable gains from foreign currency. The result being that the company's reserves have risen from £4.07million to £5.09million as shown in the balance sheet on page 6.

Metal prices have remained at a relatively low level in 2009 and although the company continues to trade profitably we would anticipate a lower turnover for 2009 and do not expect to derive a similar benefit from foreign currency during this period.

The company seeks to continue to diversify the geographical areas in which it trades in order to maintain profitability.

The principal risk affecting the company is that of changing markets for our products.

Results and dividends

The results for the year are set out on page 5.

Ordinary share dividends amounting to £1,000,000 were declared and paid during the year.

Future developments

The company intends to continue trading in the same area of activity.

Directors

The following directors have held office since 1 January 2008:

Michael Wilkinson
Ansgar Uhlemann

Auditors

In accordance with the company's articles, a resolution proposing that Littlestone Martin Glenton be reappointed as auditors of the company will be put at a General Meeting.

FBM METALS (U.K.) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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;
- 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 that 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 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Julia Wilkinson

Secretary

14 September 2009

FBM METALS (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF FBM METALS (U.K.) LIMITED

We have audited the financial statements of FBM Metals (U.K.) Limited for the year ended 31 December 2008 set out on pages 5 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

FBM METALS (U.K.) LIMITED

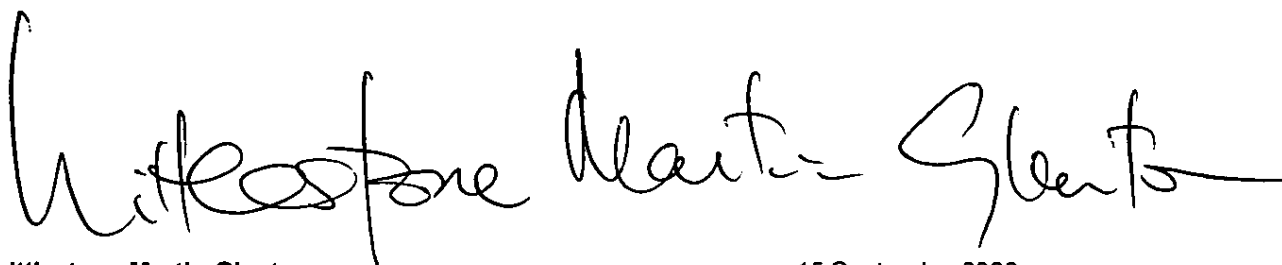
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF FBM METALS (U.K.) LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Littlestone Martin Glenton

15 September 2009

Chartered Accountants
Registered Auditor

73 Wimpole Street
London
W1G 8AZ

FBM METALS (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	14,812,380	20,603,731
Cost of sales		(12,283,154)	(17,857,755)
Gross profit		2,529,226	2,745,976
Distribution costs		(87,443)	(88,946)
Administrative expenses		174,848	(389,620)
Other operating income		100	150
Operating profit	3	2,616,731	2,267,560
Other interest receivable and similar income	4	225,355	126,464
Interest payable and similar charges	5	(3,188)	(28,847)
Profit on ordinary activities before taxation		2,838,898	2,365,177
Tax on profit on ordinary activities	6	(809,015)	(710,718)
Profit for the year	14	2,029,883	1,654,459

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

FBM METALS (U.K.) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	8		68,044		73,403
Current assets					
Stocks	9	423,268		831,130	
Debtors	10	1,153,088		2,801,348	
Cash at bank and in hand		5,497,629		3,273,228	
		<u>7,073,985</u>		<u>6,905,706</u>	
Creditors: amounts falling due within one year	11	<u>(2,045,500)</u>		<u>(2,912,463)</u>	
Net current assets			<u>5,028,485</u>		<u>3,993,243</u>
Total assets less current liabilities			<u><u>5,096,529</u></u>		<u><u>4,066,646</u></u>
Capital and reserves					
Called up share capital	13		20		20
Other reserves	14		80		80
Profit and loss account	14		5,096,429		4,066,546
Shareholders' funds	15		<u><u>5,096,529</u></u>		<u><u>4,066,646</u></u>

Approved by the Board and authorised for issue on 14 September 2009



Michael Wilkinson
Director

FBM METALS (U.K.) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	£	2008 £	£	2007 £
Net cash inflow from operating activities	20		3,632,127		3,493,874
Returns on investments and servicing of finance					
Interest received		225,355		126,464	
Interest paid		(3,188)		(28,847)	
Net cash inflow for returns on investments and servicing of finance			222,167		97,617
Taxation			(610,718)		(1,519,359)
Capital expenditure					
Payments to acquire tangible assets		(19,175)		(77,572)	
Receipts from sales of tangible assets		-		22,540	
Net cash outflow for capital expenditure			(19,175)		(55,032)
Equity dividends paid			(1,000,000)		(800,000)
Net cash inflow before management of liquid resources and financing			2,224,401		1,217,100
Management of liquid resources					
Bank deposits		(3,000,000)		-	
			(3,000,000)		-
(Decrease)/increase in cash in the year	21, 22		(775,599)		1,217,100

FBM METALS (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable in respect of sales of goods and services to customers derived from the company's principal activity, net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold property	10% per annum on cost
Computer equipment	33 1/3% per annum on cost
Plant and machinery	33 1/3% per annum on cost
Fixtures, fittings & equipment	20% per annum on written down book value
Motor vehicles	25% per annum on written down book value

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value. Cost is calculated on a first in first out basis and includes direct materials.

1.6 Pensions

The Company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.7 Deferred taxation

Deferred tax is provided in full, where material, in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

FBM METALS (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

2 Turnover

Geographical market

	Turnover	
	2008	2007
	£	£
United Kingdom	2,015,703	1,511,003
Overseas	12,796,677	19,092,728
	<u>14,812,380</u>	<u>20,603,731</u>

3 Operating profit

	2008	2007
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	24,534	24,327
Loss on disposal of tangible assets	-	6,460
Loss on foreign exchange transactions	-	7,320
Operating lease rentals	12,840	12,840
Auditors' remuneration	25,850	25,650
and after crediting:		
Profit on foreign exchange transactions	(547,785)	-
	<u>(547,785)</u>	<u>-</u>

4 Investment income

	2008	2007
	£	£
Bank interest	209,463	123,262
Other interest	15,892	3,202
	<u>225,355</u>	<u>126,464</u>

5 Interest payable

	2008	2007
	£	£
On bank loans and overdrafts	-	435
On overdue tax	3,188	28,412
	<u>3,188</u>	<u>28,847</u>

FBM METALS (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

6	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U.K. corporation tax	809,015	710,718
	Current tax charge	<u>809,015</u>	<u>710,718</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	2,838,898	2,365,177
	Profit on ordinary activities before taxation multiplied by the average standard rate of UK corporation tax for the year of 28.50% (2007 - 30.00%)	<u>809,086</u>	<u>709,553</u>
	Effects of:		
	Non deductible expenses	2,024	1,603
	Depreciation add back	6,992	9,236
	Capital allowances	(9,087)	(9,674)
		<u>(71)</u>	<u>1,165</u>
	Current tax charge	<u>809,015</u>	<u>710,718</u>
7	Dividends	2008	2007
		£	£
	Ordinary paid	<u>1,000,000</u>	<u>800,000</u>

FBM METALS (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

8 Tangible fixed assets

	Short leasehold property £	Computer equipment £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2008	6,338	21,516	119,798	14,852	93,987	256,491
Additions	-	675	18,500	-	-	19,175
At 31 December 2008	6,338	22,191	138,298	14,852	93,987	275,666
Depreciation						
At 1 January 2008	6,337	20,850	119,797	4,471	31,633	183,088
Charge for the year	-	701	6,168	2,077	15,588	24,534
At 31 December 2008	6,337	21,551	125,965	6,548	47,221	207,622
Net book value						
At 31 December 2008	1	640	12,333	8,304	46,766	68,044
At 31 December 2007	1	666	1	10,381	62,354	73,403

9 Stocks	2008 £	2007 £
Raw materials and consumables	423,268	831,130

10 Debtors	2008 £	2007 £
Trade debtors	990,971	2,286,679
Other debtors	41,244	185,930
Prepayments and accrued income	120,873	328,739
	1,153,088	2,801,348

FBM METALS (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

11 Creditors: amounts falling due within one year	2008	2007
	£	£
Trade creditors	685,501	1,961,981
Corporation tax	509,015	310,718
Other taxes and social security costs	34,203	33,579
Directors' current accounts	500,081	400,090
Accruals and deferred income	316,700	206,095
	<u>2,045,500</u>	<u>2,912,463</u>

12 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2008	2007
	£	£
Contributions payable by the company for the year	<u>5,000</u>	<u>5,000</u>

13 Share capital	2008	2007
	£	£
Authorised		
30 'A' Ordinary Shares of £1 each	30	30
70 'B' Ordinary Shares of £1 each	70	70
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
20 'A' Ordinary Shares of £1 each	<u>20</u>	<u>20</u>

The 'A' Ordinary shares of £1 each and the 'B' Ordinary shares of £1 each rank pari passu.

FBM METALS (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

14 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2008	80	4,066,546
Profit for the year	-	2,029,883
Dividends paid	-	(1,000,000)
Balance at 31 December 2008	80	5,096,429
Other reserves		
Capital redemption reserve		
Balance at 1 January 2008 & at 31 December 2008	80	

15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	2,029,883	1,654,459
Dividends	(1,000,000)	(800,000)
Net addition to shareholders' funds	1,029,883	854,459
Opening shareholders' funds	4,066,646	3,212,187
Closing shareholders' funds	5,096,529	4,066,646

16 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings	
	2008 £	2007 £
Operating leases which expire:		
Within one year	4,391	-
Between two and five years	-	12,840
	4,391	12,840

FBM METALS (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

17 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	73,082	70,218
Company pension contributions to money purchase schemes	5,000	5,000
	<u>78,082</u>	<u>75,218</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 1).

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
	<u>6</u>	<u>7</u>

Employment costs	2008 £	2007 £
Wages and salaries	207,260	202,387
Social security costs	27,331	26,629
Other pension costs	5,000	5,000
	<u>239,591</u>	<u>234,016</u>

19 Related party transactions

M J Wilkinson and A Uhlemann are the major shareholders in FBM Metals (U.K.) Limited and the only two shareholders of FBM Metall GmbH in Germany. During the year ended 31 December 2008 there have been the following transactions: Sales by FBM Metals (U.K.) Limited to FBM Metall GmbH of £2,750,050 (2007:£3,091,493). Purchases by FBM Metals (U.K.) Limited from FBM Metall GmbH of £632,215 (2007: £828,323). The amount due to FBM Metals (U.K.) Limited from FBM Metall GmbH at 31 December 2008 was £95,928 (2007:£99,597). There were no provisions for doubtful debts or any amounts written off in the year in respect of these transactions with the related party.

FBM METALS (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

20	Reconciliation of operating profit to net cash inflow from operating activities	2008	2007
		£	£
	Operating profit	2,616,731	2,267,560
	Depreciation of tangible assets	24,534	24,327
	Loss on disposal of tangible assets	-	6,460
	Decrease in stocks	407,862	1,060,305
	Decrease in debtors	1,648,260	1,331,369
	Decrease in creditors within one year	(1,065,260)	(1,196,147)
	Net cash inflow from operating activities	3,632,127	3,493,874

21	Analysis of net funds	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	3,273,228	(775,599)	-	2,497,629
	Liquid resources:				
	Bank deposits	-	3,000,000	-	3,000,000
	Net funds	3,273,228	2,224,401	-	5,497,629

22	Reconciliation of net cash flow to movement in net funds	2008	2007
		£	£
	(Decrease)/increase in cash in the year	(775,599)	1,217,100
	Cash outflow from increase in liquid resources	3,000,000	-
	Movement in net funds in the year	2,224,401	1,217,100
	Opening net funds	3,273,228	2,056,128
	Closing net funds	5,497,629	3,273,228

23 Liquid resources

Bank deposits with a maturity period of greater than 24 hours are included as liquid resources.