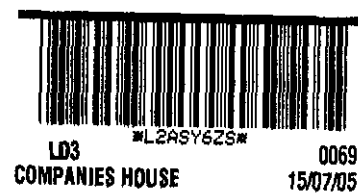


**STEMCOR TRADE FINANCE  
LIMITED**

**Report and Financial Statements**

**31 December 2004**



# **STEMCOR TRADE FINANCE**

## **REPORT AND FINANCIAL STATEMENTS 2004**

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# **STEMCOR TRADE FINANCE**

## **REPORT AND FINANCIAL STATEMENTS 2004**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Colin H Heritage  
Karl-Jochen Knees  
Ralph D Oppenheimer  
David J Paul  
Michael Broom  
David M Percival

#### **SECRETARY**

Roderick J A Smith

#### **REGISTERED OFFICE**

Level 27  
City Point  
1 Ropemaker Street  
London  
EC2Y 9ST

#### **PRINCIPAL BANKERS**

Fortis Bank  
Camomile Court  
23 Camomile Street  
London EC3A 7PP

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
London

# STEMCOR TRADE FINANCE

## DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2004.

### PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE PROSPECTS

The principal activity of the company continued to be the provision of offset and countertrade consultancy services.

In addition, the company offers banking and structured trade finance services to the Stemcor Group of Companies.

The company is continuing to develop a service offering project finance consultancy, which it is hoped will develop into a core activity in due course.

The results for the year and the financial position at year-end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

### RESULTS AND DIVIDENDS

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

The directors do not recommend the payment of a dividend (2003: £600,000).

### DIRECTORS AND THEIR INTERESTS

The following directors have held office since 1 January 2002:

Colin Heritage  
Karl-Jochen Knees  
Ralph Oppenheimer  
David Paul  
Michael Broom  
David Percival

The directors held no interest in the shares of the company or any other group company during the year except as noted below. The directors, except for Ralph 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 below:

	2004	2003	2004	2003
Colin Heritage	30,000	30,000	50,000	50,000
Karl-Jochen Knees	12,000	4,000	-	8,000
Ralph Oppenheimer	4,054,810	4,054,810	80,000	80,000
David Paul	110,000	76,000	42,625	42,625
David Percival	11,436	11,436	-	-

### TAX STATUS

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

Roderick Smith  
Secretary

12 July 2005



## STEMCOR TRADE FINANCE

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed; 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 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## STEMCOR TRADE FINANCE

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEMCOR TRADE FINANCE

We have audited the financial statements of Stemcor Trade Finance Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in equity shareholders' funds and the related notes 1 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 directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

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

#### Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte - Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London

*12 July 2005*

# STEMCOR TRADE FINANCE

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2004

	Note	2004 £	2003 £
<b>TURNOVER</b>	1,2	2,556,139	2,751,162
Cost of sales		(1,068,372)	(1,028,007)
<b>GROSS PROFIT</b>		1,487,767	1,723,155
Administrative expenses		(1,094,223)	(1,137,904)
Other operating income		376,667	150,000
<b>OPERATING PROFIT</b>	3	770,211	735,251
Other interest receivable and similar income	4	11,539	5,541
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		781,750	740,792
Tax on profit on ordinary activities	7	(242,081)	(225,202)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		539,669	515,590
Equity dividends	8	-	(600,000)
<b>Retained profit/(loss) for financial year</b>		539,669	(84,410)
<b>Retained profit brought forward</b>		597,296	681,706
<b>Retained profit carried forward</b>		<u>1,136,965</u>	<u>597,296</u>

The results above are derived solely from continuing operations.

The company has no recognised gains or losses for this or the prior year other than the results disclosed above.

# STEMCOR TRADE FINANCE

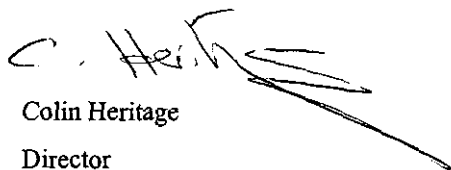
## BALANCE SHEET

As at 31 December 2004

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Investments	9	8,681	8,681
<b>CURRENT ASSETS</b>			
Debtors	10	2,526,808	2,376,318
Cash at bank and in hand		498,648	326,076
		<u>3,025,456</u>	<u>2,702,394</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(1,897,170)	(2,113,777)
<b>NET CURRENT ASSETS</b>		<u>1,128,286</u>	<u>588,617</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS</b>		<u>1,136,967</u>	<u>597,298</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2	2
Profit and loss account		1,136,965	597,296
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>1,136,967</u>	<u>597,298</u>

These financial statements were approved by the Board of Directors on 12 July 2005.

Signed on behalf of the Board of Directors

  
Colin Heritage  
Director



## STEMCOR TRADE FINANCE

### RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

Year ended 31 December 2004

	2004 £	2003 £
Retained profit/(loss) for the financial year	539,669	(84,410)
Net addition/(reduction) to equity shareholders' funds	539,669	(84,410)
Opening equity shareholders' funds	597,298	681,708
Closing equity shareholders' funds	1,136,967	597,298

# STEMCOR TRADE FINANCE

## NOTES TO THE ACCOUNTS Year ended 31 December 2004

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK law and accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 (Revised) from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary undertaking.

#### **Pensions**

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 charge represents contributions payable by the company to the scheme.

#### **Foreign currencies**

Transactions in foreign currencies are recorded in sterling using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in currencies other than pounds sterling are translated at the effective rate of exchange ruling at 31 December, and gains or losses on translation are included in the profit and loss account.

#### **Investments in subsidiaries**

*The company values its investments in subsidiaries at cost less provisions for impairment.*

#### **Group accounts**

Stemcor Trade Finance Limited does not prepare group accounts, as it is a subsidiary of Stemcor Holdings Limited who produces group accounts.

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS 19, deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the company considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### **Turnover**

*Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.*

## STEMCOR TRADE FINANCE

### NOTES TO THE ACCOUNTS

Year ended 31 December 2004

#### 2. SEGMENTAL ANALYSIS

The segmental analysis of turnover by destination is as follows:

	2004 £	2003 £
United Kingdom	711,788	720,311
Rest of Europe	1,383,635	1,465,233
Rest of the World	460,716	565,618
	<u>2,556,139</u>	<u>2,751,162</u>

Full segmental information has not been disclosed above as permitted by Statement of Standard Accounting Practice No. 25: Segmental reporting. In the opinion of the directors, such disclosure would be commercially sensitive.

#### 3. OPERATING PROFIT

	2004 £	2003 £
Operating profit is stated after charging:		
Auditors' remuneration – audit fees	<u>7,839</u>	<u>6,300</u>

Other operating income amounting to £366,667 (2003: £150,000) relates to group management charges receivable.

#### 4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2004 £	2003 £
Bank interest	5,688	5,541
Intercompany interest	5,851	-
	<u>11,539</u>	<u>5,541</u>

#### 5. EMPLOYEES

The cost of employees (including directors) during the year was:

	2004 £	2003 £
Wages and salaries	961,052	878,478
Social security costs	80,034	71,072
Pension costs (note 12)	55,609	49,054
	<u>1,096,695</u>	<u>998,604</u>

# STEMCOR TRADE FINANCE

## NOTES TO THE ACCOUNTS

Year ended 31 December 2004

### 5. EMPLOYEES (CONTINUED)

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

	2004 No.	2003 No.
Directors	6	5
Sales and administration	5	6
	<u>11</u>	<u>11</u>

### 6. DIRECTORS' EMOLUMENTS

	2004 £	2003 £
Emoluments for qualifying services	555,889	493,755
Company pension contributions to money purchase schemes	28,800	19,638
	<u>584,689</u>	<u>513,393</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to three (2003: two).

The remuneration of the highest paid director is disclosed in the accounts of the ultimate parent company, Stemcor Holdings Limited.

Ralph Oppenheimer, David Paul and Jochen Knees received no emoluments for services to Stemcor Trade Finance Limited during 2004. Their emoluments were borne by another Stemcor Group company.

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004 £	2003 £
<i>Current Taxation</i>		
UK corporation tax for the year	242,081	225,080
Prior year adjustment	-	122
	<u>242,081</u>	<u>225,202</u>

# STEMCOR TRADE FINANCE

## NOTES TO THE ACCOUNTS

Year ended 31 December 2004

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current and the previous year is more than the standard rate for the reasons set out in the following reconciliation:

	2004 £	2003 £
Profit on ordinary activities before tax	781,750	740,792
Tax at 30% (2003: 30%)	234,525	222,238
Effects of:		
Expenses not deductible for tax purposes	7,556	2,842
Adjustments to tax charge in respect of previous periods	-	122
Current tax charge for the year	242,081	225,202

### 8. DIVIDENDS

	2004 £	2003 £
Proposed final dividend	-	600,000

### 9. FIXED ASSET INVESTMENTS

	Subsidiary under- taking £
Cost and net book value	
At 1 January 2004	8,681
At 31 December 2004	8,681

The company owns 100% of the ordinary share capital of Stemcor GmbH, a subsidiary undertaking incorporated in Germany. The company is dormant.

# STEMCOR TRADE FINANCE

## NOTES TO THE ACCOUNTS Year ended 31 December 2004

### 10. DEBTORS

	2004 £	2003 £
<i>Amounts falling due within one year:</i>		
Trade debtors	254,195	960,014
Amounts owed by fellow subsidiary undertakings	1,890,071	1,338,407
Prepayments	356,302	-
	<hr/>	<hr/>
	2,500,568	2,298,421
Trade debtors - amounts falling due after more than one year	26,240	77,897
	<hr/>	<hr/>
	<u>2,526,808</u>	<u>2,376,318</u>

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade creditors	139,264	258,804
Amounts owed to fellow subsidiary undertakings	683,001	315,332
Corporation tax	-	150,219
Accruals	1,074,906	789,422
Proposed dividends	-	600,000
	<hr/>	<hr/>
	<u>1,897,171</u>	<u>2,113,777</u>

### 12. PENSION COSTS

The pension cost charge represents contributions paid by the company to the defined contribution scheme and amounted to £55,609 (2003: £49,054).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 13. SHARE CAPITAL

	2004 £	2003 £
<b>Authorised</b>		
100 (2003: 100) ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
2 (2003: 2) ordinary shares of £1 each	2	2
	<hr/>	<hr/>

### 14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8, Related Party Disclosures, not to disclose transactions with Stemcor Holdings Limited group companies.

## STEMCOR TRADE FINANCE

### NOTES TO THE ACCOUNTS

Year ended 31 December 2004

#### 15. ULTIMATE PARENT COMPANY

The ultimate and immediate parent company is *Stemcor Holdings Limited* which is incorporated in Great Britain and registered in England and Wales. The Company is ultimately controlled by Ralph Oppenheimer, the Chairman, and his relatives, who in aggregate have an interest in 82% of the issued share capital of *Stemcor Holdings Limited*. The largest and smallest group which consolidates the company's accounts is *Stemcor Holdings Limited*.

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

Companies House  
Crown Way  
Maindy  
Cardiff CF14 3UZ