

REGISTERED NUMBER: 04484122 (England and Wales)

**SPEZIA CONSULTANTS METALS LIMITED
REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Perrys Accountants Limited
Chartered Accountants and
Statutory Auditors
1st Floor
12 Old Bond Street
London
W1S 4PW

THURSDAY



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FOR THE YEAR ENDED 31 DECEMBER 2010**

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SPEZIA CONSULTANTS METALS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010**

DIRECTOR J Meys

SECRETARY: M Shore

REGISTERED OFFICE. 1st Floor
12 Old Bond Street
London
W1S 4PW

REGISTERED NUMBER: 04484122 (England and Wales)

AUDITORS Perrys Accountants Limited
Chartered Accountants and
Statutory Auditors
1st Floor
12 Old Bond Street
London
W1S 4PW

SPEZIA CONSULTANTS METALS LIMITED (REGISTERED NUMBER 04484122)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2010**

The director presents his report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of trading in copper and cobalt

REVIEW OF BUSINESS

The company has had a profitable year in 2010. Turnover exceeded £26m, up from £16m last year, due to an increase in the tonnage transported and a copper price that was greater in 2010 than 2009

PRINCIPAL RISKS AND UNCERTAINTIES

The company purchases and sells copper and cobalt within a short period of time, therefore is not exposed to price movements over the long term. The company uses forward contracts to manage price fluctuations over the short term

FUTURE OUTLOOK

The company expects to continue its current business with a slight increase in the tonnage of copper sold. In the first quarter of 2011, draft turnover was approximately £2.0m

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2010

DIRECTOR

J Meys held office during the whole of the period from 1 January 2010 to the date of this report

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information


SPEZIA CONSULTANTS METALS LIMITED (REGISTERED NUMBER 04484122)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2010**

AUDITORS

The auditors, Perrys Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a final horizontal stroke.

J Meys - Director

7 December 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SPEZIA CONSULTANTS METALS LIMITED

We have audited the financial statements of Spezia Consultants Metals Limited for the year ended 31 December 2010 on pages five to twelve. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Declan McCusker (Senior Statutory Auditor)
for and on behalf of Perrys Accountants Limited
Chartered Accountants
and Statutory Auditors
12 Old Bond Street
London
W1S 4PW

22 December 2011

SPEZIA CONSULTANTS METALS LIMITED (REGISTERED NUMBER. 04484122)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
TURNOVER	2	26,183,650	16,432,579
Cost of sales		25,564,180	15,998,640
GROSS PROFIT		619,470	433,939
Administrative expenses		445,200	287,234
OPERATING PROFIT	4	174,270	146,705
Interest receivable and similar income	5	64,451	-
		238,721	146,705
Interest payable and similar charges	6	172,877	6,714
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		65,844	139,991
Tax on profit on ordinary activities	7	12,490	39,722
PROFIT FOR THE FINANCIAL YEAR		53,354	100,269

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

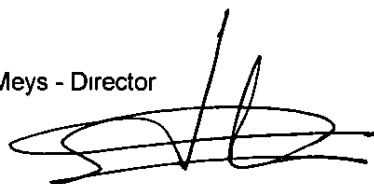
The company has no recognised gains or losses other than the profits for the current year or previous year

SPEZIA CONSULTANTS METALS LIMITED (REGISTERED NUMBER: 04484122)**BALANCE SHEET
31 DECEMBER 2010**

	Notes	2010 £	2009 £
CURRENT ASSETS			
Stocks	8	1,337,386	-
Debtors	9	1,776,305	3,825,407
Investments	10	398,442	-
Cash at bank		2,258,087	1,127,949
		<u>5,770,220</u>	<u>4,953,356</u>
CREDITORS			
Amounts falling due within one year	11	5,118,331	4,343,367
NET CURRENT ASSETS		<u>651,889</u>	<u>609,989</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		651,889	609,989
CREDITORS			
Amounts falling due after more than one year	12	101,544	112,998
NET ASSETS		<u>550,345</u>	<u>496,991</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Profit and loss account	15	549,345	495,991
SHAREHOLDERS' FUNDS	17	<u>550,345</u>	<u>496,991</u>

The financial statements were approved by the director on 7 December 2011 and were signed by

J Meys - Director



The notes form part of these financial statements

SPEZIA CONSULTANTS METALS LIMITED (REGISTERED NUMBER. 04484122)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	£	2010	£	£	2009	£
Net cash inflow from operating activities	1			1,744,198			1,869,565
Returns on investments and servicing of finance	2			(108,426)			(6,714)
Taxation				(113,254)			(31,996)
				<u>1,522,518</u>			<u>1,830,855</u>
Management of liquid resources	2			(398,442)			-
Increase in cash in the period				<u>1,124,076</u>			<u>1,830,855</u>

Reconciliation of net cash flow to movement in net funds

	3						
Increase in cash in the period		1,124,076			1,830,855		
Cash outflow from increase in liquid resources		<u>398,442</u>			<u>-</u>		
Change in net funds resulting from cash flows				<u>1,522,518</u>			<u>1,830,855</u>
Movement in net funds in the period				<u>1,522,518</u>			<u>1,830,855</u>
Net funds/(debt) at 1 January				<u>1,127,949</u>			<u>(702,906)</u>
Net funds at 31 December				<u>2,650,467</u>			<u>1,127,949</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	174,270	146,705
(Increase)/Decrease in stocks	(1,337,386)	1,567,097
Decrease/(Increase) in debtors	2,049,102	(886,105)
Increase in creditors	858,212	1,041,868
Net cash inflow from operating activities	1,744,198	1,869,565

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	64,451	-
Interest paid	(172,877)	(6,714)
Net cash outflow for returns on investments and servicing of finance	(108,426)	(6,714)
Management of liquid resources		
Purchase of financial instruments	(333,991)	-
Increase in market value of instruments	(64,451)	-
Net cash outflow from management of liquid resources	(398,442)	-

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 10 £	Cash flow £	At 31 12 10 £
Net cash			
Cash at bank	1,127,949	1,130,138	2,258,087
Bank overdraft	-	(6,062)	(6,062)
	<u>1,127,949</u>	<u>1,124,076</u>	<u>2,252,025</u>
Liquid resources			
Current asset investments	-	398,442	398,442
	<u>-</u>	<u>398,442</u>	<u>398,442</u>
Total	<u>1,127,949</u>	<u>1,522,518</u>	<u>2,650,467</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Financial instruments

The company uses derivative financial instruments in the form of forward contracts and foreign exchange options to manage its exposure to commodity price and foreign exchange movements arising from operating, financing and investing activities. Financial instruments are recognised in the balance sheet when the company becomes party to the contractual provisions of the instruments. All financial assets are designated at initial recognition and the company does not hold any derivative financial instruments for trading purposes. Financial instruments are measured at their fair value using quoted market prices, with all gains or losses being recognised through the profit and loss account

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	2010 £	2009 £
European Union	26,183,650	16,432,579
	<u>26,183,650</u>	<u>16,432,579</u>

3 STAFF COSTS

There were no staff costs for the year ended 31 December 2010 nor for the year ended 31 December 2009

4 OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Auditors' remuneration	7,095	5,500
Foreign exchange differences	325,141	140,847
	<u>325,141</u>	<u>140,847</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

4 OPERATING PROFIT - continued

Director's remuneration	-	-
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5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Gain / (loss) on investments	64,451	-

This represents net gains on financial assets measured at fair value through the profit and loss account

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Bank interest and charges	6,697	6,714
Loan interest	166,180	-
	<u>172,877</u>	<u>6,714</u>

7 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
UK corporation tax	18,436	39,722
Corporation tax under (over) provided	(5,946)	-
	<u>12,490</u>	<u>39,722</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit on ordinary activities before tax	65,844	139,991
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	18,436	39,197
Effects of		
Disallowable expenses	-	525
Overprovision of 2009 tax	(5,946)	-
Current tax charge	<u>12,490</u>	<u>39,722</u>

SPEZIA CONSULTANTS METALS LIMITED (REGISTERED NUMBER 04484122)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

8 STOCKS

	2010 £	2009 £
Stocks	<u>1,337,386</u>	<u>-</u>

9 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	1,776,305	3,775,376
Other debtors	-	50,031
	<u>1,776,305</u>	<u>3,825,407</u>

10 CURRENT ASSET INVESTMENTS

	2010 £	2009 £
Other	<u>398,442</u>	<u>-</u>

The company is exposed to credit risk with other parties through its contractual arrangements and dealings in financial instruments with those parties. The maximum exposure of credit risk is the carrying value of the financial assets on the company's balance sheet.

The company does not have exposure to liquidity risk from financial liabilities because the company adequately manages its risks through financial assets only.

The company is exposed to market risk through its financial assets relating to commodity prices and foreign exchange rates.

Management set out their objectives, policies and processes for managing the above risks in the report of the director.

The risks described above have arisen during the period through the company's use of financial instruments and no such risks were present at the end of the previous reporting period.

11 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Bank loans and overdrafts (see note 13)	6,062	-
Trade creditors	4,693,697	4,248,607
Tax	(11,504)	89,260
Accrued expenses	430,076	5,500
	<u>5,118,331</u>	<u>4,343,367</u>

12 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Other creditors	<u>101,544</u>	<u>112,998</u>

SPEZIA CONSULTANTS METALS LIMITED (REGISTERED NUMBER. 04484122)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

13 LOANS

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due within one year or on demand		
Bank overdrafts	<u>6,062</u>	<u>-</u>

The bank is provided with various guarantees over goods in relation to specific transactions. Joint and several guarantees are provided to the bank as security by shareholders.

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2010 £	2009 £
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

15 RESERVES

	Profit and loss account £
At 1 January 2010	495,991
Profit for the year	<u>53,354</u>
At 31 December 2010	<u>549,345</u>

16 ULTIMATE PARENT COMPANY

The ultimate parent company is Sozacom Luxembourg S A by virtue of their shareholdings.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	53,354	100,269
Increase in share capital		
Net addition to shareholders' funds	<u>53,354</u>	<u>100,269</u>
Opening shareholders' funds	496,991	396,722
Closing shareholders' funds	<u>550,345</u>	<u>496,991</u>