Roba Metals Limited

Directors' report and financial statements

Registered number 2090606

For the year ended 31 December 2000



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

Principal activities

The principal activity of the company is the marketing of non-ferrous metal scrap.

Business review

The company was able to continue to consolidate its growth in all areas, despite continuing difficulties in the UK aluminium trading market. Added value was improved through both volume and margin gains.

The results for the year are shown in the profit and loss account on page 4 of the financial statements.

The directors do not recommend payment of a dividend *(1999: £Nil)*.

Directors

The directors during the year were as follows:

	Nationality
RGM Van Geerteruy	Belgian
B Richheimer	Dutch
PS Cohn	Dutch
T Sandford	British

None of the directors had an interest in the shares of the company.

Shareholders

The company is a wholly owned subsidiary of Roba Holding BV, a company incorporated in the Netherlands.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board

PAR Yates
Secretary

Kinwarton Farm Road
Arden Forest Industrial Estate
Alcester
Warwickshire
B49 6EH

5 April 2001

Statement of 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 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, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG
2 Cornwall Street
Birmingham
B3 2DL

Report of the auditors to the members of Roba Metals Limited

We have audited the financial statements on pages 4 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you 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.

Basis of audit 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 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

5 April 2001

Profit and loss account

for the year ended 31 December 2000

	Note	2000 £	1999 £
Turnover	2	**13,172,520**	9,230,495
Cost of sales		**(12,453,869)**	(8,643,118)
Gross profit		**718,651**	587,377
Distribution costs		**(43,566)**	(33,413)
Administrative expenses		**(445,487)**	(390,919)
Operating profit		**229,598**	163,045
Other interest receivable and similar income		**15,124**	7,483
Interest payable and similar charges	5	**(96,213)**	(65,754)
Profit on ordinary activities before taxation	6	**148,509**	104,774
Tax on profit on ordinary activities		**(375)**	(650)
Profit on ordinary activities after taxation		**148,134**	104,124
Deficit brought forward		**(575,993)**	(680,117)
Deficit carried forward		**(427,859)**	(575,993)

There are no recognised gains and losses in the current or preceding years other than those disclosed in the profit and loss account.

In both the current and preceding years, the company made no material acquisitions and had no discontinued operations.

Balance sheet

at 31 December 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	8		**386,974**		429,453
Current assets					
Stocks	9	**430,867**		426,725	
Debtors	10	**2,252,470**		2,152,906	
Cash at bank and in hand		**732**		585	
		2,684,069		2,580,216	
Creditors: Amounts falling due within one year	11	**(1,943,799)**		(2,030,559)	
Net current assets			**740,270**		549,657
Total assets less current liabilities			**1,127,244**		979,110
Capital and reserves					
Called up share capital	13		**1,555,103**		1,555,103
Profit and loss account			**(427,859)**		(575,993)
Equity shareholders' funds	14		**1,127,244**		979,110

These financial statements were approved by the board of directors on 5 April 2001 and were signed on its behalf by:

T Sandford
Director

Cash flow statement

for the year ended 31 December 2000

	Note	2000		1999	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	*17*		**265,441**		(580,673)
Return on investments and servicing of finance					
Interest received		**15,124**		7,483	
Interest paid		**(96,213)**		(65,754)	
Net cash outflow from returns on investment and servicing of finance			**(81,089)**		(58,271)
Taxation paid			**(650)**		-
Capital expenditure					
Purchase of tangible fixed assets		**(6,308)**		(30,037)	
Sale of tangible fixed assets		**3,460**		10,250	
Net cash outflow from capital expenditure and financial investment			**(2,848)**		(19,787)
Net cash inflow/(outflow) before management of liquid resources and financing	*18*		**180,854**		(658,731)
Financing					
Receipt of short term loan			**200,000**		-
Increase/(decrease) in cash	*19*		**380,854**		(658,731)

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

Related party transactions

The company is partially exempt from the requirements of Financial Reporting Standard No 8 (Related Party Disclosures) to disclose transactions with other group undertakings or transactions with investees of the group qualifying as related parties as it is a wholly owned subsidiary and its financial statements are included in the consolidated financial statements of the ultimate parent company and those financial statements are publicly available.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	25 years
Plant and machinery	-	3-7 years
Motor vehicles	-	3-4 years
Office equipment	-	5 years
Furniture and fittings	-	10 years

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction, or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used.

Pension costs

The company operates certain defined contribution schemes for individual employees. The assets of the schemes are held separately from those of the company in independently administered funds.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Notes *(continued)*

2 Turnover

Turnover represents the amounts (excluding valued added tax) derived from the provision of goods and services to third party customers.

There is only one class of business.

The analysis of turnover by geographical location is as follows:

	2000	1999
	£	£
United Kingdom	**9,913,566**	7,691,445
Europe	**3,169,542**	1,498,721
Rest of world	**89,412**	40,329
	13,172,520	9,230,495

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2000	1999
Sales	**2**	2
Management	**4**	4
Administrative	**4**	3
Warehouse	**3**	4
	13	13

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	**254,622**	228,606
Social security costs	**28,052**	26,001
Other pension costs	**17,978**	16,837
	300,652	271,444

4 Directors' emoluments

Total directors' emoluments for the year were £52,000 *(1999: £48,250)*.

Contributions of £4,000 *(1999: £3,825)* were paid into a personal pension plan in respect of one director.

Notes *(continued)*

5 Interest payable and similar charges

	2000 £	1999 £
On bank loans and overdrafts	**13,048**	6,056
On short term loan from Roba Metals BV wholly repayable within one year	**52,337**	27,555
On current account with KBM Affilips Ltd, wholly repayable within one year	**30,828**	32,143
	96,213	65,754

6 Profit on ordinary activities before taxation

	2000 £	1999 £
Profit on ordinary activities before taxation is stated		
after charging		
Depreciation	**46,312**	41,183
Auditors' remuneration:		
Audit	**7,000**	6,900
Other services	**850**	800
after crediting		
Profit on sale of fixed asset	**985**	6,147

7 Taxation

	2000 £	1999 £
UK corporation tax at 20%	**375**	650

Subject to agreement with the Inland Revenue, the company has unutilised losses of approximately £346,000, which are available to offset future trading profits.

Notes *(continued)*

8 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Fixtures, fittings and office equipment	Total
	£	£	£	£	£
Cost					
At beginning of year	391,518	99,143	57,034	81,210	628,905
Additions	-	795	-	5,513	6,308
Disposals	-	(10,888)	-	-	(10,888)
At end of year	391,518	89,050	57,034	86,723	624,325
Depreciation					
At beginning of year	53,148	62,546	26,485	57,273	199,452
Charged in year	6,717	8,681	13,145	17,769	46,312
Disposals	-	(8,413)	-	-	(8,413)
At end of year	59,865	62,814	39,630	75,042	237,351
Net book value					
At 31 December 2000	**331,653**	**26,236**	**17,404**	**11,681**	**386,974**
At 31 December 1999	338,370	36,597	30,549	23,937	429,453

Included in freehold land and buildings are items depreciated as follows:

	£
Buildings:	
Cost	157,188
Depreciation	(59,865)
Net book value 31 December 1999	**97,323**

Freehold land and buildings includes £234,330 *(1999: £234,330)* of land which is not depreciated.

9 Stocks

	2000	1999
	£	£
Goods for resale	**430,867**	426,725

Notes *(continued)*

10 Debtors

	Due within one year	
	2000	1999
	£	£
Trade debtors	**2,242,007**	2,122,084
Other debtors	**246**	22,190
Prepayments and accrued income	**10,217**	8,632
	2,252,470	2,152,906

11 Creditors: Amounts falling due within one year

	2000	1999
	£	£
Bank overdraft	**138,153**	518,860
Trade creditors	**282,589**	161,153
Amounts owed to group undertakings	**1,425,413**	1,277,401
Corporation tax	**375**	650
Other taxes and social security	**49,097**	32,603
Accruals and deferred income	**48,172**	39,892
	1,943,799	2,030,559

12 Provisions for liabilities and charges

No liability arises for deferred taxation as the book written down value of the fixed assets is less than the tax written down value, together with the availability of tax losses.

13 Share capital

	2000	1999
	£	£
Authorised:		
1,600,000 ordinary shares of £1 each	**1,600,000**	1,600,000
Allotted, called up and fully paid:		
1,555,103 ordinary shares of £1 each	**1,555,103**	1,555,103

Notes *(continued)*

14 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
At beginning of year	**979,110**	874,986
Profit for financial year	**148,134**	104,124
At end of year	**1,127,244**	979,110

15 Commitments

The company had no capital commitments at 31 December 2000 *(1999: £Nil)*.

16 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £17,978 *(1999: £16,837)*.

Contributions outstanding at the end of the financial year amounted to £478 *(1999: £378)*.

17 Reconciliation of operating profit to net cash outflow from operating activities

	2000 £	1999 £
Operating profit	**229,598**	163,045
Depreciation charge	**46,312**	41,183
Profit on sale of tangible fixed assets	**(985)**	(6,147)
Increase in stocks	**(4,142)**	(204,015)
Increase in debtors	**(99,564)**	(423,551)
Increase/(decrease) in creditors	**94,222**	(151,188)
Net cash inflow/(outflow) from operating activities	**265,441**	(580,673)

18 Analysis of changes in net debt during the year

	Cash £	Bank overdraft £	Short term loans £	Total £
At 1 January 2000	585	(518,860)	(600,000)	(1,118,275)
Cash flow	147	380,707	(200,000)	180,854
At 31 December 2000	**732**	**(138,153)**	**(800,000)**	**(937,421)**

Notes *(continued)*

19 Reconciliation of net cash flow to movement in net debt

	£
Increase in cash in the year	147
Decrease in bank overdraft	380,707
Net increase in cash	380,854
Increase in short term loans	(200,000)
Decrease in net debt in year	180,854
Net debt at beginning of year	(1,118,275)
Net debt at end of year	**(937,421)**

20 Related party transactions

During the year, a loan of £9,000 was made by Roba Metals Limited to Tim Sandford, a director of the company. This loan was repaid before the year end, but accrued interest on the loan of £105 was still outstanding at the year end.

21 Ultimate parent company

The ultimate parent undertaking is Roba Holding BV, which is incorporated in the Netherlands. The consolidated financial statements of this group are available to the public and are obtainable from:

Kamer van Koophandel en Fabrieken voor Utrecht en Omstreken
Postbus 48
3500 AA Utrecht
The Netherlands