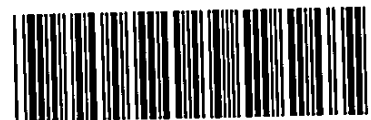


REGISTERED NUMBER 07732913 (England and Wales)

Abbreviated Audited Accounts
for the Year Ended 30 June 2012
for
Sims F E Mottram Limited

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Sims F E Mottram Limited

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for the Year Ended 30 June 2012

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Sims F E Mottram Limited

Company Information
for the Year Ended 30 June 2012

DIRECTORS

J Nathan
A Ratner

REGISTERED OFFICE

Oakes Green
Stevenson Road
Sheffield
South Yorkshire
S9 3WS

REGISTERED NUMBER

07732913 (England and Wales)

AUDITORS

Cox & Co
3 Hagley Court North
The Waterfront
Dudley
West Midlands
DY5 1XF

BANKERS

HSBC
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

SOLICITORS.

Eversheds LLP
115 Colmore Row
Birmingham
B3 3AL

Sims F E Mottram Limited

Report of the Directors
for the Year Ended 30 June 2012

The directors present their report with the accounts of the company for the year ended 30 June 2012

INCORPORATION

The company was incorporated on 8 August 2011 and commenced trading on 1 September 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the recovery, conversion and sale of scrap metal, including melting of raw materials to convert into Ferro Alloys

REVIEW OF BUSINESS

The adverse global economic conditions have continued to affect the company and customers alike, as a result demand for the coreproducts of ferro-aluminium and ferro-titanium has not been at high levels. Selling prices were poor for much of the year and at times drifted below the cost of production however prices began to improve towards the end of the financial year.

Despite challenging market conditions the company has managed to increase global market share of its Titanium products by 3.5% and continues to grow.

Significant capital investment was received from the parent company Metal Management Aerospace Inc and a lengthy program of upgrade works has been scheduled to make the company safer, more efficient and enabling many costs to be driven down for the future.

Unfortunately this work has not been fully completed yet and thus the true cost saving benefits not yet fully realised. It is expected that this will be completed in FY 2013.

Other cost cutting measures are continuing to be implemented by the directors to further streamline the business.

PRINCIPLE RISKS AND UNCERTAINTIES

The main risks to the business are as follows:

- Customers becoming insolvent,
- Volatility in the markets for titanium, iron and aluminium,
- Economic cycles reducing product demand and supply of scrap
- Increasing costs such as energy

The directors maintain a careful watch on all these issues and have policies to spot changes in customer behaviour at an early stage. The customer base is well spread and the company is not dependent on any one customer.

The company's transactions are in US Dollars, sterling and the euro.

Going forward hedging techniques will be used to mitigate foreign currency exposure.

KEY PERFORMANCE INDICATORS

The management of the business and the execution of the company's strategy are subject to a number of risks, the most significant of which are the health and safety of our employees and pressures on supply and demand.

These risks are managed by the use of key performance indicators and regular monitoring procedures, including monthly management meetings.

The directors consider the following indicators will be key in measuring the performance of the business following its second year trading:

	2012	2013 (estimated)
	£	£
Turnover	17,933,955	24,837,595
(Loss)/profit on ordinary activities	(415,642)	194,122
Operating (loss)/profit as a percentage of turnover	(2.3176)%	0.78%

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2012.

Sims F E Mottram Limited

Report of the Directors
for the Year Ended 30 June 2012

DIRECTORS

The directors who have held office during the period from 1 July 2011 to the date of this report are as follows

J Nathan - appointed 8 August 2011

A Ratner - appointed 19 April 2012

D Dienst - appointed 8 August 2011 - resigned 19 April 2012

Both the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting

DIRECTORS INDEMNITIES

The company maintains liability insurance for its directors and officers. Following shareholders' approval the company has also provided an indemnity for the directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in force throughout the period and is currently in force.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and 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). Under company law the directors must not approve the financial statements unless they are 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 directors are 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director 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.

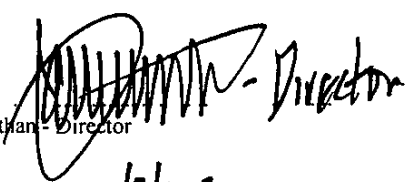
AUDITORS

The auditors, Cox & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

J Nathan - Director

Date


21/3/2013

Report of the Independent Auditors to
Sims F E Mottram Limited
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages five to fourteen, together with the full financial statements of Sims F E Mottram Limited for the year ended 30 June 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.


Benjamin Cox (Senior Statutory Auditor)
for and on behalf of Cox & Co
3 Hagley Court North
The Waterfront
Dudley
West Midlands
DY5 1XF

Date **26/03/2013**

Sims F E Mottram Limited

Abbreviated Profit and Loss Account
for the Year Ended 30 June 2012

	Notes	£
TURNOVER	2	17,993,955
Cost of sales		(17,052,500)
		941,455
Administrative expenses		
		1,357,097
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(415,642)
Tax on loss on ordinary activities	5	-
LOSS FOR THE FINANCIAL YEAR		(415,642)

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these abbreviated accounts

Sims F E Mottram Limited

Abbreviated Balance Sheet
30 June 2012

	Notes	£	£
FIXED ASSETS			
Intangible assets	6		341,885
Tangible assets	7		<u>1,818,285</u>
			2,160,170
CURRENT ASSETS			
Stocks	8	1,966,129	
Debtors	9	6,285,649	
Cash at bank and in hand		<u>600,713</u>	
		8,852,491	
CREDITORS			
Amounts falling due within one year	10	<u>8,538,567</u>	
NET CURRENT ASSETS			<u>313,924</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,474,094</u>
CAPITAL AND RESERVES			
Called up share capital	12		1
Share premium	13		2,889,735
Profit and loss account	13		<u>(415,642)</u>
SHAREHOLDERS' FUNDS	17		<u>2,474,094</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 21/03/2013 and were signed on its behalf by


J. Nathan - Director

The notes form part of these abbreviated accounts

Sims F E Mottram Limited

Cash Flow Statement
for the Year Ended 30 June 2012

	Notes	£
Net cash outflow from operating activities	1	(5,442,167)
Capital expenditure	2	(2,282,181)
		<u>(7,724,348)</u>
Financing	2	8,325,061
Increase in cash in the period		<u>600,713</u>
Reconciliation of net cash flow to movement in net debt	3	
Increase in cash in the period		<u>600,713</u>
Change in net debt resulting from cash flows		<u>600,713</u>
Movement in net debt in the period		<u>600,713</u>
Net debt at 1 July		<u>-</u>
Net funds at 30 June		<u>600,713</u>

The notes form part of these abbreviated accounts

Sims F E Mottram Limited

Notes to the Cash Flow Statement
for the Year Ended 30 June 2012

1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	£
Operating loss	(415,642)
Depreciation charges	122,011
Increase in stocks	(1,966,129)
Increase in debtors	(6,285,649)
Increase in creditors	3,103,242
Net cash outflow from operating activities	(5,442,167)

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

	£
Capital expenditure	
Purchase of intangible fixed assets	(356,750)
Purchase of tangible fixed assets	(1,925,431)
Net cash outflow for capital expenditure	(2,282,181)
 Financing	
New loans in year	5,435,325
Share issue	2,889,736
Net cash inflow from financing	8,325,061

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 7 11 £	Cash flow £	At 30 6 12 £
Net cash			
Cash at bank and in hand	-	600,713	600,713
	-	600,713	600,713
Total	-	600,713	600,713

The notes form part of these abbreviated accounts

Sims F E Mottram Limited

Notes to the Abbreviated Accounts
for the Year Ended 30 June 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents the value, excluding value added tax, of goods and services supplied to customers during the period in respect of the company's principal activity. Turnover is recognised when the goods have been dispatched to a customer pursuant to a sales order, when associated risks have been passed to the carrier or customer and when the amount of revenue can be reliably measured, or when the services have been provided.

In the opinion of the directors, the disclosure of turnover, profit on ordinary activities before taxation and net assets by activity and by geographical segmentation would be seriously prejudicial to the interests of the company.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2011, is being amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- Straight line over 25 years
Plant and machinery	- 10% on cost
Fixtures and fittings	- 33% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost, for non-processed stock, is the average purchase price of the raw materials. Processed stock is valued at the cost of the raw materials and attributable overheads for the stage of the processing incurred. This allocation of overhead is based on the expected normal level of business activity.

Deferred tax

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Sims F E Mottram Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2012

1 **ACCOUNTING POLICIES - continued**

Going Concern

The directors believe that preparing the financial statements on the going concern basis is appropriate as the company is part of group facility arrangements and enjoys on-going support from the ultimate parent company

2 **TURNOVER**

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

An analysis of turnover by geographical market is given below

	£
United Kingdom	4,359,376
Europe	7,655,849
Other	5,978,730
	<u>17,993,955</u>

3 **STAFF COSTS**

	£
Wages and salaries	916,831
Social security costs	86,700
	<u>1,003,531</u>

The average monthly number of employees during the year was as follows

Office	11
Production	30
	<u>41</u>

4 **OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	£
Hire of plant and machinery	48,711
Other operating leases	30,316
Depreciation - owned assets	107,146
Goodwill amortisation	14,865
Foreign exchange differences	(99,391)
	<u></u>

Directors' remuneration

-

5 **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year

Sims F E Mottram Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2012

5 **TAXATION - continued**

Factors affecting the tax charge

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

	£
Loss on ordinary activities before tax	(415,642)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24%	(99,754)
Effects of Expenses not deductible for tax purposes	10,620
Capital allowances in excess of depreciation	(24,265)
Losses carried forward	113,399
Current tax charge	-

Factors that may affect future tax charges

The company has incurred a loss for taxation purposes of £472,498 from trading. A deferred tax asset of £85,054 arises on account of accelerated capital allowances and the trading losses. This has not been provided for in the accounts as recovery of this amount is relatively uncertain.

During the period, the Finance Act 2011 was enacted and a resolution passed by Parliament on 26 March 2012 which reduced the main rate of corporation tax from 26% to 24% from 1 April 2012. As a result deferred tax balances have been remeasured. Deferred tax balances relating to timing differences, which are expected to reverse after 1 April 2012, are measured at a tax rate of 24%.

In addition to the changes in rates of corporation tax disclosed above, a number of further changes to the UK corporation tax system were announced in the March 2012 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was also passed by Parliament on 3 July 2012 as part of the Finance Bill 2012. A further reduction to the main rate is also proposed to reduce the rate to 21% from 1 April 2014. None of these rate reductions have been substantively enacted at the financial position date and, therefore, are not included in these financial statements.

6 **INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
Additions	356,750
At 30 June 2012	356,750
AMORTISATION	
Amortisation for year	14,865
At 30 June 2012	14,865
NET BOOK VALUE	
At 30 June 2012	341,885

Sims F E Mottram Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2012

7 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
Additions	740,000	1,051,021	66,000
At 30 June 2012	740,000	1,051,021	66,000
DEPRECIATION			
Charge for year	17,000	60,028	15,933
At 30 June 2012	17,000	60,028	15,933
NET BOOK VALUE			
At 30 June 2012	723,000	990,993	50,067
	Motor vehicles £	Computer equipment £	Totals £
COST			
Additions	48,250	20,160	1,925,431
At 30 June 2012	48,250	20,160	1,925,431
DEPRECIATION			
Charge for year	10,052	4,133	107,146
At 30 June 2012	10,052	4,133	107,146
NET BOOK VALUE			
At 30 June 2012	38,198	16,027	1,818,285

Included in cost of land and buildings is freehold land of £230,000 which is not depreciated

8 STOCKS

	£
Raw materials	1,153,439
Finished goods	812,690
	1,966,129

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	5,332,014
Other debtors	28,908
VAT	817,306
Prepayments	107,421
	6,285,649

Sims F E Mottram Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2012

10 CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	2,860,261
Amounts owed to group undertakings	5,435,325
Social security and other taxes	37,966
Other creditors	17,403
Accrued expenses	187,612
	<u>8,538,567</u>

11 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings
	£
Expiring In more than five years	<u>17,869</u>

12 CALLED UP SHARE CAPITAL

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

1 Ordinary share of £1 was allotted as fully paid at a premium of £2889735 during the year

13 RESERVES

	Profit and loss account £	Share premium £	Totals £
Deficit for the year	(415,642)		(415,642)
Share premium	-	2,889,735	2,889,735
At 30 June 2012	<u>(415,642)</u>	<u>2,889,735</u>	<u>2,474,093</u>

14 PENSION COMMITMENTS

The company operates one defined contribution pension scheme Contributions payable to this scheme are charged to the profit and loss account as they are incurred The company contributions are 3% The balance outstanding as at 30 June 2012 was £2,408

Sims F E Mottram Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 June 2012

15 RELATED PARTY DISCLOSURES

As a wholly owned subsidiary of Sims Metal Management Limited the company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the Sims Metal Management Limited group

Mr D Nix, a member of the key management of the company is also able to control Dunstan & Wragg Limited and Curzn Alloys Limited by virtue of his own and his family's shareholdings within these two companies

During the year the company purchased services on a commercial arms length basis of £464,202 from Dunstan & Wragg Limited The amount outstanding as at 30 June 2012 was £113,360

During the year the company purchased goods on a commercial arms length basis of £146,571 from Curzn Alloys Limited The amount outstanding as at 30 June 2012 was £12,713

16 ULTIMATE CONTROLLING PARTY

The immediate parent company is Metal Management Aerospace Inc , a company incorporated in the U S A The ultimate parent undertaking and controlling party is Sims Metal Management Limited, a company incorporated in Australia, which heads the largest and smallest group to consolidate these financial statements Copies of the group financial statements can be obtained from the Company Secretary at Sir Joseph Banks Corporate Park, Suite 3, Level 2, 32-34 Lord Street, Botany, NSW 2019, Australia

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Loss for the financial year	(415,642)
New share capital subscribed	1
Share premium	2,889,735
Net addition to shareholders' funds	2,474,094
Opening shareholders' funds	-
Closing shareholders' funds	2,474,094
Equity interests	2,474,094