REGISTERED NUMBER: 044181 (Scotland)

DONALD SMITH AND SON (METALS) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2002

SCT S6HHCGAY 0451
COMPANIES HOUSE 28/11/02

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for the year ended 31 January 2002

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COMPANY INFORMATION
for the year ended 31 January 2002

DIRECTORS:	D Smith Mrs J D Marshall
SECRETARY:	Mrs J D Marshall
REGISTERED OFFICE:	84 Firhill Road Glasgow G20 7BA
REGISTERED NUMBER:	044181 (Scotland)
AUDITORS:	The Kelvin Partnership Chartered Accountants Registered Auditors 505 Great Western Road Glasgow G12 8HN
BANKERS:	Royal Bank of Scotland plc 280 Dumbarton Road Glasgow G11 6TD

REPORT OF THE INDEPENDENT AUDITORS TO DONALD SMITH AND SON (METALS) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages three to seven, together with the full financial statements of the company for the year ended 31 January 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion
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 financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to seven are properly prepared in accordance with those provisions.

The Kelvin Partnership
Chartered Accountants
Registered Auditors
505 Great Western Road
Glasgow
G12 8HN

Dated: 26 November 2002

DONALD SMITH AND SON (METALS) LIMITED

ABBREVIATED BALANCE SHEET
31 January 2002

	Notes	2002		2001	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	2		12,897		17,396
Investments	3		175,373		229,903
			188,270		247,299
CURRENT ASSETS:					
Debtors		945,126		725,502	
Investments		2,835		2,835	
Cash at bank and in hand		30,071		95,000	
		978,032		823,337	
CREDITORS: Amounts falling due within one year		654,453		533,319	
NET CURRENT ASSETS:			323,579		290,018
TOTAL ASSETS LESS CURRENT LIABILITIES:			£511,849		£537,317
CAPITAL AND RESERVES:					
Called up share capital	4		6		6
Profit and loss account			511,843		537,311
SHAREHOLDERS' FUNDS:			£511,849		£537,317

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



D Smith - DIRECTOR

Approved by the Board on 26 November 2002

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 January 2002

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1
Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

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

Fittings and equipment	- 25% on reducing balance
Motor vehicle	- 25% on reducing balance

Investments
Investments are valued at the lower of cost and net realisable value.

2. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1 February 2001	54,217
Disposals	(468)
At 31 January 2002	53,749
DEPRECIATION:	
At 1 February 2001	36,821
Charge for year	4,299
Eliminated on disposals	(268)
At 31 January 2002	40,852
NET BOOK VALUE:	
At 31 January 2002	12,897
At 31 January 2001	17,396

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 January 2002

3. **FIXED ASSET INVESTMENTS**

	£
COST:	
At 1 February 2001	229,903
Disposals	(16,288)
At 31 January 2002	213,615
PROVISIONS:	
Provision during year	38,242
At 31 January 2002	38,242
NET BOOK VALUE:	
At 31 January 2002	175,373
At 31 January 2001	229,903

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

David Band (Metals) Limited
Nature of business: scrap metal merchants and processors

Class of shares:	% holding
Ordinary	*100.00*

	2002 £	2001 £
Aggregate capital and reserves	223,675	203,193
Profit for the year	20,482	36,310

H.W. Comery Limited
Nature of business: scrap metal merchants, processors and hauliers

Class of shares:	% holding
Ordinary	51.00

	2002 £	2001 £
Aggregate capital and reserves	452,400	429,024
Profit for the year	23,376	62,622

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 January 2002

3. FIXED ASSET INVESTMENTS - continued

D.S. (Lauderdale Properties) Limited
Nature of business: property lessors and dealers

Class of shares:	% holding
Ordinary	100.00

	2002 £	2001 £
Aggregate capital and reserves	22,967	280,362
Loss for the year	(257,395)	(84,293)

Osborne & Company (Glasgow) Limited
Nature of business: scrap metal brokers

Class of shares:	% holding
Ordinary	100.00

	2002 £	2001 £
Aggregate capital and reserves	9,642	100,421
(Loss)/Profit for the year	(90,779)	402

Donald Smith (Metal Holdings) Limited
Nature of business: scrap metal merchants and processors

Class of shares:	% holding
Ordinary	100.00

	2002 £	2001 £
Aggregate capital and reserves	90,171	108,339
(Loss)/Profit for the year	(18,168)	2,588

Alexander Thomson & Sons (Verdant) Limited
Nature of business: scrap metal merchants and processors

Class of shares:	% holding
Ordinary	100.00

	2002 £	2001 £
Aggregate capital and reserves	-	16,319
(Loss)/Profit for the year	(11,319)	32

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 January 2002

4. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2002 £	2001 £
150,000	Ordinary	£1	150,000	150,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2001 £
6	Ordinary	£1	6	6