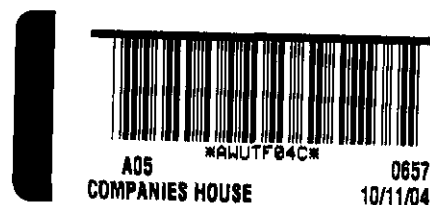


Electrium (UK) Limited

Annual report and financial statements
for the year ended 31 March 2004

Registered number: 167171



Electrium (UK) Limited

Annual report and financial statements for the year ended 31 March 2004

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Electrium (UK) Limited

Directors and advisors

Executive Directors

C J Thomas
A Kitchen
N M Turnbull

Secretary

N M Turnbull

Registered auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham B3 2DT

Bankers

Royal Bank of Scotland
5-10 Great Tower Street
London
EC3P 3HX

Registered Office

Lichfield Road
Brownhills
West Midlands
WS8 6JZ

Electrium (UK) Limited

Directors' report for the year ended 31 March 2004

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

Principal activities and review of business

The company is a divisional holding company within the Electrium Limited group of companies.

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

The directors consider the future prospects of the company to be satisfactory.

The directors do not propose the payment of any dividends this year. (2003: £nil)

Directors and their interests

The directors who held office during the year are listed on page 1.

None of the directors had any interest in the shares of the company at the beginning or end of the period.

Messrs C J Thomas, A Kitchen and N M Turnbull are directors of Electrium Limited, the ultimate holding company, in whose accounts their interests in the share capital of Electrium Limited are shown.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the company and of the profit or loss for that period. The directors are required to prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

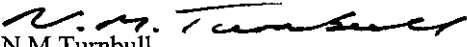
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in the preparing the financial statements for the year ended 31 March 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

During the year Deloitte and Touche resigned as auditors and PricewaterhouseCoopers LLP were appointed to fill the casual vacancy. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the annual general meeting.

By order of the board


N M Turnbull
Company Secretary
7 July 2004

Independent auditors' report to the members of Electrium (UK) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

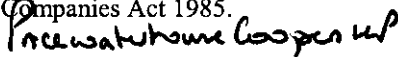
Basis of audit opinion

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 at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Birmingham

7 July 2004

Electrium (UK) Limited

Profit and loss account for the year ended 31 March 2004

	Notes	2004 £'000	2003 £'000
Profit on ordinary activities before interest	5	-	-
Exceptional items	3	82	-
Interest receivable and similar income		-	-
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		82	-
Tax on profit on ordinary activities	6	(70)	(69)
Profit / (loss) on ordinary activities after taxation		12	(69)
Dividends		-	-
Profit / (loss) for the financial year		12	(69)

All the above amounts are in relation to continuing operations.

There is no difference between the profit shown above and the historical cost loss.

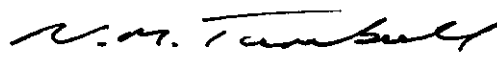
The company has no recognised gains and losses other than the loss above and therefore no separate statement of recognised gains and losses has been presented.

Electrium (UK) Limited

Balance sheet as at 31 March 2004

	Notes	2004	2003
		£'000	£'000
Fixed assets			
Investments	7	21,490	17,294
Current assets			
Debtors	8	113,918	179,530
		113,918	179,530
Creditors: amounts due within one year	9	115,025	176,453
Net current assets		(1,107)	3,077
Total assets less current liabilities		20,383	20,371
Provisions for liabilities and charges		-	-
Net assets		20,383	20,371
Capital and reserves			
Called up share capital	10	17,030	17,030
Share premium account	11	9,006	9,006
Profit and loss account	11	(5,653)	(5,665)
Total shareholders' funds	12	20,383	20,371
Shareholders' funds – equity interest		20,183	20,171
Shareholders' funds – non equity interest	10	200	200
Total shareholders' funds		20,383	20,371

The financial statements on pages 4 to 12 were approved by the board of directors on 7 July 2004 and were signed on its behalf by:


N M Turnbull
Director

Electrium (UK) Limited

Notes to the financial statements for the year ended 31 March 2004

1 Accounting policies

These financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

Consolidated accounts

Under Section 228(1) of the Companies Act 1985 the company is exempt from the requirement to prepare group accounts, therefore consolidated accounts have not been prepared and these financial statements only present information about the company as an individual undertaking.

Investments

Investments are carried at cost less any provision for impairment.

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation liabilities are provided on all timing differences arising from transactions that have occurred at the balance sheet date and give rise to an obligation to pay more tax in future. Deferred tax assets are recognised to the extent that on the basis of all available evidence it can be regarded more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange in a related forward contract. Differences on exchange arising from the retranslation of the opening net investments in subsidiary companies, and from the translation of the results of those companies at average rate are taken to reserves and are reported in the statement of total recognised gains and losses. All the foreign exchange differences are taken to the profit and loss account in the year in which they arise.

2 Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Electrium Limited and is included in the consolidated financial statements of Electrium Limited, which are publicly available at Companies House. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Electrium group.

Electrium (UK) Limited

Notes to the financial statements for the year ended 31 March 2004 (continued)

3 Exceptional items

	2004	2003
	£'000	£'000
Non-operating exceptional items	(82)	-
Total exceptional items	(82)	-

The exceptional credit relates to the release of a provision held in respect of a subsidiary company in members voluntary liquidation.

4 Employee information and directors' emoluments

The directors of the company are also directors of the ultimate parent company, Electrium Limited. Emoluments are paid by and disclosed in the accounts of the parent company for the services to the group as a whole.

There were no employees and no employee costs in the year.

5 Operating profit

The audit fee for the company is borne by Electrium Sales Ltd, a fellow group company.

Electrium (UK) Limited

Notes to the financial statements for the year ended 31 March 2004 (continued)

6 Tax on loss on ordinary activities

	2004	2003
	£'000	£'000
UK corporation tax at 30% (payable in respect of group relief) (2003: 30%)	52	-
Adjustment in relation to prior year	18	53
	70	53
Deferred taxation	-	16
	70	69

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004	2003
	£'000	£'000
Profit before tax on ordinary activities	82	-
Expected tax charge on profit on ordinary activities	25	-
Non-deductible/(non-taxable) items	28	-
Adjustment to tax charge in respect of previous periods	17	53
Current tax charge for the period	70	53

Electrium (UK) Limited

Notes to the financial statements for the year ended 31 March 2004 (continued)

7 Investments

	Total
	£'000
Cost & Net book value	
At 1 April 2003	17,294
At 31 March 2004	21,490

	Country of Incorporation	Percentage of ownership %
Electrium Sales Limited	Great Britain	100
Electrium Ireland Limited	Eire	100

In the opinion of the directors, the underlying net assets and income generation potential of those assets, are sufficient to support the carrying value of the investments in each subsidiary.

8 Debtors

	2004	2003
	£'000	£'000
Amounts owed by group companies	113,918	179,530
Deferred tax	-	-
	113,918	179,530

Amounts owed by group companies are unsecured, interest free and have no fixed repayment date.

Electrium (UK) Limited

Notes to the financial statements for the year ended 31 March 2004 (continued)

9 Creditors: amount falling due within one year

	2004	2003
	£'000	£'000
Amounts owed to group companies	115,025	176,361
Other creditors	-	92
	115,025	176,453

Amounts owed to group companies are unsecured, interest free and have no fixed repayment date.

Electrium (UK) Limited

Notes to the financial statements for the year ended 31 March 2004 (continued)

10 Called up share capital

	2004	2003
	£'000	£'000
Authorised		
75,200,000 ordinary shares of 25p	18,800	18,800
200,000 7% preference shares of £1 each	200	200
	19,000	19,000
Allotted and fully paid		
67,319,704 ordinary 25p shares	16,830	16,830
200,000 7% preference shares of £1 each	200	200
	17,030	17,030

The cumulative preference shares carry a dividend of 7% per annum payable out of the profits of the company available for dividend each year. The dividend rights are cumulative. All dividends for the current year and prior years have been waived.

11 Reserves

	Share premium	Profit and loss account	Total
	£'000	£'000	£'000
As at 1 April 2003	9,006	(5,665)	3,341
Profit for the year	-	12	12
As at 31 March 2004	9,006	(5,653)	3,353

Electrium (UK) Limited

12 Reconciliation of movements in shareholders' funds

	2004	2003
	£'000	£'000
Profit / (loss) for the financial year	12	(69)
Net movement in shareholders' funds	12	(69)
Shareholders' funds at 1 April	20,371	20,440
Shareholders' funds at 31 March	20,383	20,371

13 Ultimate parent company

The ultimate parent and controlling company is Electrium Limited, a company registered in England and Wales.

Following the acquisition of Electrium Limited by Hallingware Limited in December 2003, the new ultimate parent and controlling company was Hallingware Limited, a company registered in England and Wales. Hallingware Limited subsequently changed its name to Electrium Limited. Electrium Limited changed its name to Electrium (2003) Limited.