

Report of the Directors and
Financial Statements
for the Year Ended 31 December 2003
for
AMAG UK Limited



AMAG UK Limited

Company Information
for the Year Ended 31 December 2003

DIRECTORS:	G Romagna H Rauch
SECRETARY:	B R Parish
REGISTERED OFFICE:	Wyvern House 1 Church Road Great Bookham Surrey KT23 3PD
REGISTERED NUMBER:	1561503 (England and Wales)
AUDITORS:	Callingham Crane Registered Auditors Chartered Accountants 115 Kingston Road Leatherhead Surrey KT22 7SU
BANKERS:	Lloyds TSB Bank plc 120 High Street Dorking Surrey RH4 1BB
SOLICITORS:	Hillman, Smart & Spicer 35-37 Gildredge Road Eastbourne Sussex BN21 4RX

AMAG UK Limited

Report of the Directors
for the Year Ended 31 December 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of UK sales and marketing agency for aluminium products on behalf of the parent company.

DIRECTORS

The directors during the year under review were:

G Romagna
H Rauch

The directors holding office at 31 December 2003 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 or 31 December 2003.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

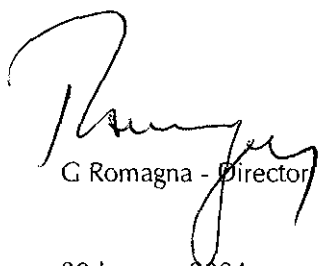
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

This report has 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:



G Romagna - Director

20 January 2004

Report of the Independent Auditors to the Shareholders of
AMAG UK Limited

We have audited the financial statements of AMAG UK Limited for the year ended 31 December 2003 on pages four to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an 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 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 directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Callingham Crane
Registered Auditors
Chartered Accountants
115 Kingston Road
Leatherhead
Surrey
KT22 7SU

20 January 2004

AMAG UK Limited

Profit and Loss Account
for the Year Ended 31 December 2003

		<u>31.12.03</u>	<u>31.12.02</u>
	Notes	£	£
TURNOVER		210,766	192,449
Administrative expenses		<u>195,682</u>	<u>192,291</u>
OPERATING PROFIT	3	15,084	158
Interest receivable and similar income		<u>361</u>	<u>167</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		15,445	325
Tax on profit on ordinary activities	4	<u>4,358</u>	<u>910</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		11,087	(585)
Retained profit brought forward		<u>5,351</u>	<u>5,936</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£16,438</u></u>	<u><u>£5,351</u></u>

The notes form part of these financial statements

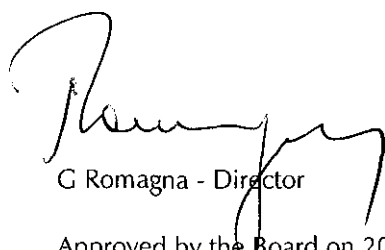
AMAG UK Limited

Balance Sheet
31 December 2003

		31.12.03		31.12.02	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		6,088		12,062
CURRENT ASSETS:					
Debtors	6	50,249		45,358	
Cash at bank and in hand		53,707		17,094	
		103,956		62,452	
CREDITORS: Amounts falling due within one year	7	43,606		19,163	
NET CURRENT ASSETS:			60,350		43,289
TOTAL ASSETS LESS CURRENT LIABILITIES:			£66,438		£55,351
CAPITAL AND RESERVES:					
Called up share capital	9		50,000		50,000
Profit and loss account			16,438		5,351
SHAREHOLDERS' FUNDS:			£66,438		£55,351

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



G Romagna - Director

Approved by the Board on 20 January 2004

AMAG UK Limited

Notes to the Financial Statements
for the Year Ended 31 December 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover is derived from agency commission fees paid on the invoiced value of metal sales of the parent company. The directors consider that these operations comprise the principal activity of the company.

All turnover is derived from business in the United Kingdom.

Tangible fixed assets

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

Fixtures, fittings and equipment	- 20% on cost
Motor vehicles	- 20% on cost

Pensions

The company makes a defined contribution to the individual pension funds of the employees which are administered independently. Pension costs are charged to the profit and loss account as incurred.

Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the the individual lease terms.

Foreign Currencies

Assets and liabilities have been translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions during the year have been translated at the rate ruling at the time of the transaction. Exchange differences from transactions arising in the normal course of trading are taken to the profit and loss account.

2. STAFF COSTS

	31.12.03	31.12.02
	£	£
Wages and salaries	109,769	97,449
Social security costs	13,914	11,981
Other pension costs	7,202	5,767
	<u>130,885</u>	<u>115,197</u>

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

	31.12.03	31.12.02
Sales and administration	<u>2</u>	<u>2</u>

AMAG UK Limited

**Notes to the Financial Statements
for the Year Ended 31 December 2003**

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.03	31.12.02
	£	£
Depreciation - owned assets	5,974	5,975
Loss on disposal of fixed assets	-	182
Auditors' remuneration	2,200	2,004
Foreign exchange differences	(1,109)	139
Operating lease rentals of land and buildings	<u>6,392</u>	<u>6,239</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

4. TAXATION

Analysis of the tax charge

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

	31.12.03	31.12.02
	£	£
Current tax:		
UK corporation tax	<u>4,358</u>	<u>910</u>
Tax on profit on ordinary activities	<u>4,358</u>	<u>910</u>

UK corporation tax has been charged at 19% (2002 - 19.23%).

5. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment	Motor vehicles	Totals
	£	£	£
COST:			
At 1 January 2003			
and 31 December 2003	<u>10,543</u>	<u>22,180</u>	<u>32,723</u>
DEPRECIATION:			
At 1 January 2003	5,129	15,532	20,661
Charge for year	<u>1,538</u>	<u>4,436</u>	<u>5,974</u>
At 31 December 2003	<u>6,667</u>	<u>19,968</u>	<u>26,635</u>
NET BOOK VALUE:			
At 31 December 2003	<u>3,876</u>	<u>2,212</u>	<u>6,088</u>
At 31 December 2002	<u>5,414</u>	<u>6,648</u>	<u>12,062</u>

AMAG UK Limited

Notes to the Financial Statements
for the Year Ended 31 December 2003

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.03	31.12.02
	£	£
Amounts owed by group undertakings	43,853	37,251
Other debtors	1,217	5,174
Prepayments and accrued income	5,179	2,933
	<u>50,249</u>	<u>45,358</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.03	31.12.02
	£	£
Trade creditors	4,789	656
Other taxes and social security costs	8,278	3,742
Taxation	4,358	860
Accruals and deferred income	26,181	13,905
	<u>43,606</u>	<u>19,163</u>

8. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	31.12.03	31.12.02
	£	£
Expiring: Within one year	<u>-</u>	<u>6,160</u>

9. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.12.03	31.12.02
			£	£
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.03	31.12.02
			£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

AMAG UK Limited

Notes to the Financial Statements
for the Year Ended 31 December 2003

10. PENSION COMMITMENTS

The company makes a defined contribution to the individual pension funds of the employees which are administered independently. The amount charged to the profit and loss account in the year was £7,202 (2002:£5,767). An amount of £2,647 is included in creditors relating to contributions due to the funds at 31st December 2003 (2002:£2,647).

11. ULTIMATE PARENT COMPANY

The directors regard AMAG, a company incorporated in Austria, as the ultimate holding company.

The immediate parent company is AMAG Rolling GmbH, a company incorporated in Austria.

Copies of the parent company's consolidated financial statements may be obtained from AMAG, A-5282, Ranshofen, Austria.

12. CAPITAL COMMITMENTS

	31.12.03	31.12.02
	£	£
Contracted but not provided for in the financial statements	19,388	-

13. RELATED PARTY DISCLOSURES

In accordance with the exemption allowed by Financial Reporting Standard 8 (Related Party Disclosures) transactions with undertakings within the AMAG Group have not been disclosed in these financial statements.