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Terminating appointment as director or secretary (NOT for appointment (use Form 288a) or change of particulars (use Form 288c))

Company Number

972941

Company Name in full

SEMPRA METALS LIMITED

[J.P. Morgan Metals Limited, Co.

Previous company names

Name Period

RBS SEMPRA METALS LIMITED 01 May 2008 - 02 Jul 2010

SEMPRA METALS LIMITED 05 Feb 2002 - 01 May 2008

ENRON METALS LIMITED 04 Sep 2000 - 05 Feb 2002

METALLGESELLSCHAFT LIMITED 19 Feb 1970 - 04 Sep 2000]

Date of termination of appointment

Day	Month	Year
0	1	0
2	2	2
0	0	2

as director

X

as secretary

Please mark the appropriate box. If terminating
appointment as a director and secretary mark
both boxes.

NAME

*Style / Title

*Honours etc

Please insert
details as
previously
notified to
Companies House.

Forename(s)

MICHAEL STAHEL

Surname

FARMER

†Date of Birth

Day	Month	Year
1	7	1
2	1	9
4	4	4

A serving director, secretary etc must sign the form below.

* Voluntary details.

† Directors only.

**Please delete as appropriate

Signed

[Signature]

Date

18/2/02

(** serving director/secretary/administrator/administrative receiver/receiver manager/receiver)

Please give the name, address,
telephone number and, if available,
a DX number and Exchange of
the person Companies House should
contact if there is any query.

Katy sim @ Simmons & Simmons
CityPoint, One Ropemaker Street, London, EC2Y 9SS

Tel 020 7628 2020

DX number DX: 12

DX exchange London



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J.P. MORGAN METALS LIMITED

Company number 00972941

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Registered office address

25 Bank Street, Canary Wharf, London, E14 5JP

Company status

Active

Company type

Private limited Company

Incorporated on

19 February 1970

Accounts

Next accounts made up to **31 December 2021**
due by **30 September 2022**

Last accounts made up to **31 December 2020**

Confirmation statement

Next statement date **14 December 2022**
due by **28 December 2022**

Last statement dated **14 December 2021**

Nature of business (SIC)

- 82990 - Other business support service activities not elsewhere classified

Previous company names

Name	Period
RBS SEMPRA METALS LIMITED	01 May 2008 - 02 Jul 2010
SEMPRA METALS LIMITED	05 Feb 2002 - 01 May 2008
ENRON METALS LIMITED	04 Sep 2000 - 05 Feb 2002
METALLGESELLSCHAFT LIMITED	19 Feb 1970 - 04 Sep 2000

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Sempra Metals Limited
(formerly Enron Metals Limited)

Financial Statements for the year ended 31 December 2001

Registered number: 972941



Sempra Metals Limited
Financial Statements
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Directors' Report

For the year ended 31 December 2001

The directors present their report on the affairs of Sempra Metals Limited (the 'Company'), together with the accounts and auditors' report, for the year ended 31 December 2001. The comparative period is from 1 October 1999 to 31 December 2000.

Basis of preparation

At 31 December 2001, the Company was the parent undertaking of Enron Metals Brokers Limited, Enron Metals Far East Limited, Enron Metals (Deutschland) GmbH, Enron Guernsey Limited, Henry Bath and Son Limited, Henry Bath Singapore Pte Limited, Man & Machine (North West) Limited and Henry Bath BV, however no consolidated accounts have been prepared since the Company was part of a larger group that was in administration and, in the opinion of the directors, this prevented them from exercising control over the subsidiary undertakings.

Prior to the group being in administration, the company was exempt from preparing consolidated accounts by virtue of being part of a larger group which was required to prepare consolidated accounts.

On 7 & 11 January 2002 the subsidiary undertakings were disposed of to the Company's former parent.

Principal activities

The Company continues to trade as a dealer in commodities and commodity derivatives, and is a member of the London Metal Exchange ('LME'), the London Bullion Market Association, the London Platinum and Palladium Market and the London Clearing House. The Company is regulated by the Financial Services Authority.

Review of the business

The Company's ultimate parent throughout the year, Enron Corp., filed for Chapter 11 bankruptcy protection on 2 December 2001. The uncertainty leading up to this event had a serious impact on the business of the company; this, combined with increased administrative expenses, has led to the company reporting a pre-tax loss of \$66,382,000 (2000 - pre tax loss of \$17,924,000).

Subsequent to the year end the Company sold its subsidiary undertakings for a profit of \$34,297,000 and issued 31,316,254 new £1 ordinary shares for a consideration of \$44,051,560, significantly increasing the company's equity base (see note 26).

On 4 February 2002, the Company was acquired by Sempra Metals Group Limited, a subsidiary undertaking of Sempra Energy, Inc. (a company incorporated in the USA). As a result of this acquisition and the strengthening of the Company's equity base the directors are confident that the Company will return to profitability in the current financial year.

Directors' Report

Results and dividends

Results are as follows:

	2001
	\$'000
Accumulated loss at beginning of the year	(36,434)
Loss for the year	(61,677)
Dividends paid and proposed	-
Accumulated loss at end of the year	<u>(98,111)</u>

Directors and their interests

The directors who served during the year and up to the date of signing are shown below:

M.J. Hutchinson

D.P. Tregar (resigned 31 July 2001, re-appointed 8 February 2002)

T.R. Jones

M.S. Farmer (resigned 4 February 2002)

T.A. McKeever (resigned 30 March 2001, re-appointed 4 February 2002)

J.A. Gold (appointed 30 March 2001, resigned 16 January 2002)

D.C. Lynch (appointed 15 August 2001, resigned 1 February 2002)

K.L. Heffron (appointed 15 August 2001, resigned 4 February 2002)

M.R. Brown (appointed 17 September 2001, resigned 30 November 2001)

E.P. Dablin (appointed 24 January 2000, resigned 13 March 2001)

K.J. Rhodes (resigned 31 March 2001)

D. Messer (appointed 4 February 2002)

E.T. Allison (appointed 4 February 2002)

D. Zeitz (appointed 4 February 2002)

Directors' Report

Statement of Directors' responsibilities

United Kingdom company law requires the directors to prepare accounts for each financial period 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 year.

In preparing those accounts, 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 accounts; and
- prepare the accounts 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 enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable donations

Charitable donations totalling \$nil were made during the year (2000 - \$9,061).

Auditors

The directors will place a resolution before the Annual General Meeting to re-appoint Deloitte & Touche as auditors for the ensuing year.

By order of the Board,



D.P. Tregar
Director

4 Millbank
London SW1P 3JA

18 June 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEMPRA METALS LIMITED (FORMERLY ENRON METALS LIMITED)

We have audited the financial statements of Sempra Metals Limited (formerly Enron Metals Limited) for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

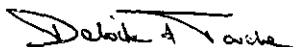
Basis of opinion

We conducted our audit of the individual company 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 2001 and of its loss for the year then ended and have been prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

18 June 2002

Profit and Loss Account

For the year ended 31 December 2001

	Note	Year ended 31 December 2001 \$'000	Period ended 31 December 2000 \$'000
Turnover	2	20,865	67,357
Administrative expenses		(63,128)	(58,977)
Operating (loss)/profit		<u>(42,263)</u>	<u>8,380</u>
Income from investments	5	2,000	9,500
Amounts written off investments	14	(7,549)	-
Interest receivable	6	10,015	39,154
Interest payable and similar charges	7	(28,585)	(74,958)
(Loss) on ordinary activities before taxation	8	<u>(66,382)</u>	<u>(17,924)</u>
Tax credit/(charge) on ordinary activities	10	4,705	(8,500)
(Loss) on ordinary activities after taxation		<u>(61,677)</u>	<u>(26,424)</u>
Dividends paid and proposed: ordinary dividend on equity shares	11	-	(16,100)
Retained (loss) for the period	21	<u><u>(61,677)</u></u>	<u><u>(42,524)</u></u>

Continuing operations

All activities relate to continuing operations.

Statement of total recognised gains and losses

The Company has no recognised gains or losses other than the loss for the two financial periods stated above.

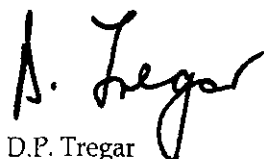
Balance Sheet

As at 31 December 2001

	Note	31 December 2001 \$'000	31 December 2000 \$'000
Fixed assets			
Intangible assets	12	-	5,835
Tangible assets	13	244	436
Investments	14	21,303	28,925
		<u>21,547</u>	<u>35,196</u>
Current assets			
Stocks	15	620,535	364,843
Debtors	16	325,918	393,806
Investments	17	-	1,651
Cash at bank and in hand	18	89,736	26,770
		<u>1,036,189</u>	<u>787,070</u>
Creditors: amounts falling due within one year	19	(997,199)	(700,052)
Net current assets		<u>38,990</u>	<u>87,018</u>
Total assets less current liabilities being net assets		<u>60,537</u>	<u>122,214</u>
Capital and reserves			
Called up share capital	20	143,739	143,739
Share premium account		14,909	14,909
Profit and loss account	21	(98,111)	(36,434)
Total equity shareholders' funds	22	<u>60,537</u>	<u>122,214</u>

These financial statements were approved by the Board of Directors on 18 June 2002.

Signed on behalf of the Board of Directors.



D.P. Tregar
Director

Cash Flow Statement

For the year ended 31 December 2001

	Notes	2001 \$'000	2000 \$'000
CASH FLOW STATEMENT			
Net cash outflow from operating activities	23	(208,440)	630,588
Returns on investments and servicing of finance			
Dividends received		2,000	9,500
Interest received		10,015	39,154
Interest paid		<u>(28,573)</u>	<u>(74,958)</u>
Net cash outflow from investments and servicing of finance		(16,558)	(26,304)
Taxation		-	(1,865)
Capital expenditure			
Sale of fixed asset investments		161	(73)
Sale of tangible fixed asset		378	-
Purchase of tangible fixed assets		<u>-</u>	<u>(1,591)</u>
Net cash inflow/(outflow) from capital expenditure		539	(1,664)
Acquisitions		-	(9,093)
Equity dividends paid		-	(16,100)
Financing			
Increase in sale and repurchase transactions		240,550	(461,829)
Increase in subordinated debt		<u>50,000</u>	<u>-</u>
Net cash inflow/(outflow) from financing		290,550	(461,829)
Increase in cash	24	<u><u>66,091</u></u>	<u><u>113,733</u></u>

Notes to the Accounts

For the year ended 31 December 2001

1 Statement of accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year to 31 December 2001 and the prior period from 1 October 1999 to 31 December 2000, is set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, except as noted in the policy 'Stocks and recognition of dealing profits and losses'. Certain reclassifications have been made to prior period amounts to conform to the current year's presentation.

Consolidation

The Company applies FRS 2 'Accounting for subsidiary undertakings' when it considers whether or not it has control over its subsidiary undertakings. At 31 December 2001, the Company was the parent undertaking of Enron Metals Brokers Limited, Enron Metals Far East Limited, Enron Metals (Deutschland) GmbH, Enron Guernsey Limited, Henry Bath and Son Limited, Henry Bath Singapore Pte Limited, Man & Machine (North West) Limited and Henry Bath BV, however no consolidated accounts have been prepared since the Company was part of a larger group that was in administration and, in the opinion of the directors, this prevented them from exercising control over the subsidiary undertakings.

Prior to the group being in administration, the company was exempt from preparing consolidated accounts by virtue of being part of a larger group which was required to prepare consolidated accounts.

On 7 & 11 January 2002 the subsidiary undertakings were disposed of to the Company's former parent.

Functional currency

It is considered that a fairer reflection of the Company's activities is given by presenting the accounts in US Dollars, since the US Dollar is the main currency of the Company's primary economic environment.

Turnover

Turnover represents gross trading profit or loss on metals dealings, net commission receivable on dealings under London Metal Exchange contracts, fees and the value of warehousing services supplied, net of applicable costs, which include the cost of bad and doubtful debts written off or provided against during the year. Commission is recognised as earned on trade date.

Notes to the Accounts

Stocks and recognition of dealing profits and losses

Open metals futures and options positions and forward foreign exchange contracts and metal held for resale are valued based on market prices prevailing at the balance sheet date. Changes in the valuation of these positions are recorded via the profit and loss account. Schedule 4 to the Companies Act 1985 requires that such assets be stated at the lower of cost and net realisable value, or if revalued, that any revaluation be taken to a revaluation reserve. The directors have adopted the true and fair override as they believe these requirements would fail to give a true and fair view of the profit or loss for the year for a business that holds readily marketable stocks and derivative positions as current assets. The impact of this accounting policy is not quantifiable as at the year end because historic information regarding original cost, being of no continuing relevance to the business, is not readily available.

Stocks include amounts which have arisen through the application of FRS5 - 'Reporting the substance of transactions', to reflect the substance of certain sale and repurchase transactions. Obligations to repay cash balances due to the existence of sale and repurchase transactions are recorded as liabilities payable, as is related interest due, and the related stock is included within the stock balance.

Interest income and expense

Interest income and expense is recognised on an accruals basis in the profit and loss account.

Taxation

Deferred taxation is provided in full on timing differences relating to pension and other post retirement benefits calculated at the rates at which it is expected that tax will arise. Deferred taxation is provided on other timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future without replacement, calculated at the rates at which it is expected that tax will arise.

Intangible assets - Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life. Provision is made for any impairment which is expected to be permanent.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and provision for impairment, where impairment is expected to be permanent. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life, as follows:

Plant and equipment	- 4 years
Other tangible assets	- 4 years

Tangible fixed assets are reviewed for any impairment on an annual basis. The cost and depreciation brought forward has been adjusted to reflect the assets currently in use in the business.

Notes to the Accounts

Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment in value where impairment is expected to be permanent. Dividends are recognised on a cash received basis.

Trade debtors and trade creditors

Trade debtors and trade creditors represent all receivables and payables generated from trading. These include:

- amounts due for settlement under metals contracts;
- unrealised gains and losses arising from the valuation of forward positions;
- receivables and payables in respect of warehousing; and
- margin payments and receipts.

Trade debtor and trade creditor accounts are calculated as the net of all the above transactions and stated as trade debtor or trade creditor balances as appropriate. This is considered to be representative of industry practice and reflects the way in which the company's business is conducted.

Specific provisions are made against net debtor balances which are not deemed to be recoverable in part or in full.

Foreign currencies

Transactions in foreign currencies are recorded at the rates prevailing at the date of the transaction. Forward foreign exchange contracts are valued at current market price. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. All differences are taken to the profit and loss account.

Operating leases

Rentals under operating leases are charged to the profit and loss on a straight line basis over the lease term.

2 Turnover

The Company's income is derived from acting as a broker in the commodities and commodities derivatives markets which, for the purposes of segmental analysis, is considered by the directors to be a single global market.

Notes to the Accounts

3 Directors' emoluments	Year ended 31 December 2001 \$'000	Period ended 31 December 2000 \$'000
Directors' emoluments	2,449	1,796
Amounts received or receivable under long term incentive schemes	2,935	-
Company contributions to pension schemes	1,060	247
Compensation for loss of office	236	-
	<u>6,680</u>	<u>2,043</u>

The emoluments of the highest paid director were \$1,459,794 (2000 - \$1,270,041), the amounts received or receivable under a long term incentive scheme were \$1,487,258 (2000 - \$nil) and company pension contributions of \$1,000,000 (2000 - \$nil) were made on his behalf.

Retirement benefits are accruing to the following number of directors under:

	Year ended 31 December 2001	Period ended 31 December 2000
Money purchase scheme	2	-
Defined benefit schemes	<u>1</u>	<u>3</u>

4 Staff costs	Year ended 31 December 2001 \$'000	Period ended 31 December 2000 \$'000
Wages and salaries	14,765	19,094
Social security costs	1,854	1,615
Other pension costs (see note 29)	1,539	1,752
Redundancy costs (see note 9)	651	-
	<u>18,809</u>	<u>22,461</u>

Staff costs detailed above include costs recharged by related entities.

The number of people employed by the Company at the year end was 68 (excluding non-executive directors) (2000 - 93). The number of employees at year end is considered to be the best representation of the average number of employees that worked for the Company during the year. This is due to the Company having undergone a number of staff changes as part of group reorganisations during the year.

5 Income from investments	Year ended 31 December 2001 \$'000	Period ended 31 December 2000 \$'000
Dividends from subsidiary undertakings	<u>2,000</u>	<u>9,500</u>

Notes to the Accounts

6 Interest receivable	Year ended 31 December 2001	Period ended 31 December 2000
	\$'000	\$'000
Banks	1,891	678
Interest due from other group undertakings	4,409	30,540
Other interest	3,715	7,936
	<u>10,015</u>	<u>39,154</u>
7 Interest payable and similar charges	Year ended 31 December 2001	Period ended 31 December 2000
	\$'000	\$'000
Bank loans and overdrafts	448	3,117
Interest due to other group undertakings	5,805	6,565
Interest on sale and repurchase transactions	15,259	50,878
Other interest	7,073	14,398
	<u>28,585</u>	<u>74,958</u>
8 Loss on ordinary activities before taxation	Year ended 31 December 2001	Period ended 31 December 2000
	\$'000	\$'000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration - audit fees	350	249
- non audit fees	104	-
Depreciation	192	1,859
Profit on disposal of fixed assets	(378)	-
Profit on disposal of investments	(88)	-
Amortisation of goodwill	299	227
Operating lease costs	(245)	396
Employee benefit trust	-	500
Exceptional items (note 9)	<u>15,065</u>	<u>3,031</u>

Notes to the Accounts

9 Exceptional items	Year ended 31 December 2001	Period ended 31 December 2000
	\$'000	\$'000
Exceptional items within the profit and loss comprise:		
Write off of IT development project costs	1,329	-
Write down of goodwill (see note 12)	5,536	3,031
Write down of investment (see note 14)	7,549	-
Redundancy costs (see note 4)	651	-
	<u>15,065</u>	<u>3,031</u>

The above items are being disclosed as exceptional due to their size and incidence.

During the year a project was commenced, under the instigation of the Company's previous parent, to develop a new front to back trading and accounting system. \$1,329,000 was initially capitalised by a related company during the year but was subsequently charged to the Company when the parent company went into administration and the project was abandoned. This reflected the cost of the project attributable to the Company.

An assessment was made during the year of the benefit still being derived from the acquisition of the business activities of the Rudolf Wolff Group in the prior period. The remaining goodwill of the business was written off.

The Company owned Enron Metals Brokers Limited at year end. As this entity is to be wound down post year end, the investment was written down to its net asset value.

A voluntary redundancy program was put in place by the Company's parent during the year. This program saw a notable number of employees take the redundancy package offered which meant that significant salary costs were incurred during the year.

10 Taxation	Year ended 31 December 2001	Period ended 31 December 2000
	\$'000	\$'000
UK Corporation tax at 30% (2000 - 30%)	<u>(4,705)</u>	<u>8,500</u>

The tax credit for the year represents a prior year carry back of losses. There is no unprovided deferred tax liability. There are approximately \$50 million of tax losses available to carry forward against future trading profits of the same trade.

Notes to the Accounts

11 Equity dividends

Year ended 31 December 2001 \$'000	Period ended 31 December 2000 \$'000
--	--

Interim dividends on ordinary shares - paid and proposed	-	16,100
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The 2000 interim dividend paid was \$0.177 per share.

12 Intangible fixed assets

Goodwill
\$'000

Cost

At 1 January 2001	9,093
-------------------	-------

At 31 December 2001	9,093
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Amortisation

At 1 January 2001	3,258
-------------------	-------

Charge for the year	299
---------------------	-----

Impairment write down (note 9)	5,536
--------------------------------	-------

At 31 December 2001	9,093
---------------------	-------

Net book value

At 31 December 2001	-
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At 31 December 2000	5,835
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13 Tangible fixed assets

Plant and equipment \$'000	Other assets \$'000	Total \$'000
----------------------------------	---------------------------	-----------------

Cost

At 1 January 2001	306	566	872
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Disposals	-	(117)	(117)
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At 31 December 2001	306	449	755
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Depreciation

At 1 January 2001	169	267	436
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Charge for the year	80	112	192
---------------------	----	-----	-----

Disposals	-	(117)	(117)
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At 31 December 2001	249	262	511
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Net book value

At 31 December 2001	57	187	244
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At 31 December 2000	137	299	436
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Notes to the Accounts

14 Fixed asset investments	Investment in group undertakings \$'000	Other investments \$'000	Total \$'000
Cost and net book value			
At 1 January 2001	28,372	553	28,925
Disposals	-	(73)	(73)
Diminution in value (note 9)	(7,549)	-	(7,549)
At 31 December 2001	<u>20,823</u>	<u>480</u>	<u>21,303</u>

a. Principal subsidiary undertakings:

Company	Place of Registration and Incorporation	Principal Activity	Description of Share Holding
Enron Metals Brokers Limited	Great Britain	Metals Brokerage	100% ordinary share capital
Henry Bath & Son Limited	Great Britain	Warehouse Services	100% ordinary share capital 100% preference share capital
Enron Metals Far East Limited	Great Britain	Metals Brokerage	100% ordinary share capital
Enron (Guernsey) Limited	Channel Islands	Management Services	100% ordinary share capital

All of the above subsidiary undertakings were sold after the year end (see note 26).

b. Other investments

	Description of Share Holding
The London Clearing House Limited	One A share of £200,000 each

During the year the following investment was sold for a consideration of £109,500.

	Description of Share Holding
LIFFE (Holdings) plc	6,000 Ordinary shares of £1 each

Notes to the Accounts

15 Stocks	31 December 2001 \$'000	31 December 2000 \$'000
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Raw materials and consumables	<u>620,535</u>	<u>364,843</u>
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Included within 'Raw materials and consumables' is \$602,718,598 (2000 - \$338,082,000) which arises from sale and repurchase transactions. Stocks arising from the sale and repurchase agreements are legally owned by third parties.

There is no material difference between the balance sheet value of stocks and their replacement cost.

16 Debtors

The following amounts are included in debtors falling due within one year.

	31 December 2001 \$'000	31 December 2000 \$'000
Trade debtors	293,623	168,948
Amounts owed by group undertakings	26,490	218,419
Other debtors	4,775	5,021
Prepayments and accrued income	<u>1,030</u>	<u>1,418</u>
	<u>325,918</u>	<u>393,806</u>

17 Investments	31 December 2001 \$'000	31 December 2000 \$'000
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Other investments	<u>-</u>	<u>1,651</u>
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The Company held shares in a managed futures fund which were disposed of during the year.

18 Cash at bank and in hand

Cash included no segregated funds held on behalf of clients (2000 - £3,009,377).

Notes to the Accounts

19 Creditors: amounts falling due within one year	31 December 2001 \$'000	31 December 2000 \$'000
Bank loans and overdrafts	-	3,125
Amounts due under sale and repurchase agreements	579,664	339,114
Trade creditors	92,573	222,728
Amounts owed to group undertakings	261,246	101,736
Corporation tax	4,072	8,765
Other creditors	2,061	658
Accruals and deferred income	57,583	23,926
	<u>997,199</u>	<u>700,052</u>

Included within 'Amounts owed to group undertakings' is \$132 million of subordinated debt (2000 - \$82 million) (see note 30(e)). The terms of the subordinated debt were three months notice at Sempra Metals Limited's option with interest charged at 1% above Libor. The subordinated debt was repaid on 4 February 2002, following consent from the FSA.

20 Share capital	No.	31 December 2001 £'000	31 December 2000 £'000
Authorised:			
Ordinary shares of £1 each	91,197,196	<u>91,197</u>	<u>91,197</u>
	No.	31 December 2001 £'000	31 December 2000 £'000
Allotted, called up and fully paid:			
Ordinary shares of £1 each	90,852,557	<u>90,853</u>	<u>90,853</u>

After the year end additional authorised and allotted share capital of 31,316,254 ordinary shares was issued (see note 26).

	31 December 2001 \$'000	31 December 2000 \$'000
At historic rate of exchange	<u>143,739</u>	<u>143,739</u>

Notes to the Accounts

21 Profit and loss account

	Year ended 31 December 2001 \$'000	Period ended 31 December 2000 \$'000
At beginning of the year/period	(36,434)	6,090
Retained loss for the financial year/period	(61,677)	(42,524)
At end of year/period	<u>(98,111)</u>	<u>(36,434)</u>

22 Reconciliation of movement in equity shareholders' funds

	Year ended 31 December 2001 \$'000	Period ended 31 December 2000 \$'000
Loss for the financial period	(61,677)	(26,424)
Dividends paid on equity shares	-	(16,100)
Net movement in equity shareholders' funds	(61,677)	(42,524)
Opening equity shareholders' funds	122,214	164,738
Closing equity shareholders' funds	<u>60,537</u>	<u>122,214</u>

23 Cash flow from operating activities

	Year ended 31 December 2001 \$'000	Period ended 31 December 2000 \$'000
Reconciliation of operating profit to net cash inflow from operating activities		
Operating (loss)/profit	(42,263)	8,380
Depreciation charges	192	1,859
Amortisation of goodwill	299	227
Impairment of goodwill	5,536	3,031
(Profit)/loss on sale of tangible fixed assets	(378)	-
(Profit)/loss on sale of fixed asset investments	(88)	-
Decrease in current assets investments	1,651	349
(Increase)/decrease in stocks	(255,692)	354,023
Decrease in debtors	67,888	129,790
Increase in creditors	14,415	132,929
Net cash outflow from operating activities	<u>(208,440)</u>	<u>630,588</u>

Notes to the Accounts

24 Reconciliation of movement in net debt	Year ended 31 December 2001	Period ended 31 December 2000
	\$'000	\$'000
Reconciliation of net cash flow to movement in net debt		
Increase in cash in the year/period	66,091	113,733
Increase in debt	(290,550)	461,829
Change in net debt	(224,459)	575,562
Net debt at 1 January	(397,469)	(973,031)
Net debt at 31 December	(621,928)	(397,469)

25 Analysis of changes in net debt	At 1 Jan 2001	Cash flows	At 31 Dec 2001
	\$'000	\$'000	\$'000
Cash at bank and in hand	26,770	62,966	89,736
Overdrafts	(3,125)	3,125	-
	23,645	66,091	89,736
Sale and repurchase transactions	(339,114)	(240,550)	(579,664)
Subordinated loan	(82,000)	(50,000)	(132,000)
	(421,114)	(290,550)	(711,664)
Total	(397,469)	(224,459)	(621,928)

The movements in equity shareholders' funds includes all movements in reserves.

Notes to the Accounts

26 Post balance sheet events

On 4 February, 2002 the entire issued share capital of the Company was acquired by Sempra Metals Group Limited, a subsidiary undertaking of Sempra Energy, Inc., incorporated in the USA.

Prior to the acquisition by Sempra Metals Group Limited of the Company:

- a. the Company sold the entire issued share capital of all its subsidiary undertakings, to Enron Metals Group Limited (its then parent company), for an aggregate cash consideration of \$55,120,000; and
- b. the Company issued 31,316,254 new £1 shares for a cash consideration of \$44,051,560 of which \$43,412,172 was credited to Called up share capital and \$639,388 was credited to Share premium account.

27 Commitments

Annual commitments for operating leases are as follows:

	31 December 2001	31 December 2000
	\$'000	\$'000
Operating leases which expire:		
- after five years	<u>-</u>	<u>317</u>

During the year the Company's rental lease was assigned to a third party.

28 Contingent liabilities

There are commitments at the balance sheet date in respect of forward metal, foreign exchange and option contracts entered into the normal course of business which are fully provided for.

Notes to the Accounts

29 Pension arrangements

The Company provides pension arrangements to a number of full time employees through one defined benefit scheme and the related costs are assessed in accordance with the advice of professionally qualified actuaries.

Details of the most recent actuarial valuation, which were conducted as at 31 December 2001 using the Projected Unit Method are as follows:-

Main assumptions

- Rate of increase in salaries	4.5%
- Rate of increase in pensions in payment	
RPI up to 5% pa, min 3%	3%
RPI up to 5% pa	2.5%
RPI up to 3% pa	2.5%
- Discount rate (pre-retirement)	6.0%
- Discount rate (post-retirement)	5.0%
- Inflation assumption	2.5%
- Increase in the lower earnings limit and state pension	2.5%

Results:

- Market value of scheme's assets	£7,279,000
- Level of funding	69%

The deficit of £3,245,000 will be eliminated via an injection of funds post year end which has been provided for within the financial statements. Once the deficit has been eliminated the scheme will be wound down. Disclosure has therefore not been provided in accordance with FRS 17, 'Retirement Benefits'.

The pension cost charge for the year to 31 December 2001 for the defined benefit scheme was \$153,194 (excluding underfunding provision). For the fifteen month period from 31 October 1999 to 31 December 2000 the pension cost was \$784,835. The significant change in cost over the previous period is due to reduced membership, with employees opting out of the scheme to join a new scheme offered by the parent company during the year.

Notes to the Accounts

30 Related party transactions

The Company was effectively controlled at year end by the Administrators of **Enron Metals Group Limited (EMGL)**, the Company's immediate parent at year end.

a. Transactions with subsidiary undertakings

The principal transactions with Sempra Metals Limited subsidiaries related to the provision of warehousing services by Henry Bath & Son Limited, Henry Bath Singapore Pte Limited and Henry Bath BV. These companies receive rental income in respect of warehousing services. An expense for the rent is recorded by Sempra Metals Limited for any period of time that it owns metal stored in group warehouses; however, since the rent is only paid to the warehouse on the 31st March, the obligation to pay the rent is frequently passed on to external counterparties in consideration of a rent credit when selling the metal. It is not possible to quantify the amounts concerned as rental payments are only received by the warehouse division annually (or when stock is removed) and, at other times in the year, the warehouse division is not aware of the ultimate owner of the warehoused stock.

The Company arranged trades for its subsidiary, **Enron Metals Brokers Limited**, to facilitate their business with their clients.

The company paid its subsidiary, **Enron Metals Far East Limited (EMFEL)**, a risk management fee of \$7,200,000 (2000 - \$8,200,000) for the year for managing certain options on behalf on the Company. The fee was paid monthly. A service fee for general and operating expenses of \$4,305,515 (2000 - \$4,200,647) was also paid. Commission earned for brokerage services provided to EMFEL during the year was \$25,719 (2000 - \$1,268).

A service fee of \$1,822,021 (2000 - nil) was paid for general and operating expenses to Enron Metals (Deutschland) GmbH during the year. Enron Metals (Deutschland) GmbH was incorporated to introduce German business to the Company.

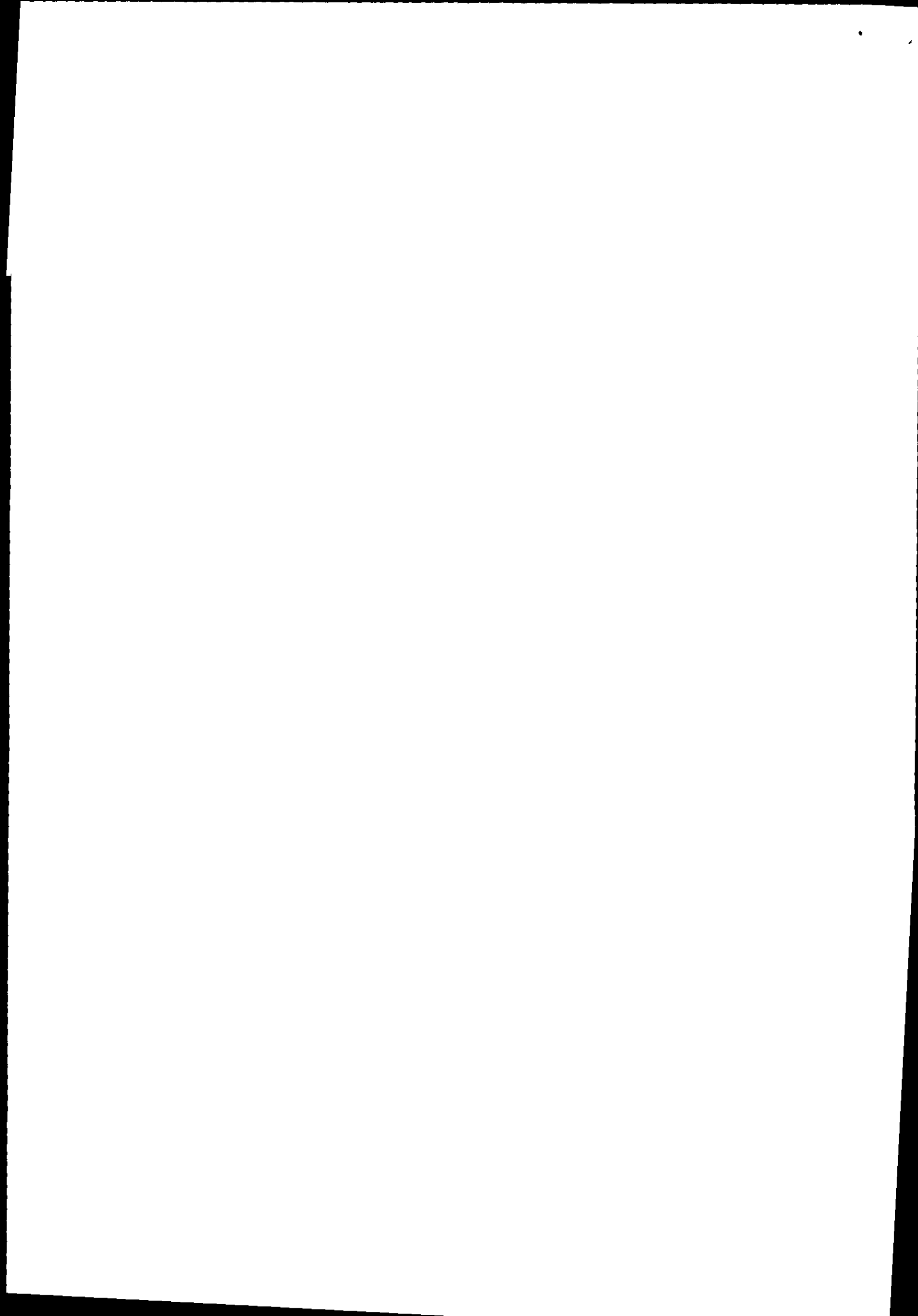
b. Transactions with the Enron Corp Group

The Company hedged its foreign currency exposure by entering into foreign exchange transactions on an arms length basis with Enron Risk Management Trading Corp.

The Company entered into arms-length metal transactions with Enron Corp Group companies in the ordinary course of business. The Company provided brokerage services to Enron Metal & Commodity Corp. Included in turnover was commission income of \$283,362 (2000 - \$703,646) for these services. The company was also involved in COMEX trading with Enron Trading Services Inc. (ETSI). Commission of \$149,449 (2000 - \$271,948) was paid to ETSI for COMEX brokerage services. An introducing commission agreement existed with ETSI whereby commission was returned to them for business introduced to the Company. During the year the commission returned was \$2,550,434 (2000 - \$2,973,787).

The Company acted as broker for Enron Capital & Trade Resources Corp. during the year for transactions performed on the Liffe exchange. Commission received for these services was \$8,601 (2000 - nil).

Rental arrangements were entered into between the Company and Henry Bath Inc., an Enron Corp company, similar to those described for the other warehousing subsidiary companies.



Notes to the Accounts

c. Transactions with Enron Europe companies

The Company entered into arms-length metal transactions with Enron Europe Group companies in the ordinary course of business. The Company provided brokerage services to Enron Metal & Commodity Limited and Enron Metall Recycling GmbH. Included in turnover was commission income of \$1,089,952 (2000 - \$2,391,199) and \$117,208 (2000 - \$145,902) relating to these companies respectively.

d. Provision of administrative and support services

An Enron Corp Group company, namely Enron Power Operations Limited, provided a complete administrative and support service to the company, including payroll, tax, treasury, personnel, information technology and legal services. During the year the company was charged \$35,361,417 (2000 - \$9,282,360) for these services. For part of the year the charge was made via EMGL. The comparative comprises \$7,682,360 from Enron Power Operations Limited and \$1,600,000 from the Company's previous parent.

e. Borrowings

During the year the company was partly financed by two subordinated loans, one from its immediate parent, Enron Metals Group Ltd, and another from a subsidiary, Enron Metals Brokers Limited. The loan from Enron Metals Group Limited was \$75,000,000 at the start of the year and \$125,000,000 at the end of the year. The loan from Enron Metals Brokers Limited was \$7,000,000 throughout the year. The interest paid on the loans were at normal market rates (refer note 19).

f. Dividends to and from related parties

During the year dividends of \$2,000,000 (2000 - \$3,000,000) were received from Enron Metals Brokers Limited. In the previous period dividends of \$6,500,000 were received from Henry Bath and Son Limited and dividends of \$16,100,000 were paid to EMGL.

g. Indemnities provided to banks on behalf of related companies

During the year the Company entered into indemnities with a bank for warehouse performance guarantees for Henry Bath and Son Limited and Henry Bath BV. During the year and as at balance sheet date the guarantees outstanding were for £175,000 for each company. There was also a Customs and Excise counterindemnity provided by the Company on behalf of Henry Bath and Son Limited for £54,799 and a Port Authority counterindemnity provided by the Company to Henry Bath Singapore Pte Limited for 524,715 Singapore Dollars.

h. Transactions with directors

During the year a director of the Company purchased a painting from the Company for £22,500, following external quotations.

Notes to the Accounts

i. Balances due to and from related parties at balance sheet date

The following balances existed with related parties as at balance sheet date.

Company	31 December 2001	31 December 2000
Subsidiary Companies		
Enron Metals Brokers Limited	\$5,440,421	\$5,623,128
	and (\$7,000,000)	and (\$7,000,000)
Henry Bath & Son Limited	(\$3,489,807)	(\$815,479)
Henry Bath Singapore Pte Limited	-	\$654,375
Man & Machine (North West) Limited	(\$4,898)	(\$4,760)
Henry Bath BV	-	\$175,545
Enron Metals Far East Limited	(\$3,959,804)	(\$7,617,609)
Enron Metals (Deutschland) GmbH	-	(\$949,470)
Enron Guernsey Limited	(\$10,000)	(\$10,000)
Other Enron Companies		
Enron Metal & Commodity Limited	\$9,194,082	(\$37,720,472)
Enron Metals Energy Limited	(\$101,547)	(\$90,627)
Enron Trading Services Inc	\$6,924,000	(\$51,195)
Enron Metals Group Limited	\$194,747,557	(\$47,533,914)
	and (\$75,000,000)	and (\$125,000,000)
Enron Metall Recycling GmbH	(\$5,859,034)	\$1,055,782
Enron Metals & Commodity Corp.	\$976,499	(\$19,700,100)
Henry Bath Inc	(\$286,130)	\$1,746,583
Enron Power Operations Limited	(\$8,796,710)	(\$14,387,670)
Risk Management & Trading Corp.	\$4,075,112	\$17,234,673

Note: A bracket represents a credit balance.

After year end the receivables that existed at balance sheet date were sold to EMGL for a book value that existed at the time of drafting the sale agreement.

Balances with companies mentioned above which have not been mentioned specifically elsewhere in the note were generated through ordinary transactions on an arm's length basis.

Notes to the Accounts

31 Ultimate parent company

The Company was a subsidiary undertaking of Enron Corp., incorporated in Oregon, USA, during the year. Enron Corp. filed for Chapter 11 bankruptcy protection on 2 December 2001. Enron Corp. headed the largest group in which the results of the Company were consolidated. The smallest group in which results were consolidated was that headed by Enron Europe Limited, registered in England and Wales, incorporated in Great Britain. Consolidated accounts for the year ended 31 December 2001 are not publicly available due to Enron Europe Limited having gone into administration on 29 November 2001.

Since year end the Company was acquired by Sempra Metals Group Limited, as detailed in note 26. The Company is now a subsidiary undertaking of Sempra Energy, Inc., incorporated in the USA. Consolidated accounts for Sempra Metals Group Limited will be publicly available in 2003 based on the UK group results to 31 December 2002.