Company Registration No. 01551970

voestalpine Metsec Plc

Annual Report and Financial Statements
For the year ended 31 March 2020

Annual Report and Financial Statements for the year ended 31 March 2020

Contents

voestalpine Metsec Plc

Strategic Report

The directors present their Strategic Report on the company for the year ended 31 March 2020.

Business review and principal activities

The principal activities of the company are the manufacture of structural components and custom roll formed sections. The customer base includes but is not limited to subcontractors, fabricators, distributors and manufacturers representing a wide range of diversified customer types and industries.

In the last financial year there have been no significant changes in the company's principal activities.

The results of the company for the year, as set out on pages 13 to 16, show the turnover of the company decreased by 5.2% to £97.7m (2019: £103.1m). The result of the company shows a pre-tax profit of £15.1m (2019: £14.8m). The company was in the year ended 31 March 2020 relatively unaffected by the outbreak of the Covid-19 pandemic.

The directors are pleased to announce another successful year.

In general all business areas of the company recorded pre-tax profits that were pretty much in line with expectations if not above expectations. The financial position of the company remains strong and the Board are confident about the challenges and opportunities faced in the years ahead.

Key performance indicators (KPI's)

We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the company by reference to the following KPIs:

	2019/20	2018/19
External Sales	£97.7m	£103.1m
Operating Profits	£15.1m	£14.8m
Operating Profits as % of Sales	15.5%	14.4%

Principal risks and uncertainties

The risks discussed below could have a material adverse effect separately, or in combination, on our operational performance, sales, cash flows and financial condition.

In order to reduce a potential negative impact on the company, voestalpine Metsec Plc's risk management process is in line with the risk management policy of its parent company (voestalpine AG). A systematic risk management approach has been practiced since the 2000/01 business year. This is an integral part of the company's business processes and an important factor for sustainable corporate success.

Risk management extends to both the strategic and operational levels. For the most important risk areas the following preventive measures have been taken by the company.

Raw material risk

The price of steel is affected by supply and demand, mainly regionally but potentially also globally. Regarding the long-term sustainability of raw materials, for a number of years, the company has been implementing a procurement strategy to ensure continuity of supply. Its core element is expanding the portfolio of suppliers.

Credit risk

The credit risk of the company's transactions is kept low by means of precise management of debtor levels and credit limits. A large proportion of transactions are secured by credit insurance policies. In addition credit control procedures with various stages for chasing overdue debts are in place.

Strategic report (continued)

Principal risks and uncertainties (continued)

Liquidity risk
An essential instrument in the control of the liquidity risk is precise financial planning. The company submits these plans directly to the Group treasury of voestalpine on a revolving basis. Appropriate financing and credit lines are established with the voestalpine treasury, if required.

IT system risk
In order to minimise IT risks to the greatest degree possible (particularly the threat of data security and the breakdown of critical systems), the company is complying with voestalpine's group-wide minimum IT standards. In addition in the last year the company has gained the ISO/IEC 27001 (Information Security Management System) certification.

Cash flow risk
The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Hedging occurs bend-cause of naturally closed positions, where, for example, trade debtors denominated in Euros are offset by trade creditors for purchases of raw materials in Euros. In addition, derivative financial instruments are utilised by the voestalpine treasury department for hedging purposes.

Covid-19 pandemic
The risk coming from the Covid-19 pandemic would relate to the closure of construction sites which presents a large part of the customer base. At the beginning of the pandemic during April 2020 many sites decided to temporarily close down in order to make their sites covid-secure and to establish a new covid-secure standard of working. Now that sites are covid-secure we do not expect a reoccurrence of site closures in the future.

Outlook and future developments
Given the ongoing, considerable level of uncertainty, the company is unable to provide an accurate assessment on trading for the next 6-12 months. Whilst the uncertainty continues with respect to the ongoing impact of Covid-19 and the eventual shape of the UK economic recovery the company remains focused on near-term actions to maintain the safety and welfare of our employees, customers and suppliers and take advantage of short-term sales opportunities.

The UK economy is expected to have a disastrous GDP growth of -10.6% in 2020 however it is estimated that the UK economy will bounce back in 2021 by 5.3%.

Furthermore it is also unclear at this stage what additional impact the still ongoing Brexit negotiations and associated uncertainties will have on the UK economy. The company has applied for the Trader Support Service for Northern Ireland so that the company can continue trading with Northern Ireland after Brexit. Overall Brexit is not seen as a big risk as the customer base is approx. 95% UK based and other customers are supplied on EXW / FCA incoterm and sales are based on our terms and conditions.

The company will continue to deliver excellent customer service to achieve growth in existing market segments and potential new markets. Furthermore we aim to improve efficiency in all areas of our operations through continuous improvement process management.

Section 172 (1) statement
As set out in the Companies (Miscellaneous Reporting) Regulations 2018 the Directors hereby present the required Section 172 (1) statement to demonstrate how the directors have had regard to the matters set out in section 172(1)(a) to (1) when performing their duty under section 172.

The directors decided to separate the stakeholders into two groups; employees and other stakeholders like suppliers, customers etc. Building positive relations with these stakeholders, treating them well and with respect is essential to the success of the business. Underpinning these stakeholder relationships is a culture which promotes high standards of business ethics, is focused on a long term sustainable strategy and which recognises our responsibility to the environment.

Strategic report (continued)

Section 172 (1) statement (continued)

Employee engagement
The company provides employees with regular updates on matters of concern by doing the following:

- Half-yearly company presentations to all employees
- Monthly team briefings
- Quarterly company newsletter
- Annual pension newsletter
- Annual company and annual sales conference
- Quarterly financial updates from parent company voestalpine AG

Furthermore the company consults employees on a regular basis by doing the following:

- Employee survey every two to three years
- Workers council
- Recently established culture group
- Suggestion box scheme
- Feedback through monthly Executive meeting
- Informal reviews with recent new starters
- Exit interviews for leavers

All of our employees who are eligible can join the group-wide employee participation scheme which gives the Group's employees the opportunity of participating in the development and success of voestalpine by owning shares in the Group. This is implemented based on annual offers to acquire shares.

Employees who have voestalpine shares can participate in the Group's economic success by receiving dividend payments and through possible price appreciation of the shares. Currently approx. 14.8% of the total shares of voestalpine AG are held either directly or indirectly by employees.

Other stakeholder engagement
The company feels that good long-term relationships with suppliers, customers and other stakeholders are paramount for the ultimate success of the business. We want to maintain our position as market leaders in our industry by maintaining a constant dialogue with the whole supply chain which provides us with regular feedback on where we can further improve things. This is being achieved for example by focusing on the following:

- Regular customer surveys and customer feedback
- Monitoring OTIF (On-Time In-Full delivery)
- Monitoring scrap percentage
- Regular supplier audits and for example focusing on reject rates

In addition to engaging with employees and other stakeholders the company pro-actively aims to maintain the good reputation in the market by setting high standard of business conduct. This can be demonstrated by all employees abiding to the group-wide Code of Conduct which is available from the voestalpine website www.voestalpine.com . Furthermore on a regular basis relevant employees are invited to do e-learnings on anti-trust, compliance matters and similar topics.

The company's foremost objective is to satisfy customers with high quality product and engineering services capable of designing, building and maintaining product and systems that will meet their quality, safety, environmental and reliability needs.

We aim to achieve those needs in a safe, responsible, sustainable and environmentally sound way, in accordance with the company's Quality, Health, Safety, Environmental (QHSE) and Responsible Sourcing policies and procedures.

Strategic report (continued)

Section 172 (1) statement (continued)

Quality, Health, Safety and the Environment are considered to be of utmost importance and the company shall actively promote and administer a strong Quality, Health, Safety, Environmental and Ethical culture amongst staff, visitors and sub-contractors.

To assure these objectives are realized, we have established or achieved the following:

- Integrated Management System in accordance with PAS 99: 2012, which incorporates the requirements of BS EN ISO 9001 for Quality Management
- BS EN ISO 14001 for Environmental Management
- ISO 45001 for Health & Safety Management
- ISO 27001 for Information Security
- BCSA Steel Construction Sustainability Charter — Gold Standard
- Sandwell Business Environmental Charter — Platinum Plus Level 2

Community
We engage with the local community to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We partner with local charities, schools and organisations. These initiatives are being reviewed throughout the year by the board of directors.

Government and regulators
We engage with the government and regulators through a range of industry consultations, forums, meetings and conferences to communicate our views to policy makers. Key areas of focus are compliance with laws and regulations and health and safety.

This report was approved by the board and signed on its behalf by:

T Baumgartner
Director

Date: 17/12/ 2020

Registered Office:

voestalpine Metsec Plc,
Broadwell Road,
Oldbury,
West Midlands,
B69 4HF
United Kingdom

voestalpine Metsec Plc

Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 31st March 2020.

Future developments and events after the balance sheet date
Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report and note 23.

Research and development
We continue to invest in our manufacturing equipment and software development to improve our competitiveness. The directors regard the investment in research and development as integral to the continuing success of the business.

Directors
The directors who held office during the year and subsequently were as follows:

N A Richardson
T Baumgartner
D C Leggett (resigned 28 November 2020 as director and company secretary)
G Felderer
H Punz (resigned 30 June 2019)
P Schwab
J Resch (appointed 1 July 2019)
K. Smith was appointed as Company Secretary on 28 November 2020.

Directors' indemnities
The company's ultimate holding company voestalpine AG has made qualifying third party indemnity provisions for the benefit of the directors of both voestalpine AG and all affiliated wholly-owned group companies which were made during the year and remain in force at the date of this report.

Dividends
Dividends paid comprise of an interim dividend in respect of the year ended 31 March 2020 of £13,476,000 (2019: £16,663,000). The profit for the year of £12,337,000 (2019: profit of £13,175,000) has been transferred to reserves. As explained in the events after the balance sheet date section below the directors have recommended the payment of a final dividend for the year ended 31 March 2020 of £12,243,700, which was paid on 30 June 2020.

Financial risk management
Potential risks affecting the performance and financial position of the company are set out in the Strategic Report.

Political contributions
No political contributions were made by the company during the year.

Going concern
The company's business activities, together with the factors likely to affect its future development and position are set out in the Strategic Report. The company is expected to continue to generate positive operating cash flows for the foreseeable future. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. In arriving at the conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources are sufficient to accommodate the principal risks and uncertainties faced by the company and in particular the impact of the COVID-19 pandemic.

Going concern (continued)

Forecast scenarios have been prepared to assess how the virus could impact the company in the period to 31 December 2021. In determining these the company considered macro-economic and industry wide projections as well as matters specific to the company. Having taken account of the scenarios modelled (discussed below), and in light of the mitigations available to the company, the directors are satisfied that the company has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, the financial statements have been prepared on a going concern basis. The company is part of the group wide cash pooling arrangement which provides additional liquidity and financial support as and when required.

Furthermore in light of the COVID-19 pandemic we have established measures that has kept employees, suppliers and customers safe, operating within Government guidelines, and enabling our manufacturing operations to remain open. We continue to apply stringent social distancing rules and have enabled some office based employees to work from home for a period of time to limit personal interactions on site.
As we move forward our foremost priority is to keep employees safe and our customers supplied with the goods they require from us. Since late March 2020 the business has seen a significant downturn in customer demand which resulted in the month of April and May 2020 to be at quite significantly reduced levels when compared to the previous year and when compared to budget. In recent months this has now recovered to more satisfactory levels. The scenarios modelled have been reviewed and updated over the last few months to take into account the recovery since the initial shock of April and May 2020 which means it takes into account the actual performance of recent months and assumes similar trading going forward. Initially modelled scenarios have been updated as the financial performance in recent months have been much better than originally anticipated in the modelling.

Actions have been taken to reduce and carefully manage the operating cost case by eliminating unnecessary spend and reducing capital expenditure projects to a minimum. In addition, the company has accessed the Coronavirus Job Retention Scheme (CJRS) by putting employees on furlough. Altogether around half of the company's workforce was initially furloughed whilst the remaining employees were working hard to continue to produce and supply our goods to our customer base. As the business activity recovered somewhat in the last few months we have therefore also taken the decision to bring back people from furlough which means that as per second week of November 2020 we only had a low percentage of our employees remaining on furlough. In addition to carefully managing the operating cost base the company might also consider additional mitigation actions if required which might include redundancies.

The company continues to maintain a strong liquidity headroom position with a robust balance sheet. As per 31 March 2020 the company had a cash pooling/money market balance with the Treasury of voestalpine AG of £25.5m. As at 30 November 2020 this balance was £23.9m. All in all the cash pooling arrangement is a central pooling of funds arranged by the group treasury. At the end of each day all cash balances on all cash pooling accounts are being cleared down to £0 and in the morning the balances are being credited back to the account which means that no overnight pooling balances are left on the account. All funds are pooled centrally in Austria. Metsec has unrestricted access to these funds.

Streamlined Energy & Carbon Reporting (SECR)

As part of our commitment to undertaking our activities in an efficient and financially sustainable manner in-line with environmental best practice the recent energy reduction/savings measures are as follows;

- Install 70 of low energy high bay lights at 130 watts replacing 400 watt lights — a saving of 19kW every hour the lighting is on
- Install the latest version of the Vickers Energy Management System to gain a 10% reduction in gas used for heating
- Audited and repaired 20 plus air leaks which means a drop in compressors running out of hours — this was a saving of 20kW every hour outside working hours
- Slight increase in gas use investigated and found to be an override on the heating system which has since been removed so should see a decrease in use going forward

Note the source of gas, electricity, water and energy consumption are compiled from the itemised bills received from the suppliers. Where reference is made to tonnes this means tonnes produced.

Directors' report (continued)

Streamlined Energy & Carbon Reporting (SECR) (continued)

Measure	Total Energy 2019/20
Gas Usage in kWh	2,451,957
Electricity Usage in kWh	5,185,362
Total Energy Usage in kWh	7,637,319

Measure per tonnes produced	CO2 Emissions 2019/20
CO2 Gas in tonnes of Carbon	454
CO2 Electric in tonnes of Carbon	2,808
CO2 total in tonnes of Carbon	3,262

Measure	Total Water 2019/20
Water Usage in M3	2,851

Measure	Total Fuel 2019/20
Fuel consumed for business use in litres	85,412

Disabled employees
voestalpine Metsec Plc has an established policy of encouraging the employment of disabled persons wherever this is practicable. The company endeavors to ensure that disabled employees benefit from training and career development programmes in common with all employees. Employees who become disabled during their working life will be retained in employment wherever possible, and will be given help with any necessary rehabilitation and retraining.

Employee consultation
Communication with employees is effected through information bulletins, by briefing meetings conducted by senior management and by employee representation on works councils. Briefing meetings and councils enable senior management to consult employees and to ascertain their views on matters likely to affect their interest.

The section 172 (1) statement which is included in the Strategic Report, together with the Directors' Report, serves as the report on Stakeholder Engagement for the purpose of the Companies (Miscellaneous Reporting) Regulations 2018. The company makes all employees aware of financial and economic factors affecting the performance of the company as part of the information bulletins and briefing meetings.

Auditor
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP will not be seeking re-appointment as auditor of the Company at the conclusion of their current term of office. There are no circumstances connected with the resignation of Deloitte LLP as external auditor which should be brought to the attention of members or creditors of the Company.

This report was approved ~~by board~~ and signed on its behalf by:

N A Richardson
Director
Date: 17/12. 2020

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Independent Auditor's Report to the Members of voestalpine Metsec Plc

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of voestalpine Metsec Plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent Auditor's Report to the Members of voestalpine Metsec Plc (continued)

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

DocuSigned by:
Emre Saka
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Emre Saka (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
Date: 17 December 2020 | 18:53:07 GMT

Profit and loss account
For the year ended 31st March 2020

	Note	2020 £'000	2019 £'000
Turnover	3	97,684	103,069
Cost of sales		(67,527)	(72,262)
Gross profit		30,157	30,807
Distribution costs		(5,346)	(5,483)
Administrative expenses		(9,676)	(10,478)
Operating profit	4	15,135	14,846
Finance costs (net)	7,20	(80)	(61)
Profit before taxation		15,055	14,785
Taxation on profit	8	(2,718)	(1,610)
Profit for the financial year		12,337	13,175

Turnover and operating profit derive from continuing operations in both periods.

There is no difference between the profit before taxation and the result for the year number above and their historical cost equivalents other than the depreciation on revalued element of buildings of £30,000 (2019: £30,000).

Statement of comprehensive income
For the year ended 31st March 2020

	Note	2020 £'000	2019 £'000
Profit for the financial year		12,337	13,175
Actuarial gain/ (loss) on the pension scheme during the year	20	904	(590)
Deferred tax relating to actuarial gain /(loss)		(172)	100
Other comprehensive income/(expense)		732	(490)
Total comprehensive income		13,069	12,685

Balance sheet
As at 31st March 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	16,358	17,005
Investments	12	-	-
		16,358	17,005
Current assets			
Stocks	13	4,570	5,635
Debtors	14	32,406	43,501
Cash at bank and in hand		261	468
Retirement benefit surplus (net)	21	1,554	-
		38,791	49,604
Creditors: amounts falling due within one year	15	(25,428)	(36,260)
Net current assets		13,363	13,344
Total assets less current liabilities		29,721	30,349
Provisions for liabilities	16	(720)	(34)
Retirement benefit deficit (net)	20	-	(907)
Net assets		29,001	29,408
Capital and reserves			
Called up share capital	17	1,583	1,583
Share premium account	18	788	788
Revaluation reserve	18	1,575	1,605
Profit and loss account	18	25,055	25,432
Shareholders' funds		29,001	29,408

These financial statements of voestalpine Metsec Plc, registered number: 01551970 were approved by the board of directors on 17. 12 2020 and were signed on its behalf by:

N A Richardson

Director
Date: 17 . 12. 2020

Statement of changes in equity
For the year ended 31st March 2020

	Called share capital	Share premium account	Revaluation reserve	Profit loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 1 April 2018	1,583	788	1,635	29,350	33,356
Retained profit for the financial year	-	-	-	13,175	13,175
Actuarial loss recognised in the pension scheme during the year (note 20)	-	-	-	(590)	(590)
Movement on deferred tax relating to actuarial gain in the pension scheme (note 16)	-	-	-	100	100
Total comprehensive income	-	-	-	12,685	12,685
Dividends paid on equity shares (note 9)	-	-	-	(16,633)	(16,633)
Transfer	-	-	(30)	30	-
At 31 March 2019	1,583	788	1,605	25,432	29,408
Retained profit for the financial year	-	-	-	12,337	12,337
Actuarial gain/ (loss) recognised in the pension scheme during the year (note 20)	-	-	-	904	904
Movement on deferred tax relating to actuarial loss in the pension scheme (note 16)	-	-	-	(172)	(172)
Total comprehensive income	-	-	-	13,069	13,069
Dividends paid on equity shares	-	-	-	(13,476)	(13,476)
Transfer	-	-	(30)	30	-
At 31st March 2020	1,583	788	1,575	25,055	29,001

Notes to the financial statements
Year ended 31st March 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

voestalpine Metsec Plc is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on page 6. The nature of the company's operations and its principal activities are set out in the strategic report on pages 3 to 6. The financial statements have been prepared under the historical cost convention, modified to include the fair valuation of the pension assets, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of voestalpine Metsec Plc is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement, related party transactions and remuneration of key management personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The company's business activities, together with the factors likely to affect its future development and position are set out in the Directors' Report on page 7-8. The company is expected to continue to generate positive operating cash flows for the foreseeable future. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future and have therefore adopted the going concern assumption as a basis of accounting in preparing the financial statements.

Goodwill

Goodwill, which represents the excess of the fair value of the consideration for the trade and assets of subsidiaries over the fair values of the assets acquired, is capitalised and stated at historical cost less provisions for amortisation and impairment.

Amortisation of goodwill is provided from the date of acquisition so as to write off the goodwill, on a straight line basis over the term of its useful economic life.

Notes to the financial statements (continued)
Year ended 31st March 2020

1. Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or on, net of depreciation and any provision for impairment. Depreciation is provided to write off on a straight line basis the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	maximum of 2% per annum
Leasehold land and buildings	term of lease
Plant and machinery	7.5% to 20% per annum
Fixtures and fittings	33.3% per annum

No depreciation is provided on freehold land. Interest and other financial costs are not capitalised.

Impairment of assets

The company undertakes a review for impairment of a fixed asset if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, that is the higher of the net realisable value and value in use, the fixed asset is written down to its recoverable amount. The value in use is determined from estimated discounted future cash flows.

Fixed asset investments

Fixed asset investments are stated at cost less any provision necessary for permanent diminution in value.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses are included in the profit and loss account.

Grants

Capital based grants are included with accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Notes to the financial statements (continued)
Year ended 31st March 2020

1. Accounting policies (continued)

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The pension scheme surplus (to the extent that is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of comprehensive income, actuarial gains and losses.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.
Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1. Accounting policies (continued)

Financial Instruments (continued)

(ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

(iv) Impairment of financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Research and development expenditure
Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Stocks and work in progress
Stocks and work in progress are valued at the lower of cost and estimated selling price less cost to sell, which is equivalent to the net realisable value. Provision is made for obsolete, slow moving or defective items. Cost is calculated as follows:

- raw materials and bought out parts purchase price, and
- work in progress and finished goods, raw material cost plus direct labour and an appropriate proportion of manufacturing overheads

Taxation
The charge for taxation is based on the profit for the year.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, without discounting, 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Notes to the financial statements (continued)
Year ended 31st March 2020

1. Accounting policies (continued)

Turnover
Turnover, which excludes value added tax, represents the invoiced value of goods delivered, and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Interest Income
Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Recognition of assets and liabilities
Where a contract is entered into which transfers substantially, all of the risks and rewards associated with an asset to a third party in exchange for an advance on the settlement value of that asset, the asset and the associated liability resulting from the advance are presented in the accounts on a net basis.

Dividends on shares presented within shareholder's funds
Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet this criteria are disclosed in the notes to the financial statements.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The company has no critical judgments.

Key source of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The management has concluded that there is no key source of estimation uncertainty which has a significant effect on the amounts recognized in the financial statements.

Notes to the financial statements (continued)
Year ended 31st March 2020

3. Turnover

The directors are of the opinion that only one major class of business is being undertaken, namely that of manufacturing structural components and roll formed section. The origin of almost all the company's trading is the United Kingdom.

An analysis of the Company's turnover by geographical market is set out below:

Geographical analysis by destination	**2020** **£'000**	**2019** **£'000**
United Kingdom	96,393	101,822
Rest of Europe	1,136	1,020
Other	155	227
	97,684	103,069

4. Operating profit

	2020 **£'000**	**2019** **£'000**
Operating profit is stated after charging		
Depreciation of owned assets	2,513	2,383
Operating lease of equipment	107	141
R&D expenditure written off	258	80
Exchange losses	50	53
Bad debt written off	666	11
Rentals under operating leases		
-Plants and vehicles	50	329
Auditor's remuneration		
Fees payable to the company's auditor for the audit of the company's annual accounts	48	52

Fees payable to the company's auditor includes the audit fee for the company's intermediate parent company, Voest Alpine Krems UK Plc of £3,800 (2019: £3,650) which was borne by the company.

The company bore the pension audit fee of £6,500 (2019: £6,050) on behalf of the pensions scheme. There were no other non-audit fees payable (2019: £nil).

Notes to the financial statements (continued)
Year ended 31st March 2020

5. Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2020	2019
Production	235	237
Sales and distribution	37	36
Administration	111	108
	383	381

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£'000	£'000
Wages and salaries	14,258	13,749
Social security costs	1,364	1,408
(Gain)/loss due to benefit changes (note 20)	(1,578)	513*
Other pension costs net	1,603	1,538*
	15,647	17,208

*balance reclassed to conform to current year groupings

6. Remuneration of directors

	2020	2019
	£'000	£'000
Directors' emoluments	624	623
Company contributions to money purchase pension schemes	24	24
	648	647

None of the directors are a member of the group defined benefit scheme (2019: None), and three directors are members of the defined contribution/money purchase scheme (2019: three).

	2020	2019
	£'000	£'000
Highest paid director		
Directors' emoluments	271	275
Contributions to money purchase pension scheme	6	6
	277	281

Notes to the financial statements (continued)
Year ended 31st March 2020

7. Finance costs (net)

	2020 £'000	2019 £'000
Interest receivable on amounts from group undertakings	224	228
Interest payable on amounts due to group undertakings	(276)	(294)
Interest payable and similar charges on bank loans and overdrafts	(7)	-
Net pension interest (Note 20)	(21)	5
	(80)	(61)

8. Taxation

	2020 £'000	2019 £'000
Analysis of charge in year		
UK corporation tax		
Current tax on income for the year	2,214	2,632
Adjustment in respect of prior years	(10)	(949)
Total current tax	2,204	1,683
Deferred tax (note 16)		
Origination/reversal of timing differences	485	(91)
Adjustment in respect of prior years	22	18
Effect of rate change	7	-
Total deferred tax	514	(73)
Tax on profit	2,718	1,610

Notes to the financial statements (continued)
Year ended 31st March 2020

8. Taxation (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Current tax reconciliation		
Profit before tax	15,055	14,785
Current tax at 19% (2019: 19%)	2,860	2,809
Effects of:		
Fixed asset differences	199	102
Expenses not deductible for tax purposes	16	19
Amounts charged directly to equity	-	(12)
Adjustment in respect of prior years	12	(931)
Tax rate differences	7	23
Adjustment in respect of patent box	(384)	(400)
R & D expenditure credits	8	-
Total tax charge	2,718	1,610

The standard rate of tax applied to the reported profit on ordinary activities is % (2019: 19%). From 1 April 2017, the standard rate of corporation tax reduced to 19% and from 1 April 2020 to 17%.

Finance Bill 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 March 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year ended 31 March 2020.

9. Dividends

The aggregate amount of dividends comprises:

	2020 £'000	2019 £'000
Dividends paid £0.85 dividend per share (2019: (£1.05)	13,476	16,633

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Notes to the financial statements (continued)
Year ended 31st March 2020

10. Intangible fixed assets

	Goodwill £'000
Cost	
At 31 March 2020 and at 31 March 2019	115
Accumulated amortization	
At 31 March 2020 and at 31 March 2019	115
Net book amount	
At 31 March 2020 and at 31 March 2019	-

11. Tangible fixed assets

	Land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation				
At beginning of year	16,857	29,151	7,532	53,540
Additions	14	-	1,852	1,866
Reclassifications	75	769	(844)	-
At end of year	16,946	29,920	8,540	55,406
Depreciation				
At beginning of year	8,786	22,176	5,573	36,535
Charge for the year	460	1,267	786	2,513
At end of year	9,246	23,443	6,359	39,048
Net book value				
At 31 March 2020	7,700	6,477	2,181	16,358
At 31 March 2019	8,071	6,975	1,959	17,005

The net book value of land and buildings comprises freehold properties of £7,700,000 (2019: £8,071,000) and long leaseholds of £nil (2019: £nil).

The value of freehold land is £3,614,000 (2019: £3,614,000) included in freehold properties above.

Notes to the financial statements (continued)
Year ended 31st March 2020

11. Tangible fixed assets (continued)

If freehold land and buildings had not been revalued, total land and buildings, including those which have not been subject to revaluation, would have been included on a historic cost basis at the following amounts:

	2020 £'000	2019 £'000
Cost	14,802	14,713
Accumulated depreciation	(8,677)	(8,247)
Net book value	6,125	6,466

12. Investments

Analysis of investments

The value of investments held by the company is £nil (2019: £nil).
Details of the subsidiaries with registered address of Broadwell Road, Oldbury, West Midlands, B69 4HF are:

	Proportion of ordinary shares	Country of incorporation	Nature of business
Metal Sections Limited	100%	England	Non trading

13. Stocks

	2020 £'000	2019 £'000
Raw materials	2,204	3,403
Work in progress and finished goods	2,366	2,232
	4,570	5,635

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

Notes to the financial statements (continued)
Year ended 31st March 2020

14. Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade debtors	946	2,917
Amounts due from ultimate parent	30,163	39,686
Prepayments and accrued income	758	898
Corporation tax	539	-
	32,406	43,501

Amounts due from ultimate parent are unsecured, carry interest at commercial rate and have no fixed date of repayment.

15. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	17,501	20,599
Amounts owed to group undertakings	2,823	7,276
Corporation tax	-	190
Social security costs and other taxes	1,429	2,224
Other creditors	1,305	1,364
Accruals and deferred income	2,370	4,607
	25,428	36,260

Amounts owed to group undertakings relates to intercompany financing and purchases were made during the normal course of business and on an arm's length basis during the year, are unsecured, carry interest at commercial rate and have no fixed date of repayment.

voestalpine Metsec Plc

Notes to the financial statements (continued)
Year ended 31st March 2020

16. Provision for liabilities

	Deferred tax liability on pension assets £'000	Other deferred taxation £'000	Total £'000
At beginning of year	154	(188)	(34)
Credit/ (Charge) to profit and loss account for the year	(277)	(237)	(514)
Recognised in the statement of comprehensive income	(172)	-	(172)
At end of year	(295)	(425)	(720)

Analysis of other deferred tax	2020 Provided £'000	2019 Provided £'000
Capital allowances in excess of depreciation	536	282
Short term timing differences	(111)	(94)
	425	188

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

There is no expiry date on timing differences, unused tax losses or tax credits.

17. Called up share capital

	2020 £'000	2019 £'000
Called up, allotted and fully paid		
Ordinary shares of £0.1 each	1,583	1,583

18. Share premium and reserves

	Share premium £'000	Revaluation reserve £'000	Profit and loss account £'000
At beginning of year	788	1,605	25,432
Retained profit for the financial year	-	-	12,337
Dividends paid (note 9)			(13,476)
Transfers		(30)	30
Actuarial gain on the pension scheme during the year (note 20)	-	-	904
Movement on deferred tax relating to actuarial loss in the pension scheme	-	-	(172)
	788	1,575	25,055

19. Financial commitments

a) Capital commitments at the end of the financial year for which no provision has been made, are as follows:

	2020 £'000	2019 £'000
Contracted	-	208

b) At 31 March 2020, the company had the following future minimum lease commitments under operating leases which expire as follows:

	Land and buildings		Other	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Leases which expire:	-	-		
Within one year	-	-	60	18
Within two to five years	-	-	269	356
	-	-	329	374

20. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,603,000 (2019: £1,538,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The company operates the Metal Sections Pension Scheme (1982), a defined benefit pension scheme providing benefits based on final pensionable pay. The scheme was closed to accrual from 30 June 2013. The latest full actuarial valuations was carried out at 5 April 2019 by a qualified independent actuary (JLT Benefit Solutions Ltd) and updated on an approximate basis to 5 April 2020. The overall funding level dropped from 101% as per 5 April 2019 to 95% as per 5 April 2020. The main factors which have contributed to the change in the funding level since 5 April 2019 have been:

- Changes in gilt yields and inflation have resulted in an increase in the value of the past service liabilities;
- Investment performance has been better than assumed; and
- Scheme experience has slightly reduced the liabilities.

The company has recognized the pension surplus as a net defined benefit asset as the trustees of the pension scheme passed a resolution under Section 251 of the Pensions Act 2004 in November 2015.

The contributions made by the employer over the financial year have been £nil (2019: £nil). No additional contributions in respect of benefit augmentations or lump sums were paid either in 2020 or 2019.

Market conditions continue to be volatile as uncertainty continues regarding the long-term impact of the Covid-19 pandemic. Market movements mean that the technical provisions would not have been materially different if we had used financial assumptions as of 15 August 2020, the date of when the updated actuarial report as per 5 April 2020 was compiled by the scheme actuary.

The major assumptions used by the actuary were:	2020 %	2019 %
Rate of discount	2.40%	2.30%
Inflation (RPI)	2.75%	3.40%
Inflation (CPI)	2.15%	2.30%
Salary increases	n/a	n/a
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.15%	2.30%
Allowance for pension in payment increases of RPI or 5% p.a. if less	n/a	3.25%
Allowance for pension in payment increases of RPI or 2.5% p.a. if less	n/a	2.15%
Allowance for pension in payment increases of CPI or 5% p.a. if less	2.20%	2.30%
Allowance for pension in payment increases of CPI or 2.5% p.a. if less	1.70%	1.80%
Allowance for pension in payment increases of CPI or 3% p.a. if less	1.90%	1.95%
Allowance for commutation of pension for cash at retirement	75% of Post A day allowance	75% of Post A day allowance

20. Pension commitments (continued)

The assets in the scheme as at 31st March 2020 are:

	Value at 31 March 2020 £'000	Value at 31 March 2019 £'000
Equities	4,184	4,890
Bonds	30,357	30,354
Cash	153	96
Total market value of assets	34,694	35,340
Present value of scheme liabilities	(33,140)	(36,247)
Surplus/(Deficit) in scheme	1,554	(907)
Related deferred tax asset /(liability)	(295)	154
Recognised (deficit)/Surplus in scheme	1,259	(753)

Movement in present value of defined benefit obligation	**2020 £'000**	**2019 £'000**
At beginning of year	36,247	34,512
Interest cost	816	864
Actuarial loss	(779)	1,632
Benefits paid	(1,566)	(1,274)
(Gains) /Losses	(1,578)	513
At end of year	33,140	36,247

Movement in the fair value of plan assets:	**2020 £'000**	**2019 £'000**
At beginning of year	35,340	34,703
Expected return on plan assets	795	869
Actuarial gains/(losses)	125	1,042
Benefits paid	(1,566)	(1,274)
At end of year	34,694	35,340

Analysis of amount (credited)/charged to operating profit	**2020 £'000**	**2019 £'000**
(Gain)/Losses due to benefit changes	(1,578)	513

Analysis of amount (credited)/charged to other finance income	**2020 £'000**	**2019 £'000**
Interest on pension scheme assets	795	869
Interest on pension scheme liabilities	(816)	(864)
	(21)	5

Notes to the financial statements (continued)
Year ended 31st March 2020

20. Pension commitments (continued)

Analysis of amount recognised in the statement of comprehensive income	**2020 £'000**	**2019 £'000**
Actual return less expected return on pension scheme assets	125	1,042
Experience gains and losses arising on the scheme liabilities	459	(58)
Changes in financial and demographic assumptions underlying the scheme liabilities	320	(1,574)
Actuarial (loss)/gain recognised in statement of comprehensive income	904	(590)

	2020 £'000	**2019 £'000**
(Deficit) /Surplus as at 31 March	(907)	191
Other finance income	(21)	5
Actuarial gain/(loss)	904	(590)
Gain/(loss)due to benefit changes	1,578	(513)
Surplus /(Deficit) as at 31 March	1,554	(907)

Mortality assumptions:	**Valuation at 2020**	**Valuation At 2019**
Mortality before retirement	No allowance	No allowance
Retiring after retirement:		
Base table	115% of S2PxA	125% of S2PxA
Improvement allowance (smoothing parameter of 7.5)	CMI _2019 (1.25%)	CMI_2017 (1.00%)

Notes to the financial statements (continued)
Year ended 31st March 2020

20. Pension commitments (continued)

History of experience gains and losses

	2020	2019	2018	2017	2016
Difference between expected and actual return on scheme assets					
Amount (£'000)	125	1,042	(1,061)	3,887	(1,359)
Percentage of schemes assets	0.4%	3%	(3%)	11%	(4%)
Experience gains and losses on scheme liabilities					
Amount (£'000)	459	(58)	(167)	(496)	278
Percentage of the present value of schemes liabilities	1%	(0%)	(0%)	(1%)	1%
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities					
Amount (£'000)	320	(1,574)	117	(4,536)	1,545
Percentage of present value of scheme's liabilities	1%	(4%)	0%	(13%)	5%
Total amount recognised in statement of comprehensive income					
Amount (£'000)	904	(590)	(1,111)	(1,145)	464
Percentage of the present value of schemes liabilities	3%	(2%)	(3%)	(3%)	2%

21. Related party transactions

The total remuneration for key management personnel for the period totaled £648,000 (2019: £647,000), being remuneration disclosed in note 6.

22. Ultimate parent company

The immediate parent undertaking is Voest Alpine Krems UK Plc, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party is voestalpine AG (registered address is voestalpine-Strasse 1, 4020 Linz, Austria), a company incorporated in Austria. Voestalpine AG is the parent undertaking and the controlling party of the smallest and largest group to consolidate these financial statements. Copies of the voestalpine AG consolidated financial statements can be obtained from the Company Secretary of voestalpine Metsec Plc, Broadwell Road, Oldbury, Warley, West Midlands, B69 4HF.

23. Events after the balance sheet date

On 3 March 2020 the UK Government unveiled their Coronavirus Action Plan to fight the Coronavirus/Covid-19 pandemic. Given the ongoing, considerable level of uncertainty, the company is unable to provide an accurate assessment on trading for the next 6-12 months. Whilst the uncertainty continues with respect to the ongoing impact of Covid-19 and the eventual shape of the UK economic recovery the company remains focused on near-term actions to maintain the safety and welfare of our employees, customers and suppliers and take advantage of short-term sales opportunities.

On 18 June 2020, the Directors recommended the payment of a final dividend for the year 2020 of £12,243,700, which was paid on 30 June 2020.