

UNITED CAST BAR (UK) LIMITED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 NOVEMBER 2007

Company Registration Number 00050918

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UNITED CAST BAR (UK) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

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UNITED CAST BAR (UK) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr M H R Rawlins
Dr C M Trinder
Mr D J Lee (resigned 17 October 2007)
Mr Y M J M Mohsen
Mr A Rico
BI Secretariat Limited
Mr P R Moore
Mr J Artaz (appointed 16 January 2008)

Company secretary

BI Nominees Limited

Registered office

Unit 1 First Avenue
Maybrook Industrial Estate
Minworth
Sutton Coldfield
West Midlands
B76 1BA

Auditors

KPMG LLP
Chartered Accountants
& Registered Auditor
2 Cornwall Street
Birmingham
B3 2DL

UNITED CAST BAR (UK) LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 NOVEMBER 2007

The directors present their report and the financial statements of the Company for the year ended 30 November 2007

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company (United Cast Bar (UK) Limited) is a wholly-owned subsidiary of BI Group Plc ("BI Group") and operates as part of United Cast Bar Group of companies, the metals division of BI Group

The Company's principal activities are the manufacture and distribution of continuous cast iron bar to the hydraulics and automotive industries primarily in the United Kingdom, Europe, United States of America and Asia. It also acts as a holding company for subsidiaries which are cast iron bar stockholders and distributors. There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not, at the date of this report, aware of any likely major changes in the Company's activities in the next year.

The metals division of which the Company is a part invests in research and development activities appropriate to the nature and size of its operations with the aim of supporting the future development of the Company, as a part of the division, in the medium to long-term future. This research and development activity has resulted in a number of updates to existing products.

As shown in the Company's profit and loss account on page 8, the Company's turnover has increased by 1.2% over the prior eleven month period. This increase was achieved despite lost sales in the period due to significant loss of production as a result of the floods in June 2007. Operating profit was, however, supported by insurance cover. The result after tax has increased to £1.1m. One major factor in this increase was the insurance proceeds in respect of assets replaced or repaired after the floods. This has been disclosed as an exceptional item.

The balance sheet on page 9 of the financial statements shows the Company's financial position at the year-end and shows a strengthened position as a result of the good profit in the year.

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

United Cast Bar Group manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in Europe and from China is a continuing risk for the Company, which could result in it losing sales to its key competitors. To manage this risk, the Company strives to provide added-value products and services to its customers, prompt response times in the supply of products and services and in the handling of customer queries and maintains strong relationships with customers.

The Company sells products into international markets and it is therefore exposed to currency movements on such sales. Where appropriate, the Company manages this risk with forward foreign exchange contracts in line with BI Group's treasury policies.

The Company's businesses may be affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where practicable, such risks.

UNITED CAST BAR (UK) LIMITED**THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 30 NOVEMBER 2007**

The Company is a member of BI Group's multi-employer UK defined benefit pension plan, which is currently in deficit. The funding level of this pension plan is subject to change resulting from movements in the actuarial assumptions underlying the calculation of plan liabilities, including changes in discount rates and increasing longevity of plan members, as well as changes in the market value of plan investments. The UK pension plan ceased to accrue future benefits to members with effect from 31 March 2004 and deficit-reduction contributions are being made under the terms of a repayment schedule agreed with the plan Trustee. Currently such contributions are met by BI Group plc on behalf of the Company. Significant changes in the actuarial assumptions underlying the UK plan valuation and the Company's share of any deficit-reduction contributions made into the plan could materially impact the Company's trading results.

The Company is financed by loans from other Group companies which have no predetermined repayment dates or interest payment arrangements.

The Group risks to which the Company is exposed are discussed in the Annual Report of the ultimate parent company, National Industries Group (Holding) SAK, which does not form part of this Report.

ENVIRONMENT

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements. The Company's policy is to give full and fair consideration to applications for employment by disabled persons, having regard to the nature of their employment. Suitable opportunities are offered to disabled persons in order to promote their career development.

RESULTS AND DIVIDENDS

The Company traded satisfactorily during the year. The directors consider that the Company is soundly based both operationally and financially and anticipate further advances in the forthcoming year. Segmental information is presented in note 2.

The directors have not recommended a dividend (period ended 30 November 2006: £Nil).

THE DIRECTORS

The directors who served the Company during the year were as follows:

Mr M H R Rawlins

Dr C M Trinder

Mr D J Lee (resigned 17 October 2007)

Mr Y M J M Mohsen

Mr A Rico

BI Secretariat Limited

Mr P R Moore

Mr J Artaiz (appointed 16 January 2008)

UNITED CAST BAR (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2007

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law

UNITED CAST BAR (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

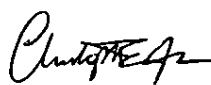
YEAR ENDED 30 NOVEMBER 2007

AUDITORS

Pursuant to Section 386 of the Companies Act 1985, a resolution has been passed which results in the Company not being required to annually re-appoint KPMG LLP as its auditors

Registered office
Unit 1 First Avenue
Maybrook Industrial Estate
Minworth
Sutton Coldfield
West Midlands
B76 1BA

Signed by order of the directors



On behalf of
BI NOMINEES LIMITED
Company Secretary

Approved by the directors on 20th March 2008

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNITED CAST BAR (UK) LIMITED**

YEAR ENDED 30 NOVEMBER 2007

We have audited the financial statements of United Cast Bar (UK) Limited for the year ended 30 November 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNITED CAST BAR (UK) LIMITED *(continued)***

YEAR ENDED 30 NOVEMBER 2007

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 November 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
2 Cornwall Street
Birmingham
B3 2DL
20th March 2008

UNITED CAST BAR (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2007

	Note	Year ended 30 November 2007 £	Period ended 30 November 2006 £
TURNOVER	2	13,278,882	13,126,420
Cost of sales		<u>(11,594,215)</u>	<u>(11,696,692)</u>
GROSS PROFIT		1,684,667	1,429,728
Distribution costs		<u>(881,461)</u>	<u>(1,010,943)</u>
Administrative expenses		<u>(388,640)</u>	<u>(580,827)</u>
OPERATING PROFIT/(LOSS)	3	414,566	(162,042)
Exceptional item	6	577,925	-
Interest receivable	7	141,112	49,521
Interest payable	8	<u>(33,000)</u>	<u>(35,083)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,100,603	(147,604)
Tax on profit on ordinary activities	9	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	23	<u>1,100,603</u>	<u>(147,604)</u>

The Company has no recognised gains or losses other than the results for the year as set out above

All of the activities of the Company are classed as continuing

UNITED CAST BAR (UK) LIMITED
BALANCE SHEET
30 NOVEMBER 2007

	Note	30 November 2007		30 November 2006	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		877,189		932,353
Tangible assets	11		3,942,972		3,686,503
Investments	12		4,330,205		4,209,290
			<u>9,150,366</u>		<u>8,828,146</u>
CURRENT ASSETS					
Stocks	13	2,496,744		2,240,468	
Debtors	14	10,705,363		8,101,426	
Cash at bank and in hand		3,626,979		1,599,502	
		<u>16,829,086</u>		<u>11,941,396</u>	
CREDITORS: Amounts falling due within one year	15	(9,037,996)		(6,486,883)	
NET CURRENT ASSETS			<u>7,791,090</u>		<u>5,454,513</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,941,456</u>		<u>14,282,659</u>
CREDITORS: Amounts falling due after more than one year	16		(7,936,341)		(6,378,147)
NET ASSETS			<u>9,005,115</u>		<u>7,904,512</u>
CAPITAL AND RESERVES					
Called-up equity share capital	22		8,000,000		8,000,000
Profit and Loss Account	23		1,005,115		(95,488)
SHAREHOLDERS' FUNDS	24		<u>9,005,115</u>		<u>7,904,512</u>

These financial statements were approved by the directors on 20th March 2008 and are signed on their behalf by



DR C M TRINDER
DIRECTOR

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The Company has been dependent for working capital funding upon the support of BI Group Plc and the ultimate holding company National Industries Group (Holdings) S A K in Kuwait. The directors understand that this financial support will continue, as required, for the foreseeable future and that repayment of current funding will not be requested within 12 months. Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

Group financial statements

The Company is exempt by virtue of S228A(1) of the Companies Act 1985 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.

Cash flow statement

The Company is exempt from the requirement of FRS No. 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of National Industries Group S A K and its cash flows are included within the consolidated cash flow statement in the financial statements of that company, which are publicly available.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Goodwill, which represents the excess of cost of acquisitions of businesses over the value attributed to their net assets and other intangible assets, is amortised through the profit and loss account by equal instalments over its estimated useful economic life of 20 years.

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & Machinery - From 5 - 15 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

In respect of finished goods, cost includes all direct costs of production and the appropriate proportion of production overheads

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term

Pension costs

From 1 January 2006 the Company contributes to employee stakeholder pension plans. Prior to this the Company contributed to both defined contribution and defined benefit pension schemes.

The assets of the defined contribution scheme, which closed on 31 December 2005, are held separately from those of the Company in an independently administered fund. The amount charged to the scheme represents amounts payable to the schemes in respect of the accounting year.

The defined benefit scheme, which ceased to accrue benefits with effect from 31 March 2004, is a Group wide pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting year.

Taxation

The charge for taxation is based on the loss for the year and takes into account deferred taxation. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

The Company recognises a deferred tax asset in respect of past trading losses to the extent that the directors believe future taxable profits will arise.

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Foreign currency transactions are translated at the rates ruling when they occurred or at rates specified in related forward foreign currency contracts. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date or, if appropriate, at rates specified in related forward exchange contracts and exchange differences arising are dealt with in the profit and loss account.

Investments in subsidiaries

Investments in subsidiary undertakings are stated at cost less provisions for permanent diminution in value.

2. TURNOVER

The turnover and loss on ordinary activities before tax are attributable to the one principal activity of the Company.

An analysis of turnover by geographical destination is given below.

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
United Kingdom	1,527,549	1,960,482
Europe	10,251,075	8,578,299
America	1,134,247	1,666,865
Rest of world	366,011	920,774
	<u>13,278,882</u>	<u>13,126,420</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting)

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
Amortisation of intangible fixed assets	55,164	50,567
Depreciation of owned tangible fixed assets	491,758	479,628
Depreciation of assets held under finance leases and hire purchase contracts	81,114	76,156
Auditors' remuneration		
- fees payable to the Company's auditor for the audit of the Company's annual accounts	14,000	12,500
Operating lease costs		
Plant and equipment	69,611	69,411
Divisional management charge receivable	(1,503,828)	(1,445,589)
Group management charge payable	<u>727,152</u>	<u>700,000</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the Company (including executive directors) during the financial year amounted to

	Year ended 30 November 2007	Period ended 30 November 2006
	No.	No
Production staff	76	73
Administrative staff	29	31
	<u>105</u>	<u>104</u>

The aggregate payroll costs of the above were

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
Wages and salaries	2,972,861	2,848,538
Social security costs	290,966	291,186
Other pension costs	62,106	68,729
	<u>3,325,933</u>	<u>3,208,453</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
Emoluments receivable	430,293	493,349
Company pension contributions to defined contribution schemes	12,746	22,833
	<u>443,039</u>	<u>516,182</u>

The number of directors who are accruing benefits under Company pension schemes are as follows

	Year ended 30 November 2007	Period ended 30 November 2006
	No.	No
Defined contribution schemes	<u>1</u>	<u>3</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

5. DIRECTORS' EMOLUMENTS *(continued)*

Emoluments of highest paid director

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
Total emoluments (excluding pension contributions)	<u>124,425</u>	<u>203,973</u>

Company contributions paid to the defined contribution pension scheme on behalf of the above director during the year amounted to £6,329 (period ended 30 November 2006 £14,230)

6. EXCEPTIONAL ITEM

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
Profit on disposal of fixed assets	<u>577,925</u>	<u>-</u>

7. INTEREST RECEIVABLE

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
Interest from Group undertakings	78,323	10,686
Bank interest receivable	<u>62,789</u>	<u>38,835</u>
	<u>141,112</u>	<u>49,521</u>

8. INTEREST PAYABLE

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
Finance leases and hire purchase contracts	<u>33,000</u>	<u>35,083</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

9. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Year ended 30 November 2007 £	Period ended 30 November 2006 £
In respect of the year		
<i>UK corporation tax</i>		
Current tax on profit/(loss) for the year	-	-
Total current tax charge/(credit)	-	-
<i>Deferred tax (note 18)</i>		
Origination/reversal of timing differences	-	-
	-	-
Tax charge/(credit) on profit/(loss) on ordinary activities	-	-

Factors affecting the tax credit for the current year

The current tax charge for the year is lower (period ended 30 November 2006 credit is lower) than the standard rate of corporation tax in the UK 30% (period ended 30 November 2006 30%) The differences are explained below

	Year ended 30 November 2007 £	Period ended 30 November 2006 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	1,100,603	(147,604)
Current tax at 30% (period ended 30 November 2006 30%)	330,181	(44,281)
<i>Effects of</i>		
Expenses not deductible for tax purposes	977	4,095
Current year group relief given	(42,334)	(19,174)
Capital allowances for year in excess of depreciation	2,101	154,614
Utilisation of tax losses	(290,914)	(95,059)
Other timing differences	(11)	(194)
Total current tax charge/(credit) (see above)	-	-

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2006 and 30 November 2007	<u>1,103,294</u>
AMORTISATION	
At 1 December 2006	170,941
Charge for the year	55,164
At 30 November 2007	<u>226,105</u>
NET BOOK VALUE	
At 30 November 2007	<u>877,189</u>
At 30 November 2006	<u>932,353</u>

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises

11. TANGIBLE FIXED ASSETS

	Plant & Machinery £
COST	
At 1 December 2006	9,992,133
Additions	902,916
Disposals	(661,892)
At 30 November 2007	<u>10,233,157</u>
DEPRECIATION	
At 1 December 2006	6,305,630
Charge for the year	572,872
Disposals	(588,317)
At 30 November 2007	<u>6,290,185</u>
NET BOOK VALUE	
At 30 November 2007	<u>3,942,972</u>
At 30 November 2006	<u>3,686,503</u>

Finance lease agreements

Included within the net book value is £916,734 (period ended 30 November 2006 £723,693) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £81,114 (period ended 30 November 2006 £76,156)

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

12. INVESTMENTS

Shares in Group undertakings comprise:

	£
COST	
At 1 December 2006	4,383,040
Additions	120,915
At 30 November 2007	<u>4,503,955</u>
 AMOUNTS WRITTEN OFF	
At 1 December 2006 and 30 November 2007	<u>173,750</u>
 NET BOOK VALUE	
At 30 November 2007	<u>4,330,205</u>
At 30 November 2006	<u>4,209,290</u>

Additions during the year relate to UCB Technometal sro and LAND Lodenice sro

Details of investments in ordinary shares directly held by the Company are as follows

	COUNTRY REGISTERED IN	HOLDING %	PRINCIPAL ACTIVITY
UCB Mestra GmbH	Germany	100%	Cast Bar Stockholders and Distributors
UCB Kneisel and Heess GmbH	Germany	100%	Cast Bar Stockholders and Distributors
UCB Sweden AB	Sweden	100%	Cast Bar Stockholders and Distributors
UCB Ademetal SA	France	100%	Cast Bar Stockholders and Distributors
UCB Metallı srl	Italy	60%	Cast Bar Stockholders and Distributors
UCB Austria GmbH	Austria	100%	Cast Bar Stockholders and Distributors
UCB Technometal sro	Czech Republic	100%	Cast Bar Stockholders and Distributors
LAND Lodenice sro	Czech Republic	100%	Property Holders

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

13. STOCKS

	30 November 2007	30 November 2006
	£	£
Raw materials	385,199	437,210
Finished goods	2,111,545	1,803,258
	<u>2,496,744</u>	<u>2,240,468</u>

14. DEBTORS

	30 November 2007	30 November 2006
	£	£
Trade debtors	1,545,466	942,487
Amounts owed by Group undertakings	6,989,494	6,586,020
Other debtors	1,894,473	424,408
Prepayments and accrued income	275,930	148,511
	<u>10,705,363</u>	<u>8,101,426</u>

The debtors above include the following amounts falling due after more than one year

	30 November 2007	30 November 2006
	£	£
Amounts owed by Group undertakings	<u>1,092,136</u>	<u>1,106,387</u>

15. CREDITORS: Amounts falling due within one year

	30 November 2007	30 November 2006
	£	£
Obligations under hire purchase and finance leases	182,412	210,550
Trade creditors	1,823,161	1,850,727
Amounts owed to Group undertakings	5,030,190	3,779,315
Other taxation and social security	120,171	95,267
Other creditors	608,487	31,669
Accruals and deferred income	1,273,575	519,355
	<u>9,037,996</u>	<u>6,486,883</u>

16. CREDITORS: Amounts falling due after more than one year

	30 November 2007	30 November 2006
	£	£
Obligations under hire purchase and finance leases	248,080	99,886
Amounts owed to Group undertakings	7,688,261	6,278,261
	<u>7,936,341</u>	<u>6,378,147</u>

There are no predetermined repayment dates or interest payment arrangements applying to amounts owed to Group undertakings. However repayment will not be requested within one year.

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2007

17. PENSIONS

The Company is a member of both the funded defined benefit and the defined contribution pension schemes operated by the immediate parent undertaking, BI Group Plc. From 1 January 2006 a Stakeholder Pension Plan has been put in place.

BI Group Pension Scheme

The Company contributed to a defined benefit Group pension scheme, the BI Group Pension Scheme which is administered by trustees. With effect from 31 March 2004 further benefits ceased to accrue to the members of the scheme.

The Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis. Consequently as permitted by FRS 17 'Retirement Benefits', the scheme has been accounted for in these financial statements as if the scheme was a defined contribution scheme. The scheme has a deficit of £1 812m and a funding plan has been agreed by the Group and the scheme's Trustees.

The pension costs relating to this scheme are assessed in accordance with the advice of an independent qualified actuary using the actuarial method. The latest formal actuarial review of the scheme was carried out at 31 March 2006. The main actuarial assumptions assumed normal market rates of investment returns per annum and a pensionable salary increase assessed at prudent levels. Allowance was made for withdrawals of members before normal retirement age and death in service.

The valuation carried out as at 31 March 2006 was updated for FRS 17 purposes to 30 November 2007 by a qualified independent actuary and showed a deficit of £1 812m.

At the date of the valuation, the aggregate actuarial value of the scheme's assets was £26 54m. The level of asset cover for liabilities was 91% with respect to section A, the largest section of the scheme, 95% with respect of section B and 139% with respect of section C.

The employer's contribution for the year in respect of the defined benefit scheme was £Nil (period ended 30 November 2006 £Nil).

Stakeholder Pension Plan

From 1 January 2006 the Company contributes to employee stakeholder pension plans. The pension cost represents contributions payable by the Company to the fund and amounted to £62,106 (30 November 2006 £54,499). There was £5,061 (30 November 2006 £9,326) outstanding at the balance sheet date.

UNITED CAST BAR (UK) LIMITED
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18. DEFERRED TAXATION

The elements of deferred taxation are as follows

	Year ended 30 November 2007 £	Period ended 30 November 2006 £
Difference between accumulated depreciation and capital allowances	530,077	693,030
UK tax losses	(530,077)	(693,030)
Deferred tax liability	<u>-</u>	<u>-</u>

The directors have recognised an asset in respect of tax losses to the extent of the deferred tax liability arising by virtue of accelerated capital allowances or other timing differences. To the extent that future profits crystallise a liability utilisation of tax losses is expected to extinguish this liability. In addition, there are tax losses of approximately £324,000 which are not included within these financial statements (period ended 30 November 2006 £606,000)

19. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements included within creditors are as follows

	Year ended 30 November 2007 £	Period ended 30 November 2006 £
Amounts payable within 1 year	182,412	210,550
Amounts payable between 2 to 5 years	248,080	99,886
	<u>430,492</u>	<u>310,436</u>

20. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2007 the Company had annual commitments under non-cancellable operating leases as set out below

	30 November 2007 Land & Buildings £	Other assets £	30 November 2006 Land & Buildings £	Other assets £
Operating leases which expire				
Within 1 year	-	6,650	-	20,621
Within 2 to 5 years	330,000	45,783	330,000	30,168
After more than 5 years	-	-	-	-
	<u>330,000</u>	<u>52,433</u>	<u>330,000</u>	<u>50,789</u>

21. CONTINGENCIES

The Company is party to the Group's cross guarantee banking arrangements in respect of the Group's £4m term loan (30 November 2006 £7.2m) and the Group's £2.5m overdraft facility which was £Nil at the balance sheet date

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22. SHARE CAPITAL**Authorised share capital:**

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

Allotted, called up and fully paid:

	Year ended 30 November 2007	Period ended 30 November 2006
	£	£
8,000,000 Ordinary shares of £1 each	<u>8,000,000</u>	<u>8,000,000</u>

23. PROFIT AND LOSS ACCOUNT

	£
Balance brought forward	(95,488)
Profit for the financial year	1,100,603
Balance carried forward	<u>1,005,115</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 November 2007	30 November 2006
	£	£
Profit/(loss) for the financial year	1,100,603	(147,604)
Opening shareholders' equity funds	<u>7,904,512</u>	8,052,116
Closing shareholders' equity funds	<u>9,005,115</u>	<u>7,904,512</u>

25. FAIR VALUE OF ASSETS AND LIABILITIES

The company has derivative financial instruments that it has not recognised at fair value as follows

Forward exchange contracts with a fair value of £62,000

26. RELATED PARTIES

The Company has taken advantage of the exemption given in FRS No 8 Related Party Disclosures with respect to inter group disclosures as the Group controls at least 90% of the Company's voting share capital and the Group financial statements are publicly available

27. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of BI Group Plc. The results of the Company are consolidated in the financial statements of the ultimate parent company, National Industries Group S A K incorporated in Kuwait. Copies of the financial statements of National Industries Group S A K are available from PO Box 417, 13005 Safat, Kuwait.