

UNITED CAST BAR (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED
30 NOVEMBER 2011



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27/03/2012
COMPANIES HOUSE

Company No. 00050918

UNITED CAST BAR (UK) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

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UNITED CAST BAR (UK) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Dr C M Trinder (resigned 31 May 2011)
Mr Y M J M Mohsen
Mr A Rico (resigned 20 January 2011)
BI Secretariat Limited (resigned 31 October 2011)
Mr P R Moore
Mr J Brand
Mr A Rottach
Mr A M Rodger (appointed 30 November 2011)

Company secretary

BI Nominees Limited (resigned 31 October 2011)

Registered office

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

Auditors

Grant Thornton UK LLP
Chartered Accountants and Registered Auditor
Enterprise House
115 Edmund Street
Birmingham
B3 2HJ

UNITED CAST BAR (UK) LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 NOVEMBER 2011

The directors present their report and the financial statements of the Company for the year ended 30 November 2011

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 47% over the previous year. A profit before tax of £3.7m has been achieved compared to a profit of £0.5m of the previous year.

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 improved results during the year. Sales volume has improved significantly in 2011.

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 2011****PRINCIPAL RISKS AND UNCERTAINTIES** *(continued)*

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) S A K, 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 (2010 £Nil).

UNITED CAST BAR (UK) LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2011

THE DIRECTORS

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

Dr C M Trinder (resigned 31 May 2011)
Mr Y M J M Mohsen
Mr A Rico (resigned 20 January 2011)
BI Secretariat Limited (resigned 31 October 2011)
Mr P R Moore
Mr J Brand
Mr A Rottach
Mr A M Rodger (appointed 30 November 2011)

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 IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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)

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 and 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 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

UNITED CAST BAR (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS *(continued)*

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 its 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.

In so far as each of the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

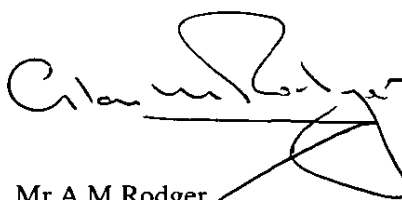
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, a resolution has been passed which results in the Company not being required to annually re-appoint Grant Thornton UK LLP as its auditors.

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

Signed on behalf of the Board



Mr A M Rodger
On behalf of
UNITED CAST BAR (UK) LIMITED

Approved by the directors on 22 March 2012

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

YEAR ENDED 30 NOVEMBER 2011

We have audited the financial statements of United Cast Bar (UK) Limited for the year ended 30 November 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

YEAR ENDED 30 NOVEMBER 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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

Grant Thornton UK LLP

Kathryn Godfree
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date *26 March 2012*

UNITED CAST BAR (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2011

	Note	2011 £	2010 £
TURNOVER	2	29,935,197	20,326,259
Cost of sales		<u>(23,716,661)</u>	<u>(17,555,210)</u>
GROSS PROFIT		6,218,536	2,771,049
Distribution costs		<u>(1,387,995)</u>	<u>(1,091,336)</u>
Administrative expenses		<u>(734,403)</u>	<u>(1,081,179)</u>
OPERATING PROFIT	3	4,096,138	598,534
Exceptional item	6	(348,450)	(12,184)
Interest receivable	7	17,069	52,260
Interest payable	8	<u>(22,948)</u>	<u>(163,025)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,741,809	475,585
Tax on profit on ordinary activities	9	-	-
PROFIT FOR THE FINANCIAL YEAR	23	<u>3,741,809</u>	<u>475,585</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 2011

	Note	2011	2010
		£	£
FIXED ASSETS			
Intangible assets	10	656,533	711,697
Tangible assets	11	4,412,780	4,572,399
Investments	12	5,549,009	5,523,794
		<u>10,618,322</u>	<u>10,807,890</u>
CURRENT ASSETS			
Stocks	13	4,609,260	3,264,864
Debtors	14	8,504,993	6,887,533
Cash at bank and in hand		4,127,849	1,456,202
		<u>17,242,102</u>	<u>11,608,599</u>
CREDITORS: Amounts falling due within one year	15	<u>(7,896,977)</u>	<u>(5,008,892)</u>
NET CURRENT ASSETS		<u>9,345,125</u>	<u>6,599,707</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,963,447</u>	<u>17,407,597</u>
CREDITORS: Amounts falling due after more than one year	16	<u>(6,035,611)</u>	<u>(7,221,570)</u>
NET ASSETS		<u>13,927,836</u>	<u>10,186,027</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	8,000,000	8,000,000
Profit and loss account	23	5,927,836	2,186,027
SHAREHOLDER'S FUNDS	24	<u>13,927,836</u>	<u>10,186,027</u>

These financial statements were approved by the directors and authorised for issue on 22 3 12 and are signed on their behalf by


Mr A M Rodger
DIRECTOR

Company No. 00050918

The notes on pages 10 to 22 form part of these financial statements

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

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 and its fellow UK based subsidiaries of NIG (Guernsey) Limited (together "the Companies") are dependent for their working capital on funds provided to it by the Proclad UK companies which have provided the Companies with an undertaking that for at least 12 months from the date of approval of these financial statements they will continue to make available such funds as are needed by the Companies and, in particular, will not seek repayment of any amounts currently made available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

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 S401 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.

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 (Holding) 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 by the Company in respect of goods sold during the year excluding Value Added Tax. The Company's policy is to recognise a sale when substantively all the risks and rewards in connection with the goods have been passed to the buyer.

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.

Provision is made for any impairment.

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

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

Operating lease agreements

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

Finance lease agreements

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss accounts so as to produce a constant periodic charge on the net obligation outstanding in each period

Pension costs

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

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.

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Current tax

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated on a straight line basis.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

2. TURNOVER

The turnover and profit 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

	2011	2010
	£	£
United Kingdom	4,912,849	3,572,639
Europe	22,639,495	14,757,494
America	552,863	1,182,492
Rest of world	1,829,990	813,634
	<u>29,935,197</u>	<u>20,326,259</u>

3. OPERATING PROFIT

Operating profit is stated after charging/ (crediting)

	2011	2010
	£	£
Amortisation of intangible fixed assets	55,164	55,164
Depreciation of owned tangible fixed assets	424,501	514,427
Depreciation of assets held under finance leases and hire purchase contracts	146,941	146,942
Auditors' remuneration		
- fees payable to the Company's auditor for the audit of the Company's annual financial statements	23,000	13,000
Operating lease costs		
Plant and equipment	50,742	52,891
Divisional management charge receivable	(830,350)	(1,751,247)
Group management charge payable	<u>-</u>	<u>1,237,090</u>

4. PARTICULARS OF EMPLOYEES

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

	2011	2010
	No.	No.
Production staff	81	61
Administrative staff	22	19
	<u>103</u>	<u>80</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were

	2011	2010
	£	£
Wages and salaries	3,607,640	2,657,211
Social security costs	391,331	276,711
Other pension costs	54,624	52,977
	<u>4,053,595</u>	<u>2,986,899</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2011	2010
	£	£
Emoluments receivable	1,029,072	794,126
Company pension contributions to defined contribution schemes	10,778	13,628
	<u>1,039,850</u>	<u>807,754</u>

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

	2011	2010
	No.	No.
Defined contribution schemes	<u>2</u>	<u>3</u>

Emoluments of highest paid director

	2011	2010
	£	£
Total emoluments (excluding pension contributions)	<u>284,445</u>	<u>260,870</u>

Company contributions paid to the pension scheme on behalf of the above directors during the year amounted to £Nil (2010 £Nil)

6. EXCEPTIONAL ITEM

	2011	2010
	£	£
Redundancies	<u>348,450</u>	<u>12,184</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

7. INTEREST RECEIVABLE

	2011	2010
	£	£
Interest from Group undertakings	10,420	3,543
Bank interest receivable	6,649	48,717
	<u>17,069</u>	<u>52,260</u>

8. INTEREST PAYABLE

	2011	2010
	£	£
Finance leases and hire purchase contracts	21,518	40,688
Losses on foreign currency borrowings	1,430	122,337
	<u>22,948</u>	<u>163,025</u>

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011	2010
	£	£
In respect of the year		
<i>UK corporation tax</i>		
Current tax on profit for the year	-	-
Total current tax charge	-	-
<i>Deferred tax (note 18)</i>		
Origination/reversal of timing differences	-	-
	-	-
Tax charge on profit on ordinary activities	-	-

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

9. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

Factors affecting the tax credit for the current year

The current tax charge for the year is lower (2010 lower) than the standard rate of corporation tax in the UK 26% (2010 28%) The differences are explained below

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>3,741,809</u>	<u>475,585</u>
Current tax at 26% (2010 28%)	972,870	133,164
<i>Effects of</i>		
Expenses not deductible for tax purposes	634	12,684
Current year group relief received	(545,003)	(14,633)
Depreciation for year in excess of capital allowances	(24,315)	155,762
Utilisation of losses brought forward	(404,181)	(287,000)
Other timing differences	(5)	23
Total current tax charge (see above)	<u>-</u>	<u>-</u>

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2010 and 30 November 2011	<u>1,103,294</u>
AMORTISATION	
At 1 December 2010	391,597
Charge for the year	55,164
At 30 November 2011	<u>446,761</u>
NET BOOK VALUE	
At 30 November 2011	<u>656,533</u>
At 30 November 2010	<u>711,697</u>

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

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

11. TANGIBLE FIXED ASSETS

	Plant & Machinery £
COST	
At 1 December 2010	12,748,004
Additions	411,823
At 30 November 2011	<u>13,159,827</u>
DEPRECIATION	
At 1 December 2010	8,175,605
Charge for the year	571,442
At 30 November 2011	<u>8,747,047</u>
NET BOOK VALUE	
At 30 November 2011	<u>4,412,780</u>
At 30 November 2010	<u>4,572,399</u>

Finance lease agreements

Included within the net book value is £1,250,485 (2010 £1,397,426) 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 £146,941 (2010 £146,942).

12. INVESTMENTS**Shares in Group undertakings comprise:**

	£
COST	
At 1 December 2010	5,697,544
Additions	25,215
At 30 November 2011	<u>5,722,759</u>
AMOUNTS WRITTEN OFF	
At 1 December 2010 and 30 November 2011	<u>173,750</u>
NET BOOK VALUE	
At 30 November 2011	<u>5,549,009</u>
At 30 November 2010	<u>5,523,794</u>

Additions during the year relate to UCB Metall

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

12. INVESTMENTS *(continued)*

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

	COUNTRY REGISTERED IN	HOLDING %	PRINCIPAL ACTIVITY
UCB Germany GmbH	Germany	100%	Cast Bar Stockholders and Distributors
UCB Sweden AB	Sweden	100%	Cast Bar Stockholders and Distributors
UCB France	France	51%	Cast Bar Stockholders and Distributors
UCB Metall srl	Italy	100%	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

13. STOCKS

	2011 £	2010 £
Raw materials	350,987	320,578
Finished goods	4,258,273	2,944,286
	<u>4,609,260</u>	<u>3,264,864</u>

14. DEBTORS

	2011 £	2010 £
Trade debtors	2,461,452	1,727,065
Amounts owed by Group undertakings	5,500,854	4,799,149
Other debtors	328,428	136,092
Prepayments and accrued income	214,259	225,227
	<u>8,504,993</u>	<u>6,887,533</u>

Amounts owed by Group undertakings include £321,193 (2010 £306,703) owed by UCB Austria which attracts interest at 1% above the Barclays Bank plc base rate. Other amounts owed by group undertakings are interest free.

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

	2011 £	2010 £
Amounts owed by Group undertakings	<u>593,748</u>	<u>758,953</u>

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15. CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Obligations under hire purchase and finance leases	177,641	177,641
Trade creditors	5,620,998	3,044,375
Amounts owed to Group undertakings	377,464	392,544
Other taxation and social security	319,153	148,410
Other creditors	342,823	357,955
Accruals and deferred income	1,058,898	887,967
	<u>7,896,977</u>	<u>5,008,892</u>

Amounts owed to Group undertakings are interest free

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

	2011	2010
	£	£
Obligations under hire purchase and finance leases	157,304	334,945
Amounts owed to Group undertakings	5,878,307	6,886,625
	<u>6,035,611</u>	<u>7,221,570</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

17. PENSIONS

The Company is a member of a funded defined benefit pension scheme 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 £4 786m and a funding plan has been agreed by the Group and the scheme's Trustees.

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17. PENSIONS *(continued)*

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 2009. 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 2009 was updated for FRS 17 purposes to 30 November 2011 by a qualified independent actuary and showed a deficit of £4 786m.

At the date of the valuation, the aggregate actuarial value of the scheme's assets was £29 906m. The level of asset cover for liabilities was 85% with respect to section A, the largest section of the scheme, 83% with respect of section B and 124% with respect of section C.

The employer's contribution for the year in respect of the defined benefit scheme was £Nil (2010 £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 £54,620 (2010 £52,977). There was £4,552 (2010 £4,570) outstanding at the balance sheet date.

18. PROVISIONS FOR LIABILITIES

The elements of deferred taxation are as follows:

	2011 £ (unprovided)	2010 £ (unprovided)
Difference between accumulated depreciation and capital allowances	431,497	1,771
Short term timing differences	(1,184)	(1,234)
Deferred tax liability	<u>430,313</u>	<u>537</u>

The company has a potential deferred tax liability of £430,313 (2010 £537) in respect of timing differences. However, the company is part of a Group which has sufficient tax losses available to provide group relief against any taxable income over the foreseeable future, and specifically for the next 12 months, and therefore no provision has been made in these accounts.

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19. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

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

	2011 £	2010 £
Amounts payable within 1 year	177,641	177,641
Amounts payable between 2 to 5 years	157,304	334,945
	<u>334,945</u>	<u>512,586</u>

20. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2011 the Company had annual commitments under non-cancellable operating leases as set out below

	30 November 2011 Land & Buildings £	Other assets £	30 November 2010 Land & Buildings £	Other assets £
Operating leases which expire				
Within 1 year	-	4,724	-	6,171
Within 2 to 5 years	-	30,921	240,000	39,019
After more than 5 years	250,000	-	-	-
	<u>250,000</u>	<u>35,645</u>	<u>240,000</u>	<u>45,190</u>

21. CONTINGENCIES

The Company is party to the Group's cross guarantee banking arrangements in respect of the Group's £2 4m term loan (2010 £3 6m) and the Group's £2 0m overdraft facility which was £1 8m (2010 £2 1m) at the balance sheet date

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

	2011 £	2010 £
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

Allotted, called up and fully paid:

	2011 £	2010 £
8,000,000 Ordinary shares of £1 each	<u>8,000,000</u>	<u>8,000,000</u>

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23. PROFIT AND LOSS ACCOUNT

	2011
	£
Balance brought forward	2,186,027
Profit for the financial year	3,741,809
Balance carried forward	<u>5,927,836</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011	2010
	£	£
Profit for the financial year	3,741,809	475,585
Opening equity shareholder's funds	<u>10,186,027</u>	<u>9,710,442</u>
Closing equity shareholder's funds	<u>13,927,836</u>	<u>10,186,027</u>

25. 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 all of the Company's voting share capital and the Group financial statements are publicly available

26. 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 Proclad Group Limited, a company registered in the Emirate of Dubai and also the financial statements of the ultimate parent company, National Industries Group (Holding) S A K incorporated in Kuwait. These are respectively the smallest and largest group accounts which include the results of the company. Copies of the financial statements of National Industries Group (Holding) S A K are available from PO Box 417, 13005 Safat, Kuwait.