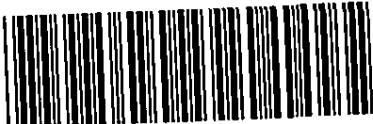


UNITED CAST BAR (UK) LIMITED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 NOVEMBER 2008

Company Registration Number 00050918

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UNITED CAST BAR (UK) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

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UNITED CAST BAR (UK) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr M H R Rawlins (resigned 26 February 2009)
Dr C M Trinder
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
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

UNITED CAST BAR (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2008

The directors present their report and the financial statements of the Company for the year ended 30 November 2008

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 54% over the previous period. Profit before tax almost doubled increasing £1.1m to £2.1m.

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 2008****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 (2007: £Nil).

THE DIRECTORS

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

Mr M H R Rawlins (resigned 26 February 2009)

Dr C M Trnder

Mr Y M J M Mohsen

Mr A Rico

BI Secretariat Limited

Mr P R Moore

Mr J Artaz (appointed 16 January 2008)

UNITED CAST BAR (UK) LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2008

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 2008

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 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

A handwritten signature in black ink, appearing to be a stylized 'C' followed by a flourish.

On behalf of
UNITED CAST BAR (UK) LIMITED

Approved by the directors on 1 March 2010

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

YEAR ENDED 30 NOVEMBER 2008

We have audited the financial statements of United Cast Bar (UK) Limited for the year ended 30 November 2008 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 2008

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 2008 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
Chartered Accountants
Registered Auditor
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
10 March 2010

UNITED CAST BAR (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2008

	Note	2008 £	2007 £
TURNOVER	2	20,428,780	13,278,882
Cost of sales		(16,719,959)	(11,594,215)
GROSS PROFIT		3,708,821	1,684,667
Distribution costs		(946,933)	(881,461)
Administrative expenses		(625,732)	(388,640)
OPERATING PROFIT	3	2,136,156	414,566
Exceptional item	6	-	577,925
Interest receivable	7	98,925	141,112
Interest payable	8	(135,091)	(33,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,099,990	1,100,603
Tax on profit on ordinary activities	9	(264,219)	-
PROFIT FOR THE FINANCIAL YEAR	23	1,835,771	1,100,603

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 2008

	Note	2008	2007
		£	£
FIXED ASSETS			
Intangible assets	10	822,025	877,189
Tangible assets	11	4,928,839	3,942,972
Investments	12	4,494,695	4,330,205
		<u>10,245,559</u>	<u>9,150,366</u>
CURRENT ASSETS			
Stocks	13	3,041,786	2,496,744
Debtors	14	7,642,878	10,705,363
Cash at bank and in hand		3,879,471	3,626,979
		<u>14,564,135</u>	<u>16,829,086</u>
CREDITORS: Amounts falling due within one year	15	<u>(6,756,917)</u>	<u>(9,037,996)</u>
NET CURRENT ASSETS		<u>7,807,218</u>	<u>7,791,090</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,052,777</u>	<u>16,941,456</u>
CREDITORS: Amounts falling due after more than one year	16	<u>(6,947,672)</u>	<u>(7,936,341)</u>
Provisions for liabilities	18	<u>(264,219)</u>	<u>-</u>
NET ASSETS		<u>10,840,886</u>	<u>9,005,115</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	8,000,000	8,000,000
Profit and Loss Account	23	2,840,886	1,005,115
SHAREHOLDERS' FUNDS	24	<u>10,840,886</u>	<u>9,005,115</u>

These financial statements were approved by the directors on 1 March 2010 and are signed on their behalf by



DR C M TRINDER
DIRECTOR

Company Registration Number 00050918

The notes on pages 10 to 21 form part of these financial statements

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

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 their ultimate holding company, National Industries Group S A K, an entity resident in Kuwait, which has provided the Companies with an undertaking that for at least 12 months from the date of approval of these financial statements, it 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 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 (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 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 2008

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 profit 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 2008

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.

	2008	2007
	£	£
United Kingdom	2,942,872	1,527,549
Europe	16,749,355	10,251,075
America	11,301	1,134,247
Rest of world	725,252	366,011
	<u>20,428,780</u>	<u>13,278,882</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2008	2007
	£	£
Amortisation of intangible fixed assets	55,164	55,164
Depreciation of owned tangible fixed assets	509,645	491,758
Depreciation of assets held under finance leases and hire purchase contracts	97,083	81,114
Auditors' remuneration		
- fees payable to the Company's auditor for the audit of the Company's annual accounts	14,000	14,000
Operating lease costs		
Plant and equipment	53,882	69,611
Divisional management charge receivable	(1,436,583)	(1,503,828)
Group management charge payable	<u>693,347</u>	<u>727,152</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

4. PARTICULARS OF EMPLOYEES

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

	2008	2007
	No	No
Production staff	77	76
Administrative staff	29	29
	<u>106</u>	<u>105</u>

The aggregate payroll costs of the above were

	2008	2007
	£	£
Wages and salaries	3,270,385	2,972,861
Social security costs	317,020	290,966
Other pension costs	67,469	62,106
	<u>3,654,874</u>	<u>3,325,933</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2008	2007
	£	£
Emoluments receivable	350,551	430,293
Company pension contributions to defined contribution schemes	12,226	12,746
	<u>362,777</u>	<u>443,039</u>

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

	2008	2007
	No.	No
Defined contribution schemes	<u>1</u>	<u>1</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

5. DIRECTORS' EMOLUMENTS *(continued)***Emoluments of highest paid director**

	2008	2007
	£	£
Total emoluments (excluding pension contributions)	<u>123,100</u>	<u>124,425</u>

Company contributions paid to the pension scheme on behalf of the above director during the year amounted to £6,711 (2007 £6,329)

6. EXCEPTIONAL ITEM

	2008	2007
	£	£
Profit on disposal of fixed assets	<u>-</u>	<u>577,925</u>

7. INTEREST RECEIVABLE

	2008	2007
	£	£
Interest from Group undertakings	18,946	78,323
Bank interest receivable	<u>79,979</u>	<u>62,789</u>
	<u>98,925</u>	<u>141,112</u>

8. INTEREST PAYABLE

	2008	2007
	£	£
Finance leases and hire purchase contracts	29,762	33,000
Losses on foreign currency borrowings	<u>105,329</u>	<u>-</u>
	<u>135,091</u>	<u>33,000</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
In respect of the year		
<i>UK corporation tax</i>		
Current tax on profit for the year	-	-
Total current tax charge/(credit)	-	-
<i>Deferred tax (note 18)</i>		
Origination/reversal of timing differences	264,219	-
	264,219	-
Tax charge/(credit) on profit/(loss) on ordinary activities	264,219	-

Factors affecting the tax credit for the current year

The current tax charge for the year is lower (2007 credit is lower) than the standard rate of corporation tax in the UK 28.67% (2007 30%). The differences are explained below

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	2,099,990	1,100,603
Current tax at 28.67% (2007 30%)	602,067	330,181
<i>Effects of</i>		
Expenses not deductible for tax purposes	54,116	977
Current year group relief given	(28,362)	(42,334)
Depreciation for year in excess of capital allowances	135,533	2,101
Utilisation of tax losses	(763,646)	(290,914)
Other timing differences	292	(11)
Total current tax charge/(credit) (see above)	-	-

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2007 and 30 November 2008	<u>1,103,294</u>
AMORTISATION	
At 1 December 2007	226,105
Charge for the year	<u>55,164</u>
At 30 November 2008	<u>281,269</u>
NET BOOK VALUE	
At 30 November 2008	<u>822,025</u>
At 30 November 2007	<u>877,189</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 2007	10,233,157
Additions	<u>1,592,595</u>
At 30 November 2008	<u>11,825,752</u>
DEPRECIATION	
At 1 December 2007	6,290,185
Charge for the year	<u>606,728</u>
At 30 November 2008	<u>6,896,913</u>
NET BOOK VALUE	
At 30 November 2008	<u>4,928,839</u>
At 30 November 2007	<u>3,942,972</u>

Finance lease agreements

Included within the net book value is £1,614,950 (2007 £916,734) 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 £97,083 (2007 £81,114).

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

12. INVESTMENTS

Shares in Group undertakings comprise:

	£
COST	
At 1 December 2007	4,503,955
Additions	164,490
At 30 November 2008	<u>4,668,445</u>
 AMOUNTS WRITTEN OFF	
At 1 December 2007 and 30 November 2008	<u>173,750</u>
 NET BOOK VALUE	
At 30 November 2008	<u>4,494,695</u>
At 30 November 2007	<u>4,330,205</u>

Additions during the year relate to UCB Technometal sro, UCB Germany, and UCB France

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	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 2008

13. STOCKS

	2008	2007
	£	£
Raw materials	320,580	385,199
Finished goods	2,721,206	2,111,545
	<u>3,041,786</u>	<u>2,496,744</u>

14. DEBTORS

	2008	2007
	£	£
Trade debtors	1,066,015	1,545,466
Amounts owed by Group undertakings	6,241,678	6,989,494
Other debtors	90,439	1,894,473
Prepayments and accrued income	244,746	275,930
	<u>7,642,878</u>	<u>10,705,363</u>

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

	2008	2007
	£	£
Amounts owed by Group undertakings	<u>833,769</u>	<u>1,092,136</u>

15. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Obligations under hire purchase and finance leases	196,915	182,412
Trade creditors	2,023,670	1,823,161
Amounts owed to Group undertakings	3,630,593	5,030,190
Other taxation and social security	79,812	120,171
Other creditors	178,980	608,487
Accruals and deferred income	646,947	1,273,575
	<u>6,756,917</u>	<u>9,037,996</u>

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

	2008	2007
	£	£
Obligations under hire purchase and finance leases	681,911	248,080
Amounts owed to Group undertakings	6,265,761	7,688,261
	<u>6,947,672</u>	<u>7,936,341</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 2008

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 983m 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 2008 by a qualified independent actuary and showed a deficit of £1 983m.

At the date of the valuation, the aggregate actuarial value of the scheme's assets was £22 749m. The level of asset cover for liabilities was 91% with respect to section A, the largest section of the scheme, 89% with respect of section B and 126% with respect of section C.

The employer's contribution for the year in respect of the defined benefit scheme was £Nil (2007 £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 £67,469 (2007 £62,106). There was £6,078 (2007 £5,061) outstanding at the balance sheet date.

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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18. PROVISIONS FOR LIABILITIES

	Deferred taxation
	£
At beginning of year	-
Charge to the profit and loss for the year	<u>264,219</u>
At end of year	<u>264,219</u>

The elements of deferred taxation are as follows

	2008	2007
	£	£
Difference between accumulated depreciation and capital allowances	371,903	530,077
Short term timing differences and FRS17 Pension	(1,702)	-
UK tax losses	<u>(105,982)</u>	<u>(530,077)</u>
Deferred tax liability	<u>264,219</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 £Nil which are not included within these financial statements (2007 £324,000)

19. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

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

	2008	2007
	£	£
Amounts payable within 1 year	196,915	182,412
Amounts payable between 2 to 5 years	<u>681,911</u>	<u>248,080</u>
	<u>878,826</u>	<u>430,492</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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20. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2008 the Company had annual commitments under non-cancellable operating leases as set out below

	30 November 2008		30 November 2007	
	Land & Buildings £	Other assets £	Land & Buildings £	Other assets £
Operating leases which expire				
Within 1 year	-	-	-	6,650
Within 2 to 5 years	330,000	53,882	330,000	45,783
After more than 5 years	-	-	-	-
	<u>330,000</u>	<u>53,882</u>	<u>330,000</u>	<u>52,433</u>

21. CONTINGENCIES

The Company is party to the Group's cross guarantee banking arrangements in respect of the Group's £4m term loan (2007 £4m) and the Group's £2.5m overdraft facility which was £Nil at the balance sheet date

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

	2008 £	2007 £
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

Allotted, called up and fully paid:

	2008 £	2007 £
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	1,005,115
Profit for the financial year	1,835,771
Balance carried forward	<u>2,840,886</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	1,835,771	1,100,603
Opening shareholders' equity funds	<u>9,005,115</u>	<u>7,904,512</u>
Closing shareholders' equity funds	<u>10,840,886</u>	<u>9,005,115</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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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 (Holding) S A K incorporated in Kuwait. Copies of the financial statements of National Industries Group (Holding) S A K are available from PO Box 417, 13005 Safat, Kuwait.