



Company registration number 00050918 (England and Wales)

UNITED CAST BAR (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

UNITED CAST BAR (UK) LIMITED

COMPANY INFORMATION

Directors

Y Mohsen
A Rottach
J Brand
J A Perez

Company number

00050918

Registered office

Spital Lane
Chesterfield
Derbyshire
S41 OEX

Auditor

Moore
Oakley House
Headway Business Park
3 Saxon Way West
Corby
Northamptonshire
NN18 9EZ

UNITED CAST BAR (UK) LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Income statement	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 28

UNITED CAST BAR (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

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

Business review and future developments

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 and new products.

As shown in the Company's statement of comprehensive income, UCB UK's KPI's show the Company's turnover has increased by 47% over the previous year to £42,770k. A profit before tax of £2,645k has been incurred compared to a profit of £1,074k in the previous year and the gross profit margin has increased from 17.2% to 17.5%. This is mainly due to the increase in demand during the year and increases in selling prices and raw material and energy costs. An emergency surcharge was introduced during the year to cover the incredible rise in raw material, energy and transport prices during the year.

These figures are a result of higher volume in the year than previous, largely due to a very strong order book which continued following Covid.

The Statement of financial position shows the Company's financial position at the year end.

There have been no significant events since the Statement of financial position 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.

UNITED CAST BAR (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

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 to maintain 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 business 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.

The Company is a member of BI Group's multi-employer UK defined benefit pension plan, which is currently in surplus. 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 contributions are being made under the terms of a repayment schedule agreed with the plan Trustee. Currently, such contributions are met by BI Group Limited 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 Group risks to which the Company is exposed are discussed in the Annual Report of the ultimate parent company, National Industries Group Holding – KPSC, which does not form part of this report.

The Company continues to follow government guidelines and manage the risks associated with COVID-19 where applicable. The Company had a very strong year with record levels of orders being achieved.

The impact of Brexit has seen no ill effect on trade to date due to having no impact on duties or tariffs for the product. With record levels of trade during the year to Europe the impact of Brexit has not had an adverse affect on trade and the Company continue to hold 12 months worth of Forward exchange contracts to minimise the risk of any exchange rate movements.

Post Balance Sheet Events

There have been no significant events affecting the company since the year end.

On behalf of the board

J Brand
Director

2 May 2023

UNITED CAST BAR (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present their annual report and financial statements for the year ended 30 November 2022.

Principal activities

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.

Results and dividends

The profit for the year, after taxation, amounted to £2,645,728 (2021 £1,074,185).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Y Mohsen
A Rottach
J Brand
J A Perez

Auditor

In accordance with the company's articles, a resolution proposing that Moore be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

J Brand
Director

2 May 2023

UNITED CAST BAR (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

UNITED CAST BAR (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF UNITED CAST BAR (UK) LIMITED

Opinion

We have audited the financial statements of United Cast Bar (UK) Limited (the 'company') for the year ended 30 November 2022 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

UNITED CAST BAR (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF UNITED CAST BAR (UK) LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

UNITED CAST BAR (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBER OF UNITED CAST BAR (UK) LIMITED**

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, International Financial Reporting Standards as adopted by the EU, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member, those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

John Harvey (Senior Statutory Auditor)
For and on behalf of Moore

2 May 2023



Chartered Accountants
Statutory Auditor

Oakley House
Headway Business Park
3 Saxon Way West
Corby
Northamptonshire
NN18 9EZ

UNITED CAST BAR (UK) LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	2021 £
Revenue	3	42,769,778	29,181,710
Cost of sales		(35,286,012)	(24,152,406)
Gross profit		7,483,766	5,029,304
Distribution costs		(3,654,573)	(2,766,459)
Administrative expenses		(1,357,042)	(1,132,954)
Other operating income		621,819	266,593
Operating profit	4	3,093,970	1,396,484
Investment income	7	46,913	18,919
Finance costs	8	(495,155)	(341,218)
Profit before taxation		2,645,728	1,074,185
Tax on profit	9	-	-
Profit and total comprehensive income for the financial year		2,645,728	1,074,185

UNITED CAST BAR (UK) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Non-current assets					
Intangible assets	10	234,022		289,187	
Property, plant and equipment	11	3,806,999		3,977,869	
Investments	12	5,862,387		5,862,387	
			9,903,408		10,129,443
Current assets					
Inventories	14	6,279,139		4,999,402	
Trade and other receivables	15	30,911,746		22,643,453	
Cash and cash equivalents		4,200,000		6,873,875	
		41,390,885		34,516,730	
Current liabilities	16	(19,210,553)		(15,135,058)	
Net current assets			22,180,332		19,381,672
Total assets less current liabilities			32,083,740		29,511,115
Non-current liabilities	16		(7,472,316)		(7,545,419)
Net assets			24,611,424		21,965,696
Equity					
Called up share capital	21	8,000,000		8,000,000	
Retained earnings		16,611,424		13,965,696	
Total equity		24,611,424		21,965,696	

The financial statements were approved by the board of directors and authorised for issue on 2 May 2023 and are signed on its behalf by:

J Brand
Director

Company registration number 00050918

UNITED CAST BAR (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2022

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 December 2020	8,000,000	12,891,511	20,891,511
Year ended 30 November 2021:			
Profit and total comprehensive income for the year	-	1,074,185	1,074,185
Balance at 30 November 2021	8,000,000	13,965,696	21,965,696
Year ended 30 November 2022:			
Profit and total comprehensive income for the year	-	2,645,728	2,645,728
Balance at 30 November 2022	8,000,000	16,611,424	24,611,424

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

Company information

United Cast Bar (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Spital Lane, Chesterfield, Derbyshire, S41 0EX. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention unless otherwise specified within the accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The company has taken the exemption from consolidating at this level, as the company and all of its subsidiaries have been included in the consolidated accounts of the parent, BI Group Limited.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.2 Going concern

The Directors have prepared cash flow forecasts which indicate the Company should continue to have sufficient resources available to it to enable it to continue in operational existence by meeting its day to day liabilities as they fall due for payment for a period of at least 12 months from the date of approval of these accounts.

In light of the foregoing, the Directors continue to believe that it remains appropriate to prepare the financial statements on a going concern basis.

As of 30 November 2022, the Company made a profit after tax of £2,645,728 and, as of that date, the Company had net current assets of £22,180,332.

While market conditions are challenging, the demand across European markets has continued to increase over the last few months and remain very strong. While the COVID-19 pandemic continues, there are no signs of major changes in the current high levels of orders and demand within the markets. Management have still forecast a number of different scenarios, including worst case scenarios.

After full consideration has been given to the worst case scenario and the level of financial support available to the Company from the wider group including the shareholders, the Directors have a reasonable expectation that the Company has adequate resources and financial support from the ultimate parent company to continue in operational existence for the foreseeable future. Consequently, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The main revenue stream of the company during the period was to manufacture and distribute continuous cast iron bar mainly within the hydraulic and automotive sector. The majority of work provided by the company arises from the sale of goods.

Other operating income includes income from all other operating activities which are not related to the principal activities of the company, such as grant income, gains from disposals and dividend income. In this case it is government grants from the Coronavirus Job Retention Scheme and the EU Emissions Trading System (EU ETS) and the Carbon Price Support Mechanism (CPS). The Furlough scheme is non-repayable and was claimed monthly during the prior year in accordance with the government guidelines. The EU ETS and CPS are non-repayable grants claimed quarterly in line with BEIS guidance.

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.4 Intangible assets other than goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is charged on a straight line basis over its estimated useful life which is 20 years.

Research and Development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3-6 years, once commercial production has commenced.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it was all incurred in the research phase only.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Right of use property	over term of lease or useful life, whichever is greater
Plant and equipment	from 5 to 15 years
Right of use plant & machinery	over term of lease or useful life, whichever is greater

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Non-current investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.7 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Inventories

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets

IFRS 9 contains the Standard's requirements on impairment, including the recognition of expected credit losses. It applies the same impairment model to all financial instruments that are subject to impairment accounting and by using more forward-looking information. This standard uses the expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss ("ECL") model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect the changes in credit risk since initial recognition of financial assets.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

Current tax

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rate and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Multi-employer pension plan

The company is a member of a multi-employer plan. It is not possible for the company to account for the plan as a defined benefit plan and as such the company accounts for the plan as a defined contribution plan.

1.16 Leases

Within the Company there are a number of current lease contracts, mostly relating to Buildings, Land, Cars and Fork lift trucks.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use Assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1.17 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.18 Foreign exchange

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

1.19 Distribution costs

Distribution costs are included within the operating profit to reflect the true nature of these costs and to ensure consistency of presentation, the Directors believe it is appropriate to include them below gross margin.

2 Critical accounting estimates and judgements

When preparing the financial statements, management make a number of judgements, estimates and assumptions about the recognition of assets, liabilities, income and expenses.

Significant management judgements

The directors do not consider that there are any significant management judgements required in applying the accounting policies of the company.

Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Stock

Management estimate the net realisable value of stocks, taking into account the evidence available at each reporting date.

Lease accounting

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third-party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third-party financing; and
- Makes adjustments specific to the lease, e.g. term, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the company uses that rate as a starting point to determine the incremental borrowing rate.

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

3 Revenue

The whole of the turnover is attributable to the one principal activity of the Company and is recognised at a point in time, being the despatch of the goods.

	2022 £	2021 £
Revenue analysed by class of business		
Sales	42,769,778	29,181,710

	2022 £	2021 £
Revenue analysed by geographical market		
United Kingdom	4,628,084	3,920,090
Rest of Europe	32,309,583	20,921,711
Rest of the World	5,832,111	4,339,909
	42,769,778	29,181,710

	2022 £	2021 £
Other income		
Grants received	-	38,073

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(38,073)
Fees payable to the company's auditor for the audit of the company's financial statements	18,900	17,400
Depreciation of property, plant and equipment	888,840	902,735
Amortisation of intangible assets (included within cost of sales)	55,164	55,164
Cost of inventories recognised as an expense	23,009,375	14,969,598

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Production staff	92	87
Administrative staff	23	20
Total	115	107

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

5 Employees (Continued)

	2022 £	2021 £
Wages and salaries	5,361,599	4,485,938
Social security costs	549,551	398,988
Pension costs	153,325	145,204
	<u>6,064,475</u>	<u>5,030,130</u>

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	500,138	601,739
Company pension contributions to defined contribution schemes	5,175	5,175
	<u>505,313</u>	<u>606,914</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2021 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>204,255</u>	<u>290,406</u>
--------------------------------------	----------------	----------------

7 Investment income

	2022 £	2021 £
Interest income		
Interest receivable from group companies	<u>46,913</u>	<u>18,919</u>

8 Finance costs

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	159,132	159,513
Interest on other loans	336,023	181,705
	<u>495,155</u>	<u>341,218</u>

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

9 Taxation

	2022 £	2021 £
The charge for the year can be reconciled to the profit per the income statement as follows:		
	2022 £	2021 £
Profit before taxation	2,645,728	1,074,185
Expected tax charge based on a corporation tax rate of 19.00% (2021: 19.00%)	502,688	204,095
Effect of expenses not deductible in determining taxable profit	2,493	2,834
Adjustment in respect of prior years	(22,729)	(122,515)
Effect of change in UK corporation tax rate	81,252	-
Group relief	(113,911)	-
Depreciation on assets not qualifying for tax allowances	(4,793)	5,688
Impact of superdeduction	(31,594)	(18,782)
Transfer pricing adjustment	(97,585)	(108,527)
Deferred Tax not recognised	(315,821)	37,207
Taxation charge for the year	-	-

10 Intangible fixed assets

	Research & Development £	Customer relationships £	Total £
Cost			
At 30 November 2021	184,276	1,103,294	1,287,570
At 30 November 2022	184,275	1,103,294	1,287,569
Amortisation and impairment			
At 30 November 2021	-	998,383	998,383
Charge for the year	-	55,164	55,164
At 30 November 2022	-	1,053,547	1,053,547
Carrying amount			
At 30 November 2022	184,275	49,747	234,022
At 30 November 2021	184,276	104,911	289,187

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

11 Property, plant and equipment

	Right of use property	Plant and equipment	Right of use plant & machinery	Total
	£	£	£	£
Cost				
At 1 December 2021	1,936,955	17,174,825	302,491	19,414,271
Additions	113,000	604,970	-	717,970
At 30 November 2022	2,049,955	17,779,795	302,491	20,132,241
Accumulated depreciation and impairment				
At 1 December 2021	608,244	14,678,516	149,642	15,436,402
Charge for the year	320,711	490,037	78,092	888,840
At 30 November 2022	928,955	15,168,553	227,734	16,325,242
Carrying amount				
At 30 November 2022	1,121,000	2,611,242	74,757	3,806,999
At 30 November 2021	1,328,711	2,496,309	152,849	3,977,869

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

12 Investments

	Current 2022 £	2021 £	Non-current 2022 £	2021 £
Investments in subsidiaries	-	-	5,862,387	5,862,387

13 Subsidiaries

Details of the company's subsidiaries at 30 November 2022 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held	
				Direct	Indirect
Wilhelm Schulenburg Nachf. GmbH & Co.KG	Alfredstrasse 3-11, Wuppertal 42281, Germany	Distribution	Ordinary	0	66.66
Fiedler & Co	Alfredstrasse 3-11, Wuppertal 42281, Germany	Holding company	Ordinary	0	66.66
UCB Germany GmbH	Schillerstr. 38, Lampertheim - Hofheim 68623, Germany	Distribution	Ordinary	100.00	-
UCB Sweden AB	Baravagen 7, Oxelosund, S-613 41, Sweden	Distribution	Ordinary	100.00	-
UCB France SA	Z A Val de Charvas, Communay 69360, France	Distribution	Ordinary	51.00	-
UCB Metalli Srl	Via Emilia Est, Rottofreno 29010, Piacenza, Italy	Distribution	Ordinary	100.00	-
UCB Austria GmbH	Liebochstraße 5, Dobl A-8143, Austria	Distribution	Ordinary	100.00	-
Technometal sro	Chrstenice 163, Lodenice u Berouna, 26712, Czechia	Distribution	Ordinary	100.00	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Wilhelm Schulenburg Nachf. GmbH & Co.KG	2,811,689	2,479,682
Fiedler & Co	130,565	(18,157)
UCB Germany GmbH	7,586,892	1,894,345
UCB Sweden AB	1,049,183	76,381
UCB France SA	2,051,703	124,502
UCB Metalli Srl	2,590,351	508,386
UCB Austria GmbH	713,297	46,688
Technometal sro	2,133,282	259,292

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

14 Inventories

	2022 £	2021 £
Raw materials	781,713	808,521
Finished goods	5,497,426	4,190,881
	<u>6,279,139</u>	<u>4,999,402</u>

15 Trade and other receivables

	2022 £	2021 £
Trade receivables	3,288,239	2,245,029
VAT recoverable	500,228	428,499
Amounts owed by fellow group undertakings	26,812,182	19,518,518
Other receivables	5,837	158,562
Prepayments and accrued income	305,260	292,845
	<u>30,911,746</u>	<u>22,643,453</u>

Trade debtors are shown net of provisions of £19,453 (2021 £3,000).

Other debtors include £nil (2021 £6,102) in respect of the fair value of forward currency contracts.

Amounts owed by group undertakings are trading balances that do not bear interest, are unsecured, and are repayable on demand.

16 Liabilities

	Notes	Current 2022 £	2021 £	Non-current 2022 £	2021 £
Borrowings	17	899,651	800,000	-	600,000
Trade and other payables	18	17,661,106	13,802,924	6,577,316	5,738,067
Taxation and social security		274,796	195,141	-	-
Lease liabilities	19	375,000	336,993	895,000	1,207,352
		<u>19,210,553</u>	<u>15,135,058</u>	<u>7,472,316</u>	<u>7,545,419</u>

17 Borrowings

	Current 2022 £	2021 £	Non-current 2022 £	2021 £
Borrowings held at amortised cost:				
Bank loans	899,651	800,000	-	600,000
	<u>899,651</u>	<u>800,000</u>	<u>-</u>	<u>600,000</u>

The bank loan, which is unsecured, accrues interest at 3.4%.

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

18 Trade and other payables

	Current 2022 £	2021 £	Non-current 2022 £	2021 £
Trade payables	9,854,000	8,498,956	-	-
Amounts owed to fellow group undertakings	5,942,684	3,841,358	6,577,316	5,738,067
Accruals and deferred income	1,019,768	687,204	-	-
Other payables	844,654	775,406	-	-
	<u>17,661,106</u>	<u>13,802,924</u>	<u>6,577,316</u>	<u>5,738,067</u>

Current

Amounts owed to group undertakings are trading balances that do not bear interest, are unsecured, and are repayable on demand apart from £345,194 (2021 £362,648) owed to UCB Sweden AB which attracts interest at 1%.

The company uses an invoice discounting facility provided by Barclays Bank Plc. Amounts advanced at the 30 November 2022 included within trade and other payables were £804,185 (2021: £754,386). Barclays Bank Plc hold two fixed and floating debenture charges against the company dated 4 May 2018 and 31 August 2018 in respect of this facility.

Non-current

Amounts owed to group undertakings include £5,420,276 (2021 £5,191,673) owed to UCB Cast Profil SA attracts interest at 3.0% and is due for repayment between August 2023 and July 2028, and £1,157,040 (2021 £546,394) to UCB Metalli which attracts interest at 2.5% and is due for repayment between December 2022 and July 2027. These loans are all unsecured.

Lease creditor consists of leases that mature between August 2023 and November 2026.

19 Lease liabilities

	2022 £	2021 £
Maturity analysis		
Within one year	375,000	336,993
In two to five years	895,000	1,207,352
Total undiscounted liabilities	<u>1,270,000</u>	<u>1,544,345</u>

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

19 Lease liabilities

(Continued)

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £	2021 £
Current liabilities	375,000	336,993
Non-current liabilities	895,000	1,207,352
	<u>1,270,000</u>	<u>1,544,345</u>

Other leasing information is included in note 22.

20 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>153,325</u>	<u>145,204</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Authorised				
Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid				
Ordinary shares of £1 each	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

22 Other leasing information

Lessee

The company has lease contracts for buildings, land, vehicles and fork lift trucks. The amounts recognised in the financial statements in relation to the leases are as follows:

Amounts recognised in the statement of financial position

	2022 £	2021 £
Right of use assets		
Land and buildings	1,121,000	1,328,711
Plant and machinery	74,757	152,849
	<u>1,195,757</u>	<u>1,481,560</u>
Lease liabilities		
Current	375,000	336,993
Non-current	895,000	1,207,352
	<u>1,270,000</u>	<u>1,544,345</u>

The company initially applied IFRS 16 at 1 December 2019 using the modified retrospective approach. For adjustments recognised on adoption of IFRS 16 please refer to note 3.

There were no additions to right of use assets during the 2022 financial year.

	2022 £	2021 £
Amounts recognised in the income statement		
Depreciation charged on right of use property	320,711	304,508
Depreciation charged on right of use plant and machinery	78,092	80,481
	<u>398,803</u>	<u>384,989</u>
Interest expense included within finance costs	10,904	80,272
Expenses related to short term leases (included in operating costs)	-	657

Information relating to lease liabilities is included in note 19.

23 Contingent liability

The Company is party to the UK Group's unlimited cross guarantee arrangement dated 30 May 2013, each participating company has provided a guarantee to the bank. This cross guarantee has a possible risk of the entity's cash balance being called by the bank to settle the overdrafts utilised by the other group companies.

UNITED CAST BAR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

24 Related party transactions

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned with the Group.

25 Controlling party

The Company is a subsidiary undertaking of BI Group Limited. The results of the Company are consolidated in the financial statements of BI Group Limited, a company registered in England and Wales and also the financial statements of the ultimate parent company, National Industries Group Holding – KPSC incorporated in Kuwait. There 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 – KPSC are available from PO Box 417, 13005 Safat, Kuwait.

26 Pension Commitments

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

BI Group Pension Scheme

The Company operates a defined benefit group pension scheme, the BI Group Pension Scheme that is administered by a Trustee. 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 101, the scheme has been accounted for, in these financial statements, as if the scheme was a defined contribution scheme. The scheme has a surplus of £1.175m (2021: £1.039m surplus) and a funding plan has been agreed by the Company's directors and the scheme's Trustee.

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 at 31 March 2012. 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 2012 was updated for FRS 101 purposes to 30 November 2022 by a qualified independent actuary and showed a surplus of £1.175m (2021: £1.039m surplus).

At 30 November 2022 the aggregate actuarial value of the scheme's assets was £31.278m (2021: £44.820m). The level of asset cover for liabilities was 103% with respect to section A, the largest section of the scheme and 108% with respect to section B.

The Company's contribution for the year in respect of the defined benefit scheme was £NIL (2021: £NIL). Expected contributions for 2023 are £NIL. BI Group Limited is making contributions to the scheme on behalf of all member companies.

United Cast Bar (UK) Limited would not be liable for the other entity's obligations by automatic default as the Company is not a sponsoring employer. The debt allocated on withdrawal would be the proportion of the total debt corresponding to the liabilities of the withdrawing employer.

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 £153,325 (2021: £140,028). There was £23,268 (2021: £21,020) outstanding at the Statement of financial position date.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.