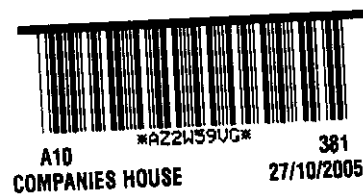


UNITED CAST BAR (UK) LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2004

Company Registration Number 00050918



UNITED CAST BAR (UK) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditor's report to the members	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 18

UNITED CAST BAR (UK) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr B Hadley
Mr M H R Rawlins
Dr C M Trinder
Mr D Lee (appointed 1 April 2004)
Mr B M Sedghi (appointed 10 March 2004,
resigned 2 August 2005)
Mr R Baker (appointed 1 April 2004,
resigned 1 December 2004)
Mr Y M J M Mohsen (appointed 19 September 2005)
Mr S H Hayes (resigned 10 March 2004)
Mr S G Wain (resigned 26 May 2005)

Company secretary

BI Nominees Limited

Registered office

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

Auditors

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

UNITED CAST BAR (UK) LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was iron founding.

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.

During the year, the parent undertaking BI Group Plc waived an amount of £5,610,000 of Group Loan due from the Company. On 10 March 2005, the Company issued an additional 4,390,000 £1 Ordinary Shares for which BI Group Plc subscribed cash.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend (2003: £Nil).

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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

Mr B Hadley
Mr M H R Rawlins
Dr C M Trinder
Mr D Lee (appointed 1 April 2004)
Mr B M Sedghi (appointed 10 March 2004, resigned 2 August 2005)
Mr R Baker (appointed 1 April 2004, resigned 1 December 2004)
Mr Y M J M Mohsen (appointed 19 September 2005)
Mr S H Hayes (resigned 10 March 2004)
Mr S G Wain (resigned 26 May 2005)

None of the directors held any interest in the company or any other group companies in the year.

EMPLOYEE INVOLVEMENT

The company recognises the need to ensure effective communication with employees. All senior management are regularly informed of developments in strategic, financial, commercial and personnel matters to enable them to inform and discuss these issues with employees as appropriate.

EMPLOYMENT OF DISABLED PERSONS

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.

UNITED CAST BAR (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2004

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 7 to 9, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

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

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

Signed by order of the directors



On behalf of
BI NOMINEES LIMITED
Company Secretary

Approved by the directors on 21 October 2005

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

YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements on pages 5 to 18.

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 THE AUDITORS

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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, if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

2 Cornwall Street
Birmingham
B3 2DL

KPMG LLP
Chartered Accountants
& Registered Auditor

21 October 2005

UNITED CAST BAR (UK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2004

	Note	2004 £	2003 £
TURNOVER	2	10,445,464	7,320,673
Cost of sales		<u>(9,320,329)</u>	<u>(8,315,974)</u>
GROSS PROFIT/(LOSS)		1,125,135	(995,301)
Distribution costs		(710,415)	(465,308)
Administrative income/(expenses) (2004: including exceptional credit of £5.6m; 2003: £nil)		<u>4,902,028</u>	<u>(427,456)</u>
OPERATING PROFIT/(LOSS) BEING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST	3	5,316,748	(1,888,065)
Interest receivable	6	78,307	55,578
Interest payable	7	<u>(96,300)</u>	<u>(113,000)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		5,298,755	(1,945,487)
Tax on profit/(loss) on ordinary activities	8	<u>(323,387)</u>	<u>6,768</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>4,975,368</u>	<u>(1,938,719)</u>

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

All of the activities of the company are classed as continuing.

UNITED CAST BAR (UK) LIMITED

BALANCE SHEET

31 DECEMBER 2004

	Note	2004	2003
		£	£
FIXED ASSETS			
Intangible assets	9	1,038,084	213,570
Tangible assets	10	6,289,535	6,419,005
Investments	11	3,644,449	3,478,301
		<u>10,972,068</u>	<u>10,110,876</u>
CURRENT ASSETS			
Stocks	12	2,518,703	2,072,445
Debtors	13	7,192,192	5,643,874
Deferred taxation	17	-	98,500
Cash at bank and in hand		1,508,319	1,103,247
		<u>11,219,214</u>	<u>8,918,066</u>
CREDITORS: Amounts falling due within one year	14	<u>(5,855,227)</u>	<u>(4,174,102)</u>
NET CURRENT ASSETS		<u>5,363,987</u>	<u>4,743,964</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,336,055</u>	<u>14,854,840</u>
CREDITORS: Amounts falling due after more than one year	15	<u>(12,402,524)</u>	<u>(16,121,564)</u>
		<u>3,933,531</u>	<u>(1,266,724)</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	17	<u>(224,887)</u>	<u>-</u>
NET ASSETS/(LIABILITIES)		<u>3,708,644</u>	<u>(1,266,724)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	3,610,000	3,610,000
Revaluation reserve	22	114,847	150,547
Profit and Loss Account	22	<u>(16,203)</u>	<u>(5,027,271)</u>
SHAREHOLDERS' FUNDS	23	<u>3,708,644</u>	<u>(1,266,724)</u>

These financial statements were approved by the directors on the 21 October 2005 and are signed on their behalf by:



DR C M TRINDER
DIRECTOR

The notes on pages 7 to 18 form part of these financial statements.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The company is exempt by virtue of S228(1) of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

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

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

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.

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

Goodwill - 20 years

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:

Freehold Property	- Lower of 50 years or remaining useful life
Plant & Machinery	- From 5 - 15 years

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES *(continued)*

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

The company contributes to both defined benefit and defined contribution pension schemes.

For the defined contribution scheme, the assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the scheme represents amounts payable to the scheme in respect of the accounting period.

For the defined benefit scheme, benefits are based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged so as to spread the cost of pensions over the employees working lives with the company. This scheme ceased to accrue benefits from 31 March 2004.

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 effect that the directors believe future taxable profits will arise.

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.

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES *(continued)*

Investments in subsidiaries

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

2. TURNOVER

The turnover and profit/(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:

	2004	2003
	£	£
United Kingdom	1,504,884	1,227,551
Europe	7,431,830	4,748,319
America	733,549	1,156,100
Rest of world	775,201	188,703
	<u>10,445,464</u>	<u>7,320,673</u>

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2004	2003
	£	£
Amortisation of intangible fixed assets	47,894	11,544
Depreciation of tangible fixed assets	624,682	620,236
Auditors' remuneration		
- as auditors	10,000	11,000
Operating lease costs:		
Plant and equipment	57,208	58,450
Divisional management charge receivable	(1,431,796)	(1,034,230)
Group management charge payable	700,000	500,000
Exceptional items:		
Waiver of group loan account	<u>(5,610,000)</u>	<u>-</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

4. PARTICULARS OF EMPLOYEES

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

	2004	2003
	No.	No.
Production staff	63	71
Administrative staff	28	29
	<u>91</u>	<u>100</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	2,604,048	2,691,600
Social security costs	251,155	278,322
Other pension costs	72,475	82,340
	<u>2,927,678</u>	<u>3,052,262</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Emoluments receivable	604,858	304,135
Compensation for loss of office	52,200	-
Company pension contributions to defined contribution schemes	25,062	20,975
Company pension contributions to defined benefit schemes	1,863	7,452
	<u>683,983</u>	<u>332,562</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2004	2003
	No.	No.
Defined contribution schemes	3	2
Defined benefit schemes (closed 31 March 2004)	<u>1</u>	<u>1</u>

Emoluments of highest paid director:

	2004	2003
	£	£
Total emoluments (excluding pension contributions)	<u>211,185</u>	<u>162,106</u>

Company contributions paid to the defined contribution pension scheme on behalf of the above director during the year amounted to £17,880 (2003 : £16,248).

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

6. INTEREST RECEIVABLE

	2004	2003
	£	£
Interest from group undertakings	36,295	55,578
Bank interest receivable	42,012	-
	<u>78,307</u>	<u>55,578</u>

7. INTEREST PAYABLE

	2004	2003
	£	£
Interest payable on bank loans and overdrafts	33,300	47,000
Finance leases and hire purchase contracts	63,000	66,000
	<u>96,300</u>	<u>113,000</u>

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

In respect of the year:	2004	2003
	£	£
<i>UK corporation tax</i>		
Current tax on income/(deficit) for the year	-	38,134
Adjustments in respect of prior periods	333,440	(30,265)
Total current tax charge	<u>333,440</u>	<u>7,869</u>
<i>Deferred tax (note 17)</i>		
Origination/reversal of timing differences	(10,053)	(11,585)
Adjustments in respect of prior periods	-	(3,052)
	<u>(10,053)</u>	<u>(14,637)</u>
Tax charge/(credit) on profit/(loss) on ordinary activities	<u>323,387</u>	<u>(6,768)</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES *(continued)*

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2003 : charge is higher) than the standard rate of corporation tax in the UK 30% (2003 : 30%). The differences are explained below.

	2004 £	2003 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	<u>5,298,755</u>	<u>(1,945,487)</u>
Current tax at 30% (2003 : 30%)	1,589,627	(583,646)
<i>Effects of:</i>		
Expenses not deductible for tax purposes and current year UK tax losses not recognised	(1,599,680)	610,195
Capital allowances for period in excess of depreciation and other timing differences	10,053	11,585
Adjustments to tax charge in respect of previous periods	<u>333,440</u>	<u>(30,265)</u>
Total current tax charge (see above)	<u>333,440</u>	<u>7,869</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2004	230,886
Additions	872,408
At 31 December 2004	<u>1,103,294</u>
AMORTISATION	
At 1 January 2004	17,316
Charge for the year	47,894
At 31 December 2004	<u>65,210</u>
NET BOOK VALUE	
At 31 December 2004	<u>1,038,084</u>
At 31 December 2003	<u>213,570</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

10. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Total £
COST OR VALUATION			
At 1 January 2004	2,168,515	9,049,704	11,218,219
Additions	-	495,212	495,212
At 31 December 2004	<u>2,168,515</u>	<u>9,544,916</u>	<u>11,713,431</u>
DEPRECIATION			
At 1 January 2004	169,749	4,629,465	4,799,214
Charge for the year	43,371	581,311	624,682
At 31 December 2004	<u>213,120</u>	<u>5,210,776</u>	<u>5,423,896</u>
NET BOOK VALUE			
At 31 December 2004	<u>1,955,395</u>	<u>4,334,140</u>	<u>6,289,535</u>
At 31 December 2003	<u>1,998,766</u>	<u>4,420,239</u>	<u>6,419,005</u>

Included within land and buildings is £465,000 (2003: £465,000) in respect of land which is not depreciated.

Prior to the 1999 revaluation of property, the company did not depreciate its buildings. As a consequence, the company did not allocate cost between land and buildings. It is therefore only possible to disclose that the historic cost of tangible fixed assets is £9,273,474 (2003: £9,273,474).

Finance lease agreements

Included within the net book value of £6,289,535 is £783,333 (2003 : £849,999) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £66,666 (2003 : £66,667).

11. INVESTMENTS**Shares in group undertakings comprise:**

	£
COST	
At 1 January 2004	3,652,051
Additions	166,148
At 31 December 2004	<u>3,818,199</u>
AMOUNTS WRITTEN OFF	
At 1 January 2004 and 31 December 2004	<u>173,750</u>
NET BOOK VALUE	
At 31 December 2004	<u>3,644,449</u>
At 31 December 2003	<u>3,478,301</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

11. INVESTMENTS *(continued)*

Additions during the year relates to further investments in UCB Allcast AB and UCB Raposch.

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

	COUNTRY REGISTERED IN	HOLDING %	PRINCIPAL ACTIVITY
UCB Mestra GmbH	Germany	100%	Cast Bar Stockholders and Distributors
UCB Kneisel and Heess GmbH	Germany	100%	Cast Bar Stockholders and Distributors
UCB Allcast AB	Sweden	100%	Cast Bar Stockholders and Distributors
UCB Ademetall SA	France	100%	Cast Bar Stockholders and Distributors
UCB Metalli srl	Italy	60%	Cast Bar Stockholders and Distributors
UCB Raposch	Austria	70%	Cast Bar Stockholders and Distributors

Each of the companies prepares accounts to 31 December each year.

12. STOCKS

	2004	2003
	£	£
Raw materials	396,072	337,762
Finished goods	2,122,631	1,734,683
	<u>2,518,703</u>	<u>2,072,445</u>

13. DEBTORS

	2004	2003
	£	£
Trade debtors	588,343	664,472
Amounts owed by group undertakings	6,179,359	4,757,758
Other debtors	309,661	163,627
Prepayments and accrued income	114,829	58,017
	<u>7,192,192</u>	<u>5,643,874</u>

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

	2004	2003
	£	£
Amounts owed by group undertakings	<u>1,461,149</u>	<u>1,591,490</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

14. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	221,304	281,467
Obligations under hire purchase and finance leases	199,900	174,292
Trade creditors	1,906,656	1,536,862
Amounts owed to group undertakings	2,510,802	1,889,370
Other taxation and social security	102,269	98,190
Other creditors	11,166	13,313
Accruals and deferred income	903,130	180,608
	<u>5,855,227</u>	<u>4,174,102</u>

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

	2004	2003
	£	£
Obligations under hire purchase and finance leases	407,560	597,486
Amounts owed to group undertakings	11,994,964	15,524,078
	<u>12,402,524</u>	<u>16,121,564</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.

16. 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.

BI Group Retirement Benefit Plan

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £69,963 (2003 : £72,706). There was £11,166 (2003 : £7,465) outstanding at the balance sheet date.

BI Group Pension Scheme

The BI Group Pension Scheme provides benefits based on final pensionable pay. Contributions to the scheme are paid in accordance with the recommendations of independent qualified actuaries, based upon the regular cost of providing benefits across the group as a whole. The most recent valuation was at 31 March 2003. With effect from 31 March 2004 further benefits ceased to accrue to the members of the BI Group Pension Scheme.

At 31 December 2004, total contributions amounting to £11,166 (2003 : £13,313) were payable to the above schemes and are included within accruals.

Further particulars of both schemes are given in the financial statements of BI Group Plc.

Whilst the company continues to account for pension costs in accordance with Statement of

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

16. PENSIONS *(continued)***BI Group Pension Scheme** *(continued)*

Standard Accounting Practice 24 "Accounting for Pension Costs", under FRS 17 "Retirement Benefits" the following transitional disclosures are required:

BI Group Pension Scheme

Because the company is unable to identify its share of the scheme's assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 the scheme will be accounted for by the company when the accounting standard is fully adopted by the company as if the scheme was a defined contribution scheme. The last full actuarial valuation was carried out at 31 March 2003, was updated for FRS 17 purposes to 31 December 2004 and 31 December 2003 and showed deficits of £8.76m and £8.95m respectively. The 2002 comparative FRS 17 information was updated from the previous actuarial valuation of 31 March 2000 and showed a deficit of £5.87m.

17. DEFERRED TAXATION

The movement in deferred taxation during the year was:

	£
Balance brought forward	(98,500)
Movement in the year	(10,053)
Write off of losses	333,440
Balance carried forward	<u>224,887</u>

The elements of deferred taxation are as follows:

	2004 £	2003 £
Difference between accumulated depreciation and capital allowances	622,000	632,579
Other timing differences	(1,713)	(2,239)
UK tax losses	<u>(395,400)</u>	<u>(728,840)</u>
Deferred tax liability/(asset)	<u>224,887</u>	<u>(98,500)</u>

The directors believe that the asset recognised in respect of tax losses will be surrendered by way of group relief or utilised over two years as economic recovery is expected to deliver improved profitability. In addition, there are £818,975 of tax losses which are not included with these accounts (2003 : £984,037).

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

18. COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

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

	2004	2003
	£	£
Amounts payable within 1 year	199,900	174,292
Amounts payable between 2 to 5 years	407,560	597,486
	<u>607,460</u>	<u>771,778</u>

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2004	2003
	£	£
Operating leases which expire:		
Within 1 year	16,074	789
Within 2 to 5 years	40,627	49,452
	<u>56,701</u>	<u>50,241</u>

20. CONTINGENCIES

The company is party to the group's cross guarantee banking arrangements in respect of the group's £10.5m term loan and the group's £2.5m overdraft facility.

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

	2004	2003
	£	£
3,750,000 Ordinary shares of £1 each	<u>3,750,000</u>	<u>3,750,000</u>

Allotted, called up and fully paid:

	2004	2003
	£	£
3,610,000 Ordinary shares of £1 each	<u>3,610,000</u>	<u>3,610,000</u>

UNITED CAST BAR (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

22. RESERVES

	Profit and loss account	Revaluation reserve
	£	£
Balance brought forward	(5,027,271)	150,547
Profit for the financial year	4,975,368	-
Transfer from Revaluation Reserve	35,700	(35,700)
Balance carried forward	<u>(16,203)</u>	<u>114,847</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit/(loss) for the financial year	4,975,368	(1,938,719)
Opening shareholders' equity funds	<u>(1,266,724)</u>	671,995
Closing shareholders' equity funds	<u>3,708,644</u>	<u>(1,266,724)</u>

24. RELATED PARTIES

The company has taken advantage of the exemption given in Financial Reporting Standard 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 accounts are publicly available.

25. ULTIMATE PARENT COMPANY

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

The smallest group in which the results of the company are consolidated is that headed by NIC Holdings (UK) PLC, incorporated in the United Kingdom. Copies of the financial statements of this entity are available from Unit 1 First Avenue, Maybrook Industrial Estate, Minworth, Sutton Coldfield, West Midlands B76 1BA.

26. POST BALANCE SHEET EVENT

On 10 March 2005, the company issued 4,390,000 £1 Ordinary Shares for which its parent undertaking BI Group Plc subscribed cash.