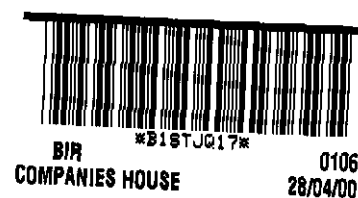


United Castings Limited
Annual report and accounts
for the year ended 30 June 1999

Registered Number 2550422



United Castings Limited
Annual report and accounts
for the year ended 30 June 1999

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Directors' report for the year ended 30 June 1999

The directors present their report and accounts for the year ended 30 June 1999.

Principal activities

The company's principal activity during the year was that of importing and distributing steel castings.

Review of business and future developments

Details of the company's performance are shown in the profit and loss account on page 5.

Results

The company made a profit for the year of £7,206 (1998: £38,764). No dividend is recommended and it is proposed to transfer the whole of the profit for the year to reserves.

Directors

The directors of the company during the year were:

J Crabb
RB Cunningham
JL Sutcliffe
GH Wright

The directors at 30 June 1999 had no interest in the share capital of the company.

The interests in the ordinary shares of the ultimate holding company, Simsmetal Limited are shown below:

	30 June 1999	30 June 1998
	No of shares	No of shares
J Crabb	32,879	32,879

United Castings Limited

Directors' report for the year ended 30 June 1999 (continued)

In addition the following directors participate in the Simsmetal Limited share ownership and option plans.

	30 June 1999	30 June 1998
<i>Share Ownership Plan</i>	<i>No of shares</i>	<i>No of shares</i>
J Crabb	500,000	350,000
R B Cunningham	300,000	200,000
J L Sutcliffe	200,000	150,000
G H Wright	30,000	30,000

	30 June 1999		30 June 1998
<i>Share Option Plan</i>	<i>No of shares</i>	<i>Granted</i>	<i>No of shares</i>
J Crabb	800,000	150,000	650,000
R B Cunningham	500,000	100,000	400,000
J L Sutcliffe	300,000	150,000	150,000
G H Wright	70,000	40,000	30,000

United Castings Limited

Directors' report for the year ended 30 June 1999 (continued)

Statement of 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 confirm that the financial statements comply with the above requirements.

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. 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.


Year 2000

The company has not experienced, to date, any significant problems as a result of the date change from 1999 to 2000. In addition, the company is not aware of any supplier or customer that has experienced significant problems as a result of year 2000 compliance problems.

Auditors

A resolution to reappoint PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By Order of the Board



J. Sutcliffe
DIRECTOR

20 April 2000

United Castings Limited

Auditors' report to the members of United Castings Limited

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

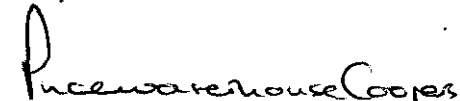
Basis of audit opinion

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 at 30 June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Birmingham
20 April 2000

United Castings Limited

Profit and loss account for the year ended 30 June 1999

	Notes	30 June 1999	30 June 1998
		£	£
Turnover	2	574,642	1,028,214
Cost of sales		(455,629)	(841,875)
		<hr/>	<hr/>
Gross profit		119,013	186,339
Distribution costs		(21,653)	(23,252)
Administrative expenses		(87,154)	(107,323)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	10,206	55,764
Taxation on profit on ordinary activities	4	(3,000)	(17,000)
		<hr/>	<hr/>
Profit for the financial year	9	<u>7,206</u>	<u>38,764</u>

All activities related to continuing operations.


There are no recognised gains or losses other than those in the profit and loss account.

United Castings Limited

Balance sheet as at 30 June 1999

	Notes	1999	1998
		£	£
Current assets			
Stocks	5	148,579	138,431
Debtors	6	162,754	204,984
Cash at bank and in hand		86,951	29,713
		<u>398,284</u>	<u>373,128</u>
Creditors (amounts falling due within one year)	7	<u>(200,055)</u>	<u>(182,105)</u>
Net current assets		<u>198,229</u>	<u>191,023</u>
Total assets less current liabilities		<u>198,229</u>	<u>191,023</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	198,129	190,923
Total equity shareholders' funds	10	<u>198,229</u>	<u>191,023</u>

Approved by the Board on 20 April 2000 and signed on their behalf by:


 J. L. Sutcliffe
 Director

United Castings Limited

Notes to the financial statements for the year ended 30 June 1999

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below:

Basis of accounting

The accounts have been prepared under the historical cost convention.

Cash flow

The accounts do not include a statement of cash flows because the company is exempt from the requirements of including such a statement by virtue of Financial Reporting Standard 1 (Revised) - Cash Flow Statements.

Turnover

Turnover represents the total amount derived from goods supplied and services provided during the period, excluding VAT.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Cost comprises purchase price together with attributable costs of transport.

Foreign currencies

The company does not hold foreign currency balances. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken to the profit and loss account as incurred.

2 Turnover

The turnover is attributable to one activity, that of importing and distributing steel castings.

3 Profit before taxation

	1999	1998
	£	£
This is stated after charging:		
Auditors' remuneration	3,871	3,900

United Castings Limited

Notes to the financial statements for the year ended 30 June 1999 (continued)

3 Profit before taxation (continued)

The directors received no remuneration in respect of their services to the company (1998 - £nil).

The average number of employees during the period was 2 (1998 - 4). The related costs have been borne by a fellow subsidiary undertaking.

4 Taxation

Based on the profit of the period:

	1999	1998
	£	£
Group relief payable at 31% (1998: 31%)	<u>3,000</u>	<u>17,000</u>

5 Stocks

	1999	1998
	£	£
Finished goods and goods held for resale	<u>148,579</u>	<u>138,431</u>

United Castings Limited

Notes to the financial statements for the year ended 30 June 1999 (continued)

6 Debtors (amounts receivable within one year)

	1999	1998
	£	£
Trade debtors	146,614	187,754
Amounts owed by group undertakings	9,868	-
Prepayments	6,272	17,230
	<u>162,754</u>	<u>204,984</u>

7 Creditors (amounts falling due within one year)

	1999	1998
	£	£
Trade creditors	85,560	112,927
Amounts due to group undertakings	83,978	8,800
Other creditors	22,717	52,578
Corporation tax	7,800	7,800
	<u>200,055</u>	<u>182,105</u>

United Castings Limited

Notes to the financial statements for the year ended 30 June 1999 (continued)

8 Share capital

	Authorised		Allotted and fully paid	
	1999	1998	1999	1998
	£	£	£	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>100</u>	<u>100</u>

9 Reserves

	Profit and loss account
	£'000
At 30 June 1998	190,923
Profit for the year	7,206
At 30 June 1999	<u>198,129</u>

10 Reconciliation of movement in shareholders' funds

	1999	1998
	£	£
Profit for the financial year and net addition to shareholders' funds	7,206	38,764
Opening shareholders' funds	191,023	152,259
Closing shareholders' funds	<u>198,229</u>	<u>191,023</u>