

United Castings Limited

Directors' report and financial statements

For the year ended 30 June 2003

Registered number: 2550422



United Castings Limited

Directors' report and financial statements for the year ended 30 June 2003

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United Castings Limited

Directors and advisors

Directors

W T Bird
R B Cunningham
J L Sutcliffe
G Davy

Secretary

Mr D M Williams

Registered office

Long Marston
Stratford upon Avon
Warwickshire
CV37 8AQ

Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

Barclays Bank plc
South East Wales Group
PO Box 1015
3rd Floor
Windsor Court
3 Windsor Place
Cardiff
CF10 3ZL

Solicitors

Eversheds
115 Colmore Row
Birmingham
B3 3AL

United Castings Limited

Directors' report for the year ended 30 June 2003

The directors present their report and the audited financial statements for the year ended 30 June 2003.

Principal activities

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

Review of the business and future prospects

The directors are satisfied with the trading results for the period and do not envisage any significant changes for the foreseeable future.

Results and dividends

The profit for the year on ordinary activities after taxation amounted to £34,201 (2002: £25,220). The directors do not recommend payment of a dividend (2002: £nil).

Directors and their interests

The directors who held office to the date of this report and subsequently are set out on page 1.

None of the directors had any beneficial interest in the shares of the company.

The beneficial interests in the shares of the ultimate parent company of J Sutcliffe and R B Cunningham are disclosed in the financial statements of Sims Group UK Holdings Limited (formerly Simsmetal UK Holdings Limited). The beneficial interests in the shares of the ultimate parent company of W T Bird and G Davy are disclosed in the financial statements of Sims Group UK Intermediate Holdings Limited (formerly Simsmetal UK Group Limited)

Group employee share ownership plan

Details of the group employee share ownership plan are disclosed in the financial statements of Sims Group Limited (formerly Simsmetal Limited), the ultimate parent company.

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 and disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

United Castings Limited

Directors' report for the year ended 30 June 2003 (continued)

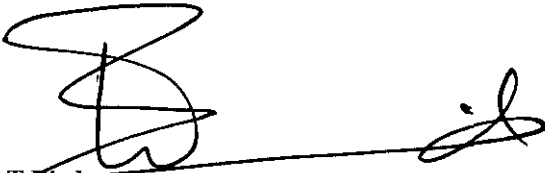
Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that 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.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 13 March 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'W T Bird', written over a horizontal line.

W T Bird
Director
2 February 2004

Independent auditors' report to the members of United Castings Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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. The other information comprises only the directors' report.


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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
2 February 2004

United Castings Limited

Profit and loss account for the year ended 30 June 2003

	Note	2003 £	2002 £
Turnover	1	723,025	911,020
Cost of sales		(562,564)	(753,084)
Gross profit		160,461	157,936
Distribution costs		(34,349)	(45,135)
Administration expenses		(76,905)	(72,278)
Operating profit	2	49,207	40,523
Interest		(388)	(469)
Profit on ordinary activities before taxation		48,819	40,054
Tax on profit on ordinary activities	4	(14,618)	(14,834)
Retained profit for the year	9	34,201	25,220

The profit for the year is derived wholly from continuing operations.

There are no recognised gains and losses for the current financial year or the preceding financial year other than as stated in the profit and loss account.

There are no material differences between the reported profit for the current year as shown in the profit and loss account above and its historical cost equivalent.

United Castings Limited

Balance sheet as at 30 June 2003

	Note	2003 £	2002 £
Current assets			
Stocks	5	136,557	120,866
Debtors	6	142,489	203,800
Cash at bank and in hand		121,503	15,507
		400,549	340,173
Creditors: amounts falling due within one year	7	(330,551)	(304,376)
Net current assets		69,998	35,797
Net assets		69,998	35,797
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	69,898	35,697
Equity shareholders' funds	9	69,998	35,797

The financial statements on pages 5 to 10 were approved by the Board of Directors on 2 February 2004 and were signed on its behalf by:



W T Bird
Director

United Castings Limited

Notes to the financial statements for the year ended 30 June 2003

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Turnover

Turnover represents the value, excluding value added tax, of goods and services supplied to customers in the United Kingdom during the year in respect of the company's principal activity.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises material costs and attributable processing costs only.

Cash flow

As a wholly owned subsidiary which is included within consolidated financial statements which are publicly available, the company has taken advantage of the exemption from preparing a cash flow statement contained in FRS1 (revised).

Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that gave rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future.

An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Deferred taxation assets and liabilities have not been discounted.

2 Operating profit

Auditors' remuneration is borne by Sims Group UK Limited (formerly Simsmetal UK Limited).

3 Information regarding directors and employees

The emoluments of the directors are borne by other companies within the Sims Group UK Limited group and no recharge is made to United Castings Limited for their services (2002: £nil).

Employee costs are recharged to the company from a fellow subsidiary undertaking. Wages and salaries recharged amounted to £36,910 (2002: £37,707).

United Castings Limited

Notes to the financial statements for the year ended 30 June 2003 (continued)

4 Taxation on profit on ordinary activities

	2003	2002
	£	£
Current tax:		
United Kingdom corporation tax at 30% (2002: 30%)	14,646	12,016
Adjustment to prior year provision	(28)	2,818
	14,618	14,834

Factors affecting tax charge for period	2003	2002
	£	£
Profit on ordinary activities before tax	48,819	40,054
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK at 30%	14,646	12,016
Effects of:		
Adjustments to tax charge in respect of previous periods	(28)	2,818
	14,618	14,834

5 Stocks

	2003	2002
	£	£
Finished goods and goods held for resale	136,557	120,866

6 Debtors

	2003	2002
	£	£
Trade debtors	126,392	182,052
Other debtors	16,097	21,748
	142,489	203,800

United Castings Limited

Notes to the financial statements for the year ended 30 June 2003 (continued)

7 Creditors: amounts falling due within one year

	2003	2002
	£	£
Trade creditors	55,818	141,404
Amounts owed to group undertakings	250,383	141,096
Corporation tax	14,646	11,203
Other creditors	9,704	10,673
	330,551	304,376

8 Called up share capital

	2003	2002
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
100 ordinary shares of £1 each	100	100

9 Combined statement of reconciliation of movements in total equity shareholders funds and movements on reserves

	Issued share capital	Profit and loss account	Total
	£	£	£
At 1 July 2002	100	35,697	35,797
Profit for the year	-	34,201	34,201
At 30 June 2003	100	69,898	69,998

10 Capital commitments

There were no capital commitments contracted for, but not provided for (2002 : £nil).

United Castings Limited

Notes to the financial statements for the year ended 30 June 2003 (continued)

11 Related party transactions

The company has taken advantage of the exemption under FRS 8 relating to 90% subsidiary undertakings and has not disclosed details of transactions with other undertakings within the Sims Group UK Holdings Limited (formerly Simsmetal UK Holdings Limited).

12 Ultimate parent company and controlling party

The immediate parent company is Sims Group UK Limited (formerly Simsmetal UK Limited) a company incorporated in England and Wales. Sims Group UK Holdings Limited (formerly Simsmetal UK Holdings Limited) is the smallest group to consolidate these accounts. Simsmetal Limited is the ultimate parent company, a company incorporated in Australia and is the largest group to consolidate these accounts. Copies of both sets of group accounts can be obtained from Sims Group UK Limited (formerly Simsmetal UK Limited), Long Marston, Stratford upon Avon, Warwickshire, CV37 8AQ.