

United Castings Limited

Annual report and financial statements
for the year ended 30 June 2013

Registered number 2550422

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United Castings Limited

Annual report and financial statements for the year ended 30 June 2013

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United Castings Limited

Directors and advisers

Director and company secretary

D M Williams

Registered office

Long Marston
Stratford upon Avon
Warwickshire
CV37 8AQ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

Barclays Bank plc
PO Box 1015
3rd Floor
Windsor Court
3 Windsor Place
Cardiff
CF10 3ZL

Solicitors

Eversheds LLP
115 Colmore Row
Birmingham
B3 3AL

United Castings Limited

Directors' report for the year ended 30 June 2013

The directors present their report and the audited financial statements for the year ended 30 June 2013

Principal activities

The principal activity of the company during the financial 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 financial year, given the current economic climate. They do not envisage any significant changes for the foreseeable future.

Results and dividends

The profit for the financial year amounted to £10,462 (2012: loss of £5,741). The directors do not recommend payment of a dividend (2012: £nil).

Principal risks and uncertainties

The directors of Sims Group UK Holdings Limited manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that an explanation of the company's risks would not be appropriate for an understanding of the development or performance of United Castings Limited. Details of the principal risks and uncertainties, including financial risk management, are provided in the financial statements of Sims Group UK Limited.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance, or position of the business.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

D M Williams (appointed 19 March 2013)

M E Coombs (resigned 19 March 2013)

G Davy (resigned 19 March 2013)

Directors' indemnities

The company maintains liability insurance for its directors and officers. Following shareholders' approval, the company has also provided an indemnity for the directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in force throughout the year and is currently in force.

United Castings Limited

Directors' report for the year ended 30 June 2013 (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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,
- 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.

Statement of disclosure of information to auditors

In the case of each director in office at the date when the directors' report is approved the following applies

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



D M Williams

Director

27 September 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED CASTINGS LIMITED

We have audited the financial statements of United Castings Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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


Phil Harrold (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

27 September 2013

United Castings Limited

Profit and loss account for the year ended 30 June 2013

	Note	2013 £	2012 £
Turnover		1,369,388	2,141,872
Cost of sales		(1,273,270)	(2,014,610)
Gross profit		96,118	127,262
Distribution costs		(4,886)	(8,412)
Administrative expenses		(77,486)	(125,360)
Operating profit/(loss)	2	13,746	(6,510)
Interest payable and similar charges	4	-	-
Profit/(loss) on ordinary activities before taxation		13,746	(6,510)
Tax on profit/(loss) on ordinary activities	5	(3,284)	769
Profit/(loss) for the financial year	11	10,462	(5,741)

There are no material differences between the reported profit (2012 loss) for the financial year as shown in the profit and loss account above and its historical cost equivalent

There are no recognised gains and losses in either financial year other than the profit (2012 loss) for the financial year, and therefore no separate statement of total recognised gains and losses has been presented

All amounts relate to continuing operations

United Castings Limited

Balance sheet as at 30 June 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	6	-	-
		-	-
Current assets			
Stocks	7	585,263	410,275
Debtors	8	138,319	214,895
Cash at bank and in hand		134,070	174,541
		857,652	799,711
Creditors' amounts falling due within one year	9	(473,678)	(426,199)
Net current assets		383,974	373,512
Total assets less net current assets		383,974	373,512
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	383,874	373,412
Total shareholders' funds	12	383,974	373,512

The financial statements on pages 5 to 14 were approved by the Board of directors on 27 September 2013 and were signed on its behalf by

D M Williams

D M Williams
Director

Registered number 2550422

United Castings Limited

Notes to the financial statements for the year ended 30 June 2013

1 Accounting policies

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and the requirements of the Companies Act 2006. The particular accounting policies adopted are described below and have been applied consistently.

Turnover

Turnover represents the value, excluding value added tax, of goods and services supplied to customers in the United Kingdom during the financial year in respect of the company's principal activity. Consideration receivable is only recorded as turnover when the title has passed to the customer, typically on delivery to them. All turnover is generated from sales within the UK only.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated on a first in first out basis, using the weighted average method and comprises material costs and attributable processing costs only. Where appropriate, provisions are made for defective stock. However this is highly unlikely due to the nature of the stocks held.

Cash flow statement

The company's ultimate parent is Sims Metal Management Limited, a company incorporated in Australia, which prepares group consolidated financial statements including a group cash flow statement. These financial statements are publicly available. Consequently, the company has taken advantage of the exemption under the terms of Financial Reporting Standard 1 (revised 1996) "Cash flow statements" and has not produced a cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over their estimated economic lives. The estimated annual rates used for this purpose are:

Plant, machinery, vehicles and fixtures	20% straight line
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Lease assets

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases.

Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

United Castings Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

1 Accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 3 represents contributions payable by the company to the fund

2 Operating profit/(loss)

Auditors' remuneration of £6,000 (2012 £6,000) payable to PricewaterhouseCoopers LLP was borne by Sims Group UK Limited. No amounts were payable for other services (2012 £nil)

Depreciation charged on tangible fixed assets in arriving at operating profit/(loss) is £nil (2012 loss of £334). Operating lease charges with respect to motor vehicles were £5,736 (2012 £11,976)

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 (2012 £nil). During the year emoluments paid to the directors amounted to £416,000 (2012 £760,000). Details of directors' emoluments are shown in the financial statements of Sims Group UK Limited. Employee costs are recharged to the company from a parent undertaking. Wages and salaries recharged amounted to £58,287 (2012 £94,966)

The average number of monthly employees (including directors) were 4 (2012 5), of whom 2 (2012 3) were employed in production and the remainder in administration

The costs incurred in respect of these employees were	2013	2012
	£	£
Wages and salaries	51,843	83,570
Social security costs	5,024	8,557
Other pension costs	1,420	2,839
	58,287	94,996

United Castings Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

4 Interest payable and similar charges

	2013	2012
	£	£
Bank overdraft interest	-	-
Other interest	-	-
	-	-

5 Tax on profit/(loss) on ordinary activities

(a) Analysis of charge in the financial year

	2013	2012
	£	£
Current tax:		
UK corporation tax	3,170	-
Adjustment in respect of prior years	-	(867)
Total current tax	3,170	(867)
Deferred tax:		
Origination and reversal of timing differences		
- current year	117	49
- change in tax rate	(3)	49
Total deferred tax	114	98
Total tax on profit/(loss) on ordinary activities	3,284	(769)

The effective rate of UK corporation tax for the year ended 30 June 2013 is 23.75%. This reflects the change to the standard rate of UK corporation tax from 24% to 23% which became effective 1 April 2013. The tax assessed for the financial year is lower (2012: higher) than the standard rate of corporation tax in the UK 23.75% (2012: 25.5%). The differences are explained below:

United Castings Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

5 Tax on profit/(loss) on ordinary activities (continued)

(b) Factors affecting tax charge for the financial year	2013	2012
	£	£
Profit/(loss) on ordinary activities before taxation	13,746	(6,510)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012: 25.5%)	3,265	(1,660)
Effects of		
Adjustment in respect of prior years	-	(867)
Current year losses not recognised	-	861
Expenses not deductible for tax purposes	-	701
Capital allowances for year (in excess)/less than depreciation	(92)	49
Change in tax rate	(3)	49
Total current tax charge	3,170	(867)

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years

c) Factors affecting future tax charges

On 3 July 2012 legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was passed by Parliament as part of the Finance Bill 2012. In addition, further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. There would be no material effect if these changes had been applied at the balance sheet date.

United Castings Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

6 Tangible fixed assets

	Plant, machinery, vehicles and fixtures
	£
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Cost	
At 1 July 2012 and 30 June 2013	15,365
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Accumulated depreciation	
At 1 July 2012 and 30 June 2013	(15,365)
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Net book value	
At 30 June 2013	-
<hr/>	
At 30 June 2012	-
<hr/>	

7 Stocks

	2013	2012
	£	£
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Finished goods and goods held for resale	585,263	410,275
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There are no material differences between the value of stocks and their replacement cost

United Castings Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

8 Debtors

	2013	2012
	£	£
Trade debtors	137,898	212,953
Other debtors	421	1,942
	138,319	214,895

The amounts owed by group undertakings are unsecured, non-interest bearing and are repayable on demand

Other debtors includes deferred taxation of £421 (2012 £535) for accelerated capital allowances. Deferred tax is fully provided in the financial statements and calculated at 23% (2012 24%) as follows

	2013	2012
	£	£
Accelerated capital allowances	421	535
At 1 July	535	633
Charged to profit and loss	(114)	(98)
At 30 June	421	535

9 Creditors: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	178,239	203,137
Amounts owed to group undertakings	273,344	200,606
Corporation tax	3,170	-
Other creditors	18,925	22,456
	473,678	426,199

The amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand

United Castings Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

10 Called up share capital

	2013	2012
	£	£
Allotted and fully paid		
100 (2012 100) ordinary shares of £1 each	100	100

11 Profit and loss account

	£
At 1 July 2012	373,412
Profit for the financial year	10,462
At 30 June 2013	383,874

12 Reconciliation of movements in total shareholders' funds

	2013	2012
	£	£
Profit/(loss) for the financial year	10,462	(5,741)
Opening total shareholders' funds	373,512	379,253
Closing total shareholders' funds	383,974	373,512

United Castings Limited

Notes to the financial statements for the year ended 30 June 2013 (continued)

13 Operating lease and capital commitments

The company has annual commitments under non-cancellable operating leases expiring as follows

	2013	2012
	£	£
Motor vehicles		
Due within one year	-	9,159
Due within one to five years	-	-
	-	9,159

There were no other capital commitments contracted for but not provided for (2012 £nil)

14 Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8 "Related Party Disclosures" relating to wholly owned subsidiary undertakings and has not disclosed details of transactions with other undertakings within the group

The group financial statements of the ultimate parent company are publicly available (note 15)

15 Ultimate parent company and controlling party

The immediate parent company is Sims Group UK Limited, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party is Sims Metal Management Limited, a company incorporated in Australia, which heads the largest and smallest group to consolidate these financial statements. Copies of the group financial statements can be obtained from the Company Secretary at Sir Joseph Banks Corporate Park, Suite 3, Level 2, 32-34 Lord Street, Botany, NSW 2019, Australia.