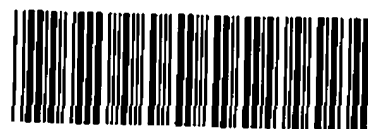


United Castings Limited  
Annual report and financial statements  
for the year ended 30 June 2014

Registered number: 02550422

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# **United Castings Limited**

## **Annual report and financial statements for the year ended 30 June 2014**

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# **United Castings Limited**

## **Director and advisors**

### **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  
3<sup>rd</sup> Floor  
Windsor Court  
3 Windsor Place  
Cardiff  
CF10 3ZL

### **Solicitors**

Eversheds LLP  
115 Colmore Row  
Birmingham  
B3 3AL

# **United Castings Limited**

## **Director's report for the year ended 30 June 2014**

The director presents their report and the audited financial statements for the year ended 30 June 2014.

### **Principal activities**

The principal activity of the company during the financial year was that of importing and distributing steel castings until 30 November 2013. On this date the trade and assets were transferred to Sims Group UK Limited. The company has since been dormant and will continue to remain so for the foreseeable future.

### **Results and dividends**

The profit for the financial year amounted to £23,489 (2013: £10,462). Dividends of £407,363 (2013: £nil) were declared and paid on 22 May 2014. Neither a profit nor loss was recognised on the transfer of trade and assets (note 14).

### **Principal risks and uncertainties**

The directors of Sims Group UK Holdings Limited manages the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's director believes 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 director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance, or position of the business.

### **Director**

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

D M Williams

### **Director's indemnities**

The company maintains liability insurance for its director and officers. Following shareholders' approval the company has also provided an indemnity for the director, 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.

### **Special provisions relating to small companies**

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

# United Castings Limited

## Director's report for the year ended 30 June 2014 (continued)

### Statement of director's responsibilities

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 director is 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 director is 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. The director is 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 the director in office at the date when the director's 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.

On behalf of the Board



D M Williams  
Director  
6 November 2014

# **Independent auditors' report to the members of United Castings Limited**

## **Report on the financial statements**

### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

### **What we have audited**

The financial statements, which are prepared by United Castings Limited, comprise:

- the balance sheet as at 30 June 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 director; 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 (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **United Castings Limited**

### **Independent auditors' report to the members of United Castings Limited (continued)**

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Director's remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of director's remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the director was not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.


#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the director**

As explained more fully in the Statement of director's responsibilities set out on page 3, the director is 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 ISAs (UK & 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.



Phil Harrold (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
6 November 2014

# United Castings Limited

## Profit and loss account for the year ended 30 June 2014

	Note	2014 £	2013 £
Turnover	1	799,480	1,369,388
Cost of sales		(751,062)	(1,273,270)
Gross profit		48,418	96,118
Distribution costs		(2,327)	(4,886)
Administrative expenses		(17,969)	(77,486)
Operating profit	2	28,122	13,746
Interest receivable and similar income	4	13	-
Profit on ordinary activities before taxation		28,135	13,746
Tax on profit on ordinary activities	6	(4,646)	(3,284)
Profit for the financial year	12	23,489	10,462

*There are no material differences between the reported profit 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 for the financial year, and therefore no separate statement of total recognised gains and losses has been presented.*

*All amounts relate to discontinued operations.*

*The accompanying notes are an integral part of the profit and loss account.*



# United Castings Limited

## Balance sheet as at 30 June 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	7	-	-
<b>Current assets</b>			
Stocks	8	-	585,263
Debtors	9	100	138,319
Cash at bank and in hand		-	134,070
		100	857,652
Creditors: amounts falling due within one year	10	-	(473,678)
<b>Net current assets</b>		100	383,974
<b>Total assets less current liabilities</b>		100	383,974
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	-	383,874
<b>Total shareholders' funds</b>	13	100	383,974

The financial statements on pages 6 to 15 were approved by the director on 6 November 2014 and were signed on its behalf by:



D M Williams  
Director

Registered number: 02550422

# United Castings Limited

## Notes to the financial statements for the year ended 30 June 2014

### 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
---	-------------------

#### 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 2014 (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

Auditors' remuneration of £6,000 (2013: £6,000) payable to PricewaterhouseCoopers LLP was borne by Sims Group UK Limited and no recharges were payable. No amounts were payable for other services (2013: £nil).

Depreciation charged on tangible fixed assets in arriving at operating profit is £nil (2013: £nil). Operating lease charges with respect to motor vehicles were £nil (2013: £5,736).

### 3 Information regarding directors and employees

The emolument of the director is borne by other companies within the Sims Group UK Limited group and no recharge is made to United Castings Limited for their services (2013: £nil).

Details of director's 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 £8,622 (2013: £58,287).

The average number of monthly employees (including directors) is 1. In the prior year there were 4 employees, of whom 2 were employed in production and 2 in administration.

The costs incurred in respect of these employees were:	2014	2013
	£	£
Wages and salaries	7,965	51,843
Social security costs	657	5,024
Other pension costs	-	1,420
	8,622	58,287

# United Castings Limited

## Notes to the financial statements for the year ended 30 June 2014 (continued)

### 4 Interest receivable and similar income

	2014	2013
	£	£
HMRC interest received	13	-

### 5 Dividends payable

	2014	2013
	£	£
Equity dividend payable at £4,073.63 per share (2013: £nil)	407,363	-

### 6 Tax on profit on ordinary activities

#### (a) Analysis of charge in the financial year

	2014	2013
	£	£
<b>Current tax:</b>		
UK corporation tax	6,387	3,170
Adjustment in respect of prior years	(1,847)	-
<b>Total current tax</b>	<b>4,540</b>	<b>3,170</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences		
- current year	69	117
- change in tax rate	37	(3)
<b>Total deferred tax</b>	<b>106</b>	<b>114</b>
<b>Total tax on profit on ordinary activities</b>	<b>4,646</b>	<b>3,284</b>

The effective rate of UK corporation tax for the year ended 30 June 2014 was 22.5% (2013: 23.75%). This reflects the change to the standard rate of UK corporation tax from 23% to 21% which became effective 1 April 2014.

The trade and assets were transferred prior to this date and the company remained dormant for the remaining period. Therefore the effective rate of UK corporation tax for the five month period up until the trade and assets were transferred was 23%, which has been used in the following analysis.

The tax assessed for the financial year is lower (2013: lower) than the standard rate of corporation tax in the UK 23% (2013: 23.75%). The differences are explained below:

# United Castings Limited

## Notes to the financial statements for the year ended 30 June 2014 (continued)

### 6 Tax on profit on ordinary activities (continued)

(b) Factors affecting tax charge for the financial year	2014	2013
	£	£
Profit on ordinary activities before taxation	28,135	13,746
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.5% (2013: 23.75%)	6,471	3,265
Effects of:		
Adjustment in respect of prior years	(1,847)	-
Expenses not deductible for tax purposes	245	-
Capital allowances for year (in excess)/less than depreciation	(329)	(92)
Change in tax rate	-	(3)
Total current tax charge	4,540	3,170

#### (c) Factors affecting future tax charges

A further reduction in the UK corporation tax rate from 21% to 20% from 1 April 2015 was substantively enacted on 2 July 2013. However this will have no impact on the company as it is now dormant for the foreseeable future.

# United Castings Limited

## Notes to the financial statements for the year ended 30 June 2014 (continued)

### 7 Tangible fixed assets

	Plant, machinery, vehicles and fixtures
	£
<b>Cost</b>	
As at 1 July 2013	15,365
Transferred	(15,365)
<b>At 30 June 2014</b>	-
<b>Accumulated depreciation</b>	
As at 1 July 2013	15,365
Transferred	(15,365)
<b>At 30 June 2014</b>	-
<b>Net book value</b>	
<b>At 30 June 2014</b>	-
<b>At 30 June 2013</b>	-

### 8 Stocks

	2014	2013
	£	£
Finished goods and goods held for resale	-	585,263

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 2014 (continued)

### 9 Debtors

	2014	2013
	£	£
Trade debtors	-	137,898
Amounts owed by group undertakings	100	-
Other debtors	-	421
	100	138,319

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

Other debtors includes deferred taxation of £nil (2013: £421) for accelerated capital allowances. Up until the transfer of trade and assets deferred tax was fully provided in the financial statements and calculated at 23% (2013: 23%) as follows:

	2014	2013
	£	£
Accelerated capital allowances	-	421
At 1 July	421	535
Charged to profit and loss	(106)	(114)
Transferred on disposal	(315)	-
At 30 June	-	421

### 10 Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	-	178,239
Amounts owed to group undertakings	-	273,344
Corporation tax	-	3,170
Other creditors	-	18,925
	-	473,678

In the prior year 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 2014 (continued)

### 11 Called up share capital

	2014	2013
	£	£
<b>Allotted and fully paid</b>		
100 (2013: 100) ordinary shares of £1 each	100	100

### 12 Profit and loss account

	£
At 1 July 2013	383,874
Profit for the financial year	23,489
Dividend paid	(407,363)
<b>At 30 June 2014</b>	-

### 13 Reconciliation of movements in total shareholders' funds

	2014	2013
	£	£
Profit for the financial year	23,489	10,462
Dividend paid	(407,363)	-
<b>Net (reduction)/addition to shareholders funds</b>	<b>(383,874)</b>	<b>10,462</b>
Opening total shareholders' funds	383,974	373,512
<b>Closing total shareholders' funds</b>	<b>100</b>	<b>383,974</b>



## United Castings Limited

### Notes to the financial statements for the year ended 30 June 2014 (continued)

#### 14 Transfer of trade and assets

On 30 November 2013 the trade and assets of United Casting Limited were transferred to Sims Group UK Limited for a purchase consideration of £407,463, equivalent to the net assets of the company. Therefore neither a profit nor a loss was recognised.

	Total
	£
<b>Purchase consideration</b>	<b>407,463</b>
<b>Net assets disposed of</b>	
Fixed assets	-
Stock	322,890
Debtors	203,759
Cash at bank and in hand	476,930
Creditors	(596,116)
<b>Net assets</b>	<b>407,463</b>
<b>Profit on disposal</b>	<b>-</b>

#### 15 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 16).

#### 16 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.