

United Castings Limited
Annual report and financial statements
for the year ended 30 June 2000

Registered Number 2550422



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United Castings Limited
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for the year ended 30 June 2000

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United Castings Limited

Directors' report for the year ended 30 June 2000

The directors present their annual report and audited financial statements of the company for the year ended 30 June 2000.

Principal activities

The principal activity of the company 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 and dividends

The profit for the year after taxation was £42,621 (1999: £7,206). No dividend is recommended and it is proposed to transfer the whole of the profit for the year to reserves.

Directors and their interests

The directors of the company during the year were:

J Crabb
RB Cunningham
JL Sutcliffe
GH Wright (resigned 30 September 1999)

The directors at 30 June 2000 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 2000 | 1 July 1999 |
|---------|---------------------|---------------------|
| | No of shares | No of shares |
| J Crabb | 32,879 | 32,879 |

United Castings Limited

Directors' report for the year ended 30 June 2000 (continued)

Directors and their interests (continued)

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

Share Ownership Plan

| | 30 June 2000 | 1 July 1999 |
|----------------|-----------------------------|-----------------------------|
| | Number of shares | Number of shares |
| J Crabb | 500,000 | 500,000 |
| R B Cunningham | 300,000 | 300,000 |
| J L Sutcliffe | 200,000 | 200,000 |

Share Option Plan

| | 30 June 2000 | | 1 July 1999 |
|----------------|------------------------------|----------------|------------------------------|
| | Number of options | Granted | Number of options |
| J Crabb | 800,000 | - | 800,000 |
| R B Cunningham | 500,000 | - | 500,000 |
| J L Sutcliffe | 300,000 | - | 300,000 |

United Castings Limited

Directors' report for the year ended 30 June 2000 (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.

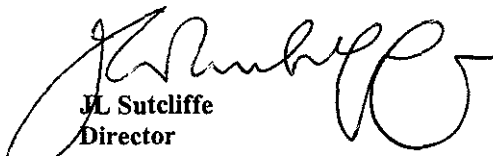
Year 2000

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.

Approved by the Board of Directors
and signed on behalf of the Board by



J.L. Sutcliffe
Director
10 April 2001

United Castings Limited

Auditors' report to the members of United Castings Limited

We have audited the financial statements on pages 5 to 10 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 2000 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
10 April 2001

United Castings Limited

Profit and loss account for the year ended 30 June 2000

| | Note | Year ended 30 June 2000 £ | Year ended 30 June 1999 £ |
|--|------|------------------------------------|------------------------------------|
| Turnover | 2 | 616,653 | 574,642 |
| Cost of sales | | (488,841) | (455,629) |
| Gross profit | | 127,812 | 119,013 |
| Distribution costs | | (17,804) | (21,653) |
| Administrative expenses | | (75,171) | (87,154) |
| Profit on ordinary activities before taxation | 4 | 34,837 | 10,206 |
| Taxation on profit on ordinary activities | 5 | 7,784 | (3,000) |
| Profit on ordinary activities after taxation | | 42,621 | 7,206 |
| Retained profit for the year | 10 | 42,621 | 7,206 |

The company's turnover and profit all relate to continuing operations.

The company has no recognised gains or losses other than those in the profit and loss account. There are no material differences between the reported profit for the year and the profit on an historical cost basis.

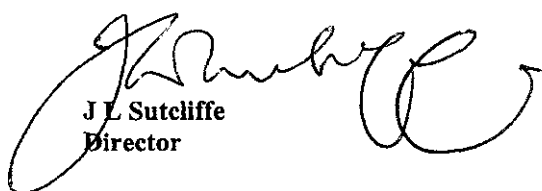
United Castings Limited

Balance sheet as at 30 June 2000

| | Notes | 30 June 2000 | 30 June 1999 |
|---|-------|------------------|------------------|
| | | £ | £ |
| Current assets | | | |
| Stocks | 6 | 126,248 | 148,579 |
| Debtors | 7 | 234,611 | 162,754 |
| Cash at bank and in hand | | - | 86,951 |
| | | <u>360,859</u> | <u>398,284</u> |
| Creditors: amounts falling due within one year | 8 | <u>(120,009)</u> | <u>(200,055)</u> |
| Net current assets | | <u>240,850</u> | <u>198,229</u> |
| Total assets less current liabilities | | <u>240,850</u> | <u>198,229</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 100 | 100 |
| Profit and loss account | 10 | 240,750 | 198,129 |
| Total equity shareholders' funds | 11 | <u>240,850</u> | <u>198,229</u> |

These financial statements were approved by the Board of Directors on 10 April 2001.

Signed on behalf of the Board of Directors:


J L Sutcliffe
 Director

United Castings Limited

Notes to the financial statements for the year ended 30 June 2000

1 Accounting policies

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

(a) Accounting convention

The financial statements have been prepared under the historical cost convention.

(b) 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.

(c) Turnover

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

(d) Stocks and work in progress

Stocks are stated 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.

(e) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Exchange differences are taken to the profit and loss account as incurred.

2 Turnover

The turnover and profit before taxation is attributable to the company's principal activities, which in the opinion of the directors, comprise of one class of business.

3 Directors emoluments and employees

The directors have not received any emoluments with respect to their services to the company during the year.

United Castings Limited

Notes to the financial statements for the year ended 30 June 2000 (continued)

4 Profit on ordinary activities before taxation

| | 2000 | 1999 |
|--|--------------|--------------|
| | £ | £ |
| Profit on ordinary activities before taxation is after charging: | | |
| Auditors' remuneration | <u>1,300</u> | <u>3,871</u> |

The directors received no remuneration in respect of their services to the company (1999 : £nil).

The average number of employees during the period was 2 (1999 : 2). The related costs have been borne by a fellow subsidiary undertaking.

5 Taxation

| | 2000 | 1999 |
|--|--------------|----------------|
| | £ | £ |
| Group relief receivable/(payable) at 30% (1999: 31%) | - | (3,000) |
| Over-provision in previous years | <u>7,784</u> | <u>-</u> |
| | <u>7,784</u> | <u>(3,000)</u> |

There is no current year tax charge as the company will receive group relief from a fellow subsidiary for £nil consideration.

6 Stocks

| | 2000 | 1999 |
|--|----------------|----------------|
| | £ | £ |
| Finished goods and goods held for resale | <u>126,248</u> | <u>148,579</u> |

7 Debtors

| | 2000 | 1999 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 148,750 | 146,614 |
| Amounts owed by group undertakings | 82,589 | 9,868 |
| Other debtors | <u>3,272</u> | <u>6,272</u> |
| | <u>234,611</u> | <u>162,754</u> |

United Castings Limited

Notes to the financial statements for the year ended 30 June 2000 (continued)

8 Creditors (amounts falling due within one year)

| | 2000 | 1999 |
|-----------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 78,050 | 85,560 |
| Bank overdraft | 3,822 | - |
| Amounts due to group undertakings | 2,629 | 83,978 |
| Other creditors | 35,508 | 22,717 |
| Corporation tax | - | 7,800 |
| | <u>120,009</u> | <u>200,055</u> |

Bank loans and overdrafts are secured by fixed and floating charges on the group's assets and by various guarantees and debentures given by group undertakings.

9 Share capital

| | Authorised | | Allotted and fully paid | |
|----------------------------|--------------|--------------|-------------------------|------------|
| | 2000 | 1999 | 2000 | 1999 |
| | £ | £ | £ | £ |
| Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> | <u>100</u> | <u>100</u> |

10 Reserves

| | Profit and loss account |
|---------------------|----------------------------|
| At 30 June 1999 | 198,129 |
| Profit for the year | 42,621 |
| At 30 June 2000 | <u>240,750</u> |

United Castings Limited

Notes to the financial statements for the year ended 30 June 2000 (continued)

11 Reconciliation of movement in shareholders' funds

| | 2000 | 1999 |
|---|----------------|----------------|
| | £ | £ |
| Profit for the financial year and net addition to shareholders' funds | 42,621 | 7,206 |
| Opening shareholders' funds | 198,229 | 191,023 |
| Closing shareholders' funds | <u>240,850</u> | <u>198,229</u> |

12 Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8 relating to 90% subsidiary undertakings and has not disclosed details of transactions with other undertakings within the Sims Metal UK Holdings Limited Group.

13 Ultimate holding company

The immediate parent company is Sims Metal UK Recycling Limited, a company incorporated in England and Wales. SimsMetal UK Holdings Limited is the smallest group to consolidate these accounts. Sims Metal 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 Metal UK Limited, Long Marston, Stratford-upon-Avon, Warwickshire, CV37 8AQ.