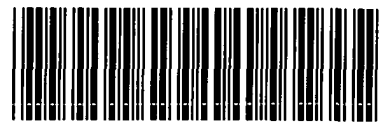


Voest Alpine Krems UK plc

**Annual Report and Financial Statements
For the year ended 31 March 2020**

Registered number: 03464504

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Voest Alpine Krems UK plc

Annual Report and Financial Statements For the year ended 31 March 2020

CONTENTS	Page
Strategic Report	3
Directors' Report	6
Directors' responsibilities statement	9
Independent Auditor's Report	10
Profit and Loss Account	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the financial statements	15

Voest Alpine Krems UK plc

Strategic Report

The directors present their Strategic Report on the company for the year ended 31 March 2020.

Principal activity and review of the business

The Company's principal activity during the year was that of a holding company. The directors do not expect any changes in the principal activity during the next financial year.

Key performance indicators

Key performance indicator of the Company is profit or loss. The profit for the year ended 31 March 2020 was £13,476,000 (2019: £16,633,000). There are no applicable non-financial performance indicators for the Company.

Principal risks and uncertainties

The Company's principal risk and uncertainty is the impairment of investments. This is reviewed accordingly by the management by assessing the financial situation in detail taking into account updated forecast and budget information.

Covid-19 pandemic

The risk coming from the Covid-19 pandemic would relate to the closure of construction sites which presents a large part of the customer base of its subsidiary. At the beginning of the pandemic during April 2020 many sites decided to temporarily close down in order to make their sites covid-secure and to establish a new covid-secure standard of working. Now that sites are covid-secure we do not expect a reoccurrence of site closures in the future.

Outlook

The company's outlook is based on the performance of its underlying subsidiary Voestalpine Metsec plc. Given the ongoing, considerable level of uncertainty, the subsidiary is unable to provide an accurate assessment on trading for the next 6-12 months. Whilst the uncertainty continues with respect to the ongoing impact of Covid-19 and the eventual shape of the UK economic recovery the subsidiary remains focused on near-term actions to maintain the safety and welfare of its employees, customers and suppliers and take advantage of short-term sales opportunities.

The UK economy is expected to have a disastrous GDP growth of -10.6% in 2020 however it is estimated that the UK economy will bounce back in 2021 by 5.3%.

Furthermore it is also unclear at this stage what additional impact the still ongoing Brexit negotiations and associated uncertainties will have on the UK economy. The subsidiary has applied for the Trader Support Service for Northern Ireland so that it can continue trading with Northern Ireland after Brexit. Overall Brexit is not seen as a big risk as the customer base for the subsidiary is approx. 95% UK based and other customers are supplied on EXW / FCA incoterm and sales are based on its terms and conditions.

The subsidiary will continue to deliver excellent customer service to achieve growth in existing market segments and potential new markets. Furthermore the subsidiary aims to improve efficiency in all areas of its operations through continuous improvement process management.

Voest Alpine Krems UK plc

Strategic Report (continued)

As set out in the Companies (Miscellaneous Reporting) Regulations 2018 the Directors hereby present the required Section 172 (1) statement to demonstrate how the directors have had regard to the matters set out in section 172(1)(a) to (1) when performing their duty under section 172.

Section 172 (1) statement

The directors decided to separate the stakeholders into two groups; employees and other stakeholders like suppliers, customers etc. Building positive relations with these stakeholders, treating them well and with respect is essential to the success of the business. Underpinning these stakeholder relationships is a culture which promotes high standards of business ethics, is focused on a long term sustainable strategy and which recognises our responsibility to the environment.

Employee engagement

The company provides employees with regular updates on matters of concern by doing the following:

- Half-yearly company presentations to all employees
- Monthly team briefings
- Quarterly company newsletter
- Annual pension newsletter
- Annual company and annual sales conference
- Quarterly financial updates from parent company voestalpine AG

Furthermore the company consults employees on a regular basis by doing the following:

- Employee survey every two to three years
- Workers council
- Recently established culture group
- Suggestion box scheme
- Feedback through monthly Executive meeting
- Informal reviews with recent new starters
- Exit interviews for leavers

All of our employees who are eligible can join the group-wide employee participation scheme which gives the Group's employees the opportunity of participating in the development and success of voestalpine by owning shares in the Group. This is implemented based on annual offers to acquire shares.

Employees who have voestalpine shares can participate in the Group's economic success by receiving dividend payments and through possible price appreciation of the shares. Currently approx. 14.8% of the total shares of voestalpine AG are held either directly or indirectly by employees.

Other stakeholder engagement

The company feels that good long-term relationships with suppliers, customers and other stakeholders are paramount for the ultimate success of the business. We want to maintain our position as market leaders in our industry by maintaining a constant dialogue with the whole supply chain which provides us with regular feedback on where we can further improve things. This is being achieved for example by focusing on the following:

- Regular customer surveys and customer feedback
- Monitoring OTIF (On-Time In-Full delivery)
- Monitoring scrap percentage
- Regular supplier audits and for example focusing on reject rates

Voest Alpine Krems UK plc

Strategic report (continued)

Section 172 (1) statement (continued)

In addition to engaging with employees and other stakeholders the company pro-actively aims to maintain the good reputation in the market by setting high standard of business conduct. This can be demonstrated by all employees abiding to the group-wide Code of Conduct which is available from the voestalpine website www.voestalpine.com . Furthermore on a regular basis relevant employees are invited to do e-learning on anti-trust, compliance matters and similar topics.

The company's foremost objective is to satisfy customers with high quality product and engineering services capable of designing, building and maintaining product and systems that will meet their quality, safety, environmental and reliability needs.

We aim to achieve those needs in a safe, responsible, sustainable and environmentally sound way, in accordance with the company's Quality, Health, Safety, Environmental (QHSE) and Responsible Sourcing policies and procedures.

Quality, Health, Safety and the Environment are considered to be of utmost importance and the company shall actively promote and administer a strong Quality, Health, Safety, Environmental and Ethical culture amongst staff, visitors and sub-contractors.

To assure these objectives are realized, we have established or achieved the following:

- Integrated Management System in accordance with PAS 99: 2012, which incorporates the requirements of BS EN ISO 9001 for Quality Management
- BS EN ISO 14001 for Environmental Management
- ISO 45001 for Health & Safety Management
- ISO 27001 for Information Security
- BCSCA Steel Construction Sustainability Charter — Gold Standard
- Sandwell Business Environmental Charter — Platinum Plus Level 2


Community

We engage with the local community to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We partner with local charities, schools and organisations. These initiatives are being reviewed throughout the year by the board of directors.

Government and regulators

We engage with the government and regulators through a range of industry consultations, forums, meetings and conferences to communicate our views to policy makers. Key areas of focus are compliance with laws and regulations and health and safety.

This report was approved by the board and signed on its behalf by:


N A Richardson
Director

Date: 17/12 2020

Voest Alpine Krems UK plc

Directors' Report

The directors present the annual report and audited financial statements for the year ended 31 March 2020.

Results and dividends

The profit for the year after taxation amounted to a profit of £13,476,000 (2019: £16,663,000). Dividends of £13,476,000 (2019: £16,663,000) were paid during the year. The profit for the year of £13,476,000 (2019: £16,663,000) has been transferred to reserves. As explained in the events after the balance sheet date section below the directors have recommended the payment of a final dividend for the year ended 31 March 2020 of £12,243,700 (2019: £13,476,000).

Future developments

The company is expected to act as a holding company for the foreseeable future.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are based on the underlying performance of its wholly owned subsidiary Voestalpine Metsec plc. The subsidiary is expected to continue to generate positive operating cash flows for the foreseeable future. In arriving at the conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources are sufficient to accommodate the principal risks and uncertainties faced by the subsidiary and in particular the impact of the COVID-19 pandemic. Since late March 2020 the subsidiary's business has seen a significant downturn in customer demand which resulted in the month of April and May 2020 to be at quite significantly reduced levels when compared to the previous year and when compared to budget. In recent months this has now recovered to more satisfactory levels.

Actions have been taken to reduce and carefully manage the operating cost case by eliminating unnecessary spend and reducing capital expenditure projects to a minimum. In addition, the subsidiary accessed the Coronavirus Job Retention Scheme (CJRS) by putting employees on furlough. Altogether around half of the company's workforce was initially furloughed whilst the remaining employees were working hard to continue to produce and supply goods to the customer base. As the business activity recovered somewhat in the last few months the decision was taken to bring back people from furlough which means that as per second week of November 2020 only a low percentage of the employees remaining on furlough.

Forecast scenarios have been prepared to assess how the virus could impact the subsidiary in the period to 31 December 2021. In determining these the macro-economic and industry wide projections were considered as well as matters specific to the subsidiary. Having taken account of the scenarios modelled, and in light of the mitigations available, the directors are satisfied that the subsidiary has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. The subsidiary continues to maintain a strong liquidity headroom position with a robust balance sheet. As per 31 March 2020 the company had a cash pooling/money market balance with the Treasury of voestalpine AG of £25.5m. As at 30 November 2020 this balance was £23.9m. All in all the cash pooling arrangement is a central pooling of funds arranged by the group treasury. At the end of each day all cash balances on all cash pooling accounts are being cleared down to £0 and in the morning the balances are being credited back to the account which means that no overnight pooling balances are left on the account. All funds are pooled centrally in Austria. Metsec has unrestricted access to these funds.

The scenarios modelled have been reviewed and updated over the last few months to take into account the recovery since the initial shock of April and May 2020 which means it takes into account the actual performance of recent months and assumes similar trading going forward. Initially modelled scenarios have been updated as the financial performance in recent months have been much better than originally anticipated in the modelling.

Based on the above subsidiary forecast and performance, the Directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Voest Alpine Krems UK plc

Directors' Report (continued)

Directors

The directors who served the Company during the year and to the date of this report were as follows:

H Punz (resigned 30 June 2019)

N A Richardson

P Schwab

J Resch (appointed 1 July 2019)

Directors' and officers' liability

The company's ultimate holding company voestalpine AG has made qualifying third party indemnity provisions for the benefit of the directors of both voestalpine AG and all affiliated wholly-owned group companies which were made during the year and remain in force at the date of this report.

Streamlined Energy & Carbon Reporting (SECR)

As part of our commitment to undertaking our activities in an efficient and financially sustainable manner in-line with environmental best practice the recent energy reduction/savings measures are as follows;

- Install 70 of low energy high bay lights at 130 watts replacing 400 watt lights — a saving of 19kW every hour the lighting is on
- Install the latest version of the Vickers Energy Management System to gain a 10% reduction in gas used for heating
- Audited and repaired 20 plus air leaks which means a drop in compressors running out of hours — this was a saving of 20kW every hour outside working hours
- Slight increase in gas use investigated and found to be an override on the heating system which has since been removed so should see a decrease in use going forward

Note the source of gas, electricity, water and energy consumption are compiled from the itemised bills received from the suppliers. Where reference is made to tonnes this means tonnes produced.

Measure	Total Energy 2019/20
Gas Usage in kWh	2,451,957
Electricity Usage in kWh	5,185,362
Total Energy Usage in kWh	7,637,319

Measure	Total Water 2019/20
Water Usage in M3	2,851

Measure per tonnes produced	CO2 Emissions 2019/20
CO2 Gas in tonnes of Carbon	454
CO2 Electric in tonnes of Carbon	2,808
CO2 total in tonnes of Carbon	3,262

Measure	Total Fuel 2019/20
Fuel consumed for business use in litres	85,412

Voest Alpine Krems UK plc

Directors' report (continued)

Events since the balance sheet date

There have been no events since the balance sheet date except for those disclosed in note 11 related to dividend.

Political and charitable contributions

There were no political contributions or charitable donations during the year (2019: none).

Financial risk management

The company is a pure holding company and the financial risk assessment is set out in the Strategic Report under Principal risks and uncertainties.

Auditor

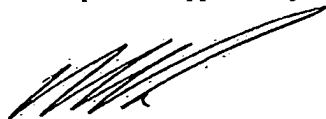
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP will not be seeking re-appointment as auditor of the Company at the conclusion of their current term of office. There are no circumstances connected with the resignation of Deloitte LLP as external auditor which should be brought to the attention of members or creditors of the Company.

This report was approved by the board and signed on its behalf by:



N A Richardson
Director

Date: 17/12/2020

Voest Alpine Krems UK plc

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; 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 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.

Independent Auditor's Report to the Members of Voest Alpine Krems UK plc

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Voest Alpine Krems UK plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in respect of these matters.

Independent Auditor's Report to the Members of Voest Alpine Krems UK plc (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

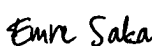
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Emre Saka (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
Date: 17 December 2020 | 18:54:23 GMT

Voest Alpine Krems UK plc

Profit and Loss Account For the year ended 31 March 2020

	Note	2020 £	2019 £
Operating result	3	-	-
Income from shares in group undertakings	6	13,476,000	16,633,000
Profit before taxation		13,476,000	16,633,000
Tax on profit	5	-	-
Profit for the financial year		13,476,000	16,633,000

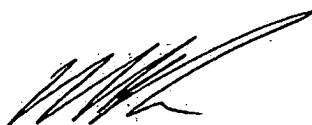
All activities derive from continuing operations. There was no other comprehensive income during the year. Accordingly, no separate statement of other comprehensive income is presented.

Voest Alpine Krems UK plc**Balance Sheet
As at 31 March 2020**

	Note	2020 £	2019 £
Fixed assets			
Investments	7	<u>41,519,077</u>	<u>41,519,077</u>
Current assets			
Debtors	8	<u>68,038</u>	<u>68,038</u>
Net current assets		<u>68,038</u>	<u>68,038</u>
Total assets less current liabilities being net assets		<u><u>41,587,115</u></u>	<u><u>41,587,115</u></u>
Capital and reserves			
Called up share capital	9	25,050,000	25,050,000
Profit and loss account		<u>16,537,115</u>	<u>16,537,115</u>
Shareholders' funds		<u><u>41,587,115</u></u>	<u><u>41,587,115</u></u>

Notes to the financial statements on pages 15-20 form an integral part of the financial statements.

These financial statements, with company registration 03464504 were approved by the board of directors on 17.12.2020 and were signed on its behalf by:



N A Richardson

Director

Date: 17.12.2020

Voest Alpine Krems UK plc**Statement of Changes in Equity
For the year ended 31 March 2020**

	Called up Share Capital £	Profit and Loss Account £	Total £
At 1 April 2018	25,050,000	16,537,115	41,587,115
Profit for the financial year	-	16,633,000	16,633,000
Dividends paid (note 6)	-	(16,633,000)	(16,633,000)
At 31 March 2019	25,050,000	16,537,115	41,587,115
Profit for the financial year	-	13,476,000	13,476,000
Dividends paid (note 6)	-	(13,476,000)	(13,476,000)
At 31 March 2020	<u>25,050,000</u>	<u>16,537,115</u>	<u>41,587,115</u>

Voest Alpine Krems UK plc

Notes to the financial statements For the year ended at 31 March 2020

1. Accounting policies

Basis of preparation

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Voest Alpine Krems UK plc is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office Broadwell Road, Oldbury, West Midlands, B69 4HF. The nature of the Company's operations and its principal activities are set out in the strategic report on page 3.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Voest Alpine Krems UK plc is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Voest Alpine Krems UK plc meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Voest Alpine Krems UK plc is consolidated in the financial statements of its parent, voestalpine AG, which may be obtained from the address in note 10. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, related party transactions and remuneration of key management personnel.

Group financial statements

In accordance with the provisions of Section 401 of the Companies Act 2006, the Company is exempt from the obligation to prepare and deliver group financial statements as the Company is included in the audited consolidated financial statements of its ultimate parent undertaking. Accordingly, these financial statements present information about the Company as an individual undertaking and not as a group.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are based on the underlying performance of its wholly owned subsidiary Voestalpine Metsec plc. The subsidiary is expected to continue to generate positive operating cash flows for the foreseeable future. On the basis of their assessment of the subsidiary's financial position, the company's directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future and have therefore adopted the going concern assumption as a basis of accounting in preparing the financial statements. Refer Director's report page 6 for further discussion.

Income from shares in group undertakings

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Investments

Investments in subsidiary undertakings are held at cost less provisions for impairment.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Voest Alpine Krems UK plc

Notes to the financial statements (continued) For the year ended 31 March 2020

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. 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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Voest Alpine Krems UK plc

Notes to the financial statements (continued) For the year ended 31 March 2020

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical judgements that the directors have made in the process of applying the Company's accounting policies.

Key source of estimation uncertainty

Fixed asset investment is stated at cost less provision for impairment, if any.

The carrying value of fixed asset investment in subsidiary of £41,519,077 (2019: £41,519,077) is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

3. Operating result

The auditor's remuneration, in respect of the audit of these financial statements, of £3,800 (2019: £3,650) was borne by Voestalpine Metsec plc, a subsidiary of the company, and not recharged. There were no non-audit fees in the year (2019: £nil).

4. Information regarding directors and employees

The company had three directors during the period (2019: three). The directors have received no remuneration from the company during the period (2019: £nil).

The Company has had no employees during the period (2019: None).

Voest Alpine Krems UK plc

Notes to the financial statements (continued) For the year ended 31 March 2020

5. Tax on loss

Analysis of tax

No tax arose on the results for the year (year ended 31 March 2019: Nil).

	2020 £	2019 £
UK corporation tax		-
Group relief		-
Total tax	-	-

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2020 £	2019 £
Profit before tax	13,476,000	16,633,000
Current tax at 19% (2019: 19%)	2,560,440	3,160,270
Effects of:		
- Dividend income not taxable	(2,560,440)	(3,160,270)
Total tax for year	-	-

Factors that may affect future tax charge

The standard rate of tax applied to the reported profit on ordinary activities is 19% (2019: 19%). From 1 April 2017, the standard rate of corporation tax reduced to 19% and from 1 April 2020 to 17%.

Finance Bill 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 March 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year ended 31 March 2020.

Voest Alpine Krems UK plc

Notes to the financial statements (continued) For the year ended 31 March 2020

6. Income from shares in group undertakings

The aggregate amount of income from shares in group undertakings comprises	2020 £	2019 £
Dividend received from group undertakings	<u>13,476,000</u>	<u>16,633,000</u>

7. Fixed assets

	Investments £
Cost and net book value: 31 March 2019 and at 31 March 2020	<u>41,519,077</u>

Voestalpine Metsec plc is incorporated in the United Kingdom and registered in England and Wales with registered address of Broadwell Road, Oldbury, West Midlands, B69 4HF. Its main activity is the manufacture of structural components and custom roll formed sections for the building and engineering industries. The investment represents 100% of the ordinary share capital of that company.

The directors consider that the value of the investments is not less than the amount at which they are stated in the balance sheet.

8. Debtors

	2020 £	2019 £
Amounts owned by subsidiary	<u>68,038</u>	<u>68,038</u>

Amounts owed by subsidiary are unsecured, interest free and have no fixed date of repayment.

9. Called up share capital

	2020	2019
Allotted, called up and fully paid	<u>25,050,000</u>	<u>25,050,000</u>
25,050,000 ordinary shares of £1 each		

Voest Alpine Krems UK plc

Notes to the financial statements (continued) For the year ended 31 March 2020

10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is voestalpine Metal Forming GmbH (registered office address: Schmidhuettenstrasse 5, 3500 Krems, Austria).

The ultimate parent undertaking and controlling party is Voestalpine AG (registered office address: voestalpine-Strasse 1, 4020 Linz, Austria), a company incorporated in Austria. voestalpine AG is the parent undertaking and controlling party of the smallest and largest group to consolidate these financial statements. Copies of voestalpine AG consolidated financial statements can be obtained from the Company Secretary of voestalpine Metsec plc, Broadwell Road, Oldbury, West Midlands, B69 4HF.

11. Events after the balance sheet date

On 3 March 2020 the UK Government unveiled their Coronavirus Action Plan to fight the Coronavirus/Covid-19 pandemic. Given the ongoing, considerable level of uncertainty, the company is unable to provide an accurate assessment on trading for the next 6-12 months. Whilst the uncertainty continues with respect to the ongoing impact of Covid-19 and the eventual shape of the UK economic recovery the company remains focused on near-term actions to maintain the safety and welfare of our employees, customers and suppliers and take advantage of short-term sales opportunities.

On 18 June 2020, the Directors recommended the payment of a final dividend for the year 2020 of £12,243,700, which was paid on 30 June 2020.