

RdC



Ireland Alloys Limited Financial Statements

For the year ended 30 June 2011



Company No. SC040892

Company information

Company registration number	SC040892
Registered office	10 Charlotte Square Edinburgh EH2 4DR
Directors	Sir David E Murray J D G Wilson W J Gold M S McGill R P Cochrane (Resigned 29 October 2010) D J Odam K Grandison
Secretary	D W M Horne
Bankers	Bank of Scotland The Mound Edinburgh EH1 1YZ
Solicitors	HBJ Gateley Exchange Tower 19 Canning Street Edinburgh EH3 8EH
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 95 Bothwell Street Glasgow G2 7JZ

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Report of the directors

The directors present their annual report and the audited financial statements of Ireland Alloys Limited for the year ended 30 June 2011.

Principal activity and business review

The Company continues to trade in the United Kingdom and internationally in complex alloy scrap containing nickel, cobalt, chromium, molybdenum, titanium, tungsten and vanadium. The activities involve the buying, sorting, processing and selling of these revert alloy materials.

The directors consider the key financial performance indicators ("KPIs") to be those that reflect the underlying trading performance of the Company. This performance is reflected in the detailed financial statements and discussed in more detail in this report. In addition to the financial KPIs, the directors internally monitor a suite of operational KPIs relating to on time delivery, product quality and manufacturing efficiency. Further details of these KPIs are not published due to their commercial sensitivity.

Recently and over the past financial year, Nickel and other commodity prices have been subject to continued volatility. The oil and gas sector regained momentum during the year, particularly in the second half, and demand was strong. However, a lack of revert generation increased competition for this scarce resource and while turnover grew by over 20% our gross margin was adversely impacted and fell by 24%. A detailed cost review was carried out during the year as part of our ongoing drive to increase operational efficiency and operating costs were reduced in value by 21%. The operating efficiency achieved is impressive in light of the increased trading volume.

The Company has continued to develop its operational capability with further investment in its processing and office facilities. The offices underwent a major improvement program which was completed during the year and this has created an excellent working environment and first class meeting facilities. The office redevelopment included new accommodation for the new laboratory which is now fully operational with the latest technology. The state of the art laboratory equipment further improves the speed and quality of our chemical testing enabling us to enhance the already high standards required to maintain our accreditations with a wide range of customers.

The Company has also established a small operational facility in the new premises of our sister company, Premier Hytemp Limited, in Sheffield. We have added to our commercial team as we seek to widen our supplier base, targeting direct producers of revert alloys throughout the world. Although the new financial year has started with a continued shortage of material the directors are confident that the investment and operational changes made will improve the company's performance in the coming financial year.

Results and dividends

Results and dividends are as follows:

	£'000
Retained profit at 30 June 2010	2,285
Loss for the financial year	(122)
Retained profit at 30 June 2011	<u>2,163</u>

No dividend was paid or proposed in respect of the year (2010 - £nil).

Report of the directors

Directors and their interests

The directors who served during the year and to the date of this report are set out on page 2.

At 30 June 2011, none of the directors had any interest in the ordinary share capital of the Company. The interests of the directors in the share capital of the ultimate holding company (note 23) are disclosed in the directors' report accompanying that company's financial statements.

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 laws). Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs and 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 judgments and 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 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.

In so far as each of the directors is aware:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Report of the directors

Financial risk management

The Company's operations expose it to a variety of financial risks as discussed below. The Company has a risk management programme that seeks to limit the effect of such risks on financial performance.

Foreign currency risk:

The Company utilises currency derivatives to hedge significant future transactions and cash flows. The Company is party to a number of forward contracts and non-speculative hedging instruments in the management of its exchange rate exposures.

Credit risk:

The Company is exposed to credit related losses in the event of non-performance by counterparties to financial instruments, but mitigates such risk through its policy of selecting only counterparties with high credit ratings or arranging beneficial credit terms.

Liquidity risk:

The Company's operations are financed by a mixture of shareholders' funds and inter-group borrowings. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the Company.

Independent auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

Approved by the Board of Directors
and signed by order of the Board



D W M Home
Secretary
28 September 2011

Report of the independent auditor to the members of Ireland Alloys Limited

We have audited the financial statements of Ireland Alloys Limited for the year ended 30 June 2011 which comprise the profit and loss account, 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its loss 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 Report of the Directors 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.



Andrew Howie

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Glasgow

30 September 2011

Profit & loss account

	Note	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Turnover	2	23,662	19,460
Cost of sales		(22,487)	(17,906)
Gross profit		1,175	1,554
Other operating expenses	3	(1,104)	(1,398)
Operating profit before exceptional costs		71	156
Exceptional costs	5	(180)	-
Operating (loss)/profit after exceptional costs	4	(109)	156
Costs of fundamental reorganisation	5	-	(128)
		(109)	28
Interest payable and similar charges	6	(1)	(15)
(Loss)/profit on ordinary activities before taxation		(110)	13
Tax (charge)/credit on (loss)/profit on ordinary activities	8	(12)	5
(Loss)/Profit for the financial year	15	(122)	18

The results for the current and prior year have been derived wholly from continuing operations.

The Company has no recognised gains or losses other than the results for the period as set out above and, accordingly, no statement of total recognised gains and losses is shown.

The accompanying notes form an integral part of these financial statements.

Balance sheet

	Note	30 June 2011 £'000	30 June 2010 £'000
Fixed assets			
Tangible assets	9	2,268	2,160
Current assets			
Stock	10	1,651	1,698
Debtors	11	6,557	5,859
Cash at bank		56	62
		8,264	7,619
Creditors: amounts falling due within one year	12	(3,532)	(2,657)
Net current assets		4,732	4,962
Net assets		7,000	7,122
Capital and reserves			
Called-up share capital	14	3,691	3,691
Revaluation reserve	15	1,146	1,146
Profit and loss account	15	2,163	2,285
Total shareholders' funds		7,000	7,122

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the board of directors on 28 September 2011 and are signed on their behalf by:

W J Gold

W J Gold

Director

J D G Wilson

Director

Company No. SC040892

Notes to the financial statements

1 Accounting Policies

The principal accounting policies adopted are summarised below. They have been applied consistently throughout the current and prior year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The directors have prepared detailed financial projections for the next 12 months and are satisfied that the trading results and the available lending facilities are sufficient to indicate that the Company is a going concern.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard (Revised) No 1 from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its ultimate parent publishes a consolidated cash flow statement.

Turnover

Turnover is the total amount earned by the Company for goods supplied and services provided (excluding VAT and trade discounts) during the year.

Tangible fixed assets

Fixed assets are shown at cost or valuation, net of depreciation and provision for impairment.

In accordance with FRS 15: *tangible fixed assets*, freehold land and buildings are carried at valuation, with the surplus or deficit on book value being transferred to the revaluation reserve except that a deficit which is in excess of any previously recognised surplus over depreciated cost, or reversal of such a deficit, is charged (or credited) to the profit and loss account. The last full valuation was carried out at 30 June 2010 on an existing use basis. The valuers do not consider that there is a material difference between the existing use valuation and the market value based on vacation possession. See note 9 for further details.

Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives as follows:

Land	No depreciation is provided in respect of land
Buildings	25 years
Plant & machinery	5 – 10 years
Fixtures & fittings	3 – 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing the product to its present location and condition.

Notes to the financial statements

1 Accounting Policies (continued)

Stocks (continued)

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items, where appropriate.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) and 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. Both are based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by other group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the surrendering undertakings.

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 losses 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.

A net deferred tax asset is regarded 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 from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Leasing

Rentals payable under operating leases are charged in the Company profit and loss account on a straight line basis over the lease term.

Pension costs

Defined contribution pension scheme

The Company participates in the Murray International Holdings Limited Group Personal Pension Plan on a defined contribution basis. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account. Differences between contributions payable in the period and contributions actually paid are shown as either accruals and or prepayments in the group balance sheet.

See note 21 for more details regarding the Company's pension plan.

Notes to the financial statements (continued)

1 Accounting Policies (continued)

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit/(loss).

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability, then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited to equity.

2 Turnover

The turnover is attributable to the one principal activity of the Company.

A geographical analysis of turnover by destination is given below:

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
United Kingdom	3,128	3,168
Overseas	20,534	16,292
	<u>23,662</u>	<u>19,460</u>

No geographical analysis of (loss)/profit before taxation or net assets has been provided on the basis that it would be seriously prejudicial.

3 Other operating expenses

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Distribution expenses	522	637
Administrative expenses	582	761
	<u>1,104</u>	<u>1,398</u>

Notes to the financial statements (continued)

4 Operating (loss)/profit

Operating (loss)/profit before exceptional items is stated after charging/(crediting):

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Depreciation of owned fixed assets	132	110
Auditor's remuneration - audit fees	9	9
Operating lease costs - plant and machinery	54	51
Net loss/(gain) on foreign currency transactions	70	(211)

5 Exceptional items

In the current year, £180,000 of costs in relation to reorganisation/redundancy arrangements were incurred (Year ended 30 June 2010 - £nil).

In the prior year £128,000 of costs were incurred in relation to the fundamental reorganisation of the wider Murray Group.

6 Interest payable and similar charges

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
On bank loans and overdrafts	1	15

Notes to the financial statements (continued)

7 Staff costs

The average number of persons employed by the group during the financial year, including the directors, was:

	2011 Number	2010 Number
Production and sales	36	34
Administration	10	12
	<u>46</u>	<u>46</u>

The aggregate payroll costs of the above were:

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Wages and salaries	1,251	1,054
Social security costs	125	205
Other pension costs	69	61
	<u>1,445</u>	<u>1,320</u>

The staff costs above exclude payments considered exceptional and disclosed in Note 5.

Remuneration in respect of directors was as follows:

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Emoluments	227	150
Contributions to money purchase pension schemes	20	11
	<u>247</u>	<u>161</u>

Sir D E Murray, M S McGill, J D G Wilson and W J Gold received no remuneration during the current or prior year in respect of services provided directly to the Company.

The number of directors who were members of pension schemes was as follows:

	2011 Number	2010 Number
Defined contribution schemes	<u>2</u>	<u>2</u>

Notes to the financial statements (continued)

8 Taxation on ordinary activities

(a) Analysis of tax (charge)/credit in the year

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Current tax:		
Total current tax	-	-
Deferred tax:		
(Decrease)/increase in deferred tax asset	(12)	5
Tax (charge)/credit on historic (loss)/profit on ordinary activities	(12)	5

(b) Factors affecting current tax (charge)/credit

The tax assessed on the (loss)/profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 27.5% (2010 – 28%).

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
(Loss)/profit on ordinary activities before taxation	(110)	13
(Loss)/profit on ordinary activities by rate of tax	(30)	4
Expenses not deductible for tax purposes	5	1
Utilisation of losses	(11)	(35)
Depreciation in excess of capital allowances	35	30
Other short term timing differences	1	-
Total current tax (note 8(a))	-	-

Notes to the financial statements (continued)

9 Tangible fixed assets

	Freehold land & buildings £'000	Plant & machinery £'000	Fixtures & fittings £'000	Total £'000
Cost				
At 1 July 2010	1,811	2,032	167	4,010
Additions	128	111	1	240
Disposals	-	(137)	(97)	(234)
At 30 June 2011	<u>1,939</u>	<u>2,006</u>	<u>71</u>	<u>4,016</u>
Depreciation				
At 1 July 2010	(128)	(1,594)	(128)	(1,850)
Charge for the year	(15)	(103)	(14)	(132)
Disposals	-	137	97	234
At 30 June 2011	<u>(143)</u>	<u>(1,560)</u>	<u>(45)</u>	<u>(1,748)</u>
Net book value				
At 30 June 2011	<u>1,796</u>	<u>446</u>	<u>26</u>	<u>2,268</u>
At 30 June 2010	<u>1,683</u>	<u>438</u>	<u>39</u>	<u>2,160</u>

At 30 June 2010, the freehold land & buildings were re-valued at £1,750,000 by Jones Lang LaSalle. The valuation was carried out on an Existing Use basis and conducted in accordance with the RICS Valuation Standards (6th Edition). The valuers do not consider that there is a material difference between the existing use valuation and the market value based on vacation possession.

Particulars relating to revalued assets are given below:-

	30 June 2011 £'000	30 June 2010 £'000
Freehold land and buildings		
At open market valuation	1,811	1,811
Aggregate depreciation thereon	<u>(140)</u>	<u>(128)</u>
Net book value	<u>1,671</u>	<u>1,683</u>
 Historic cost of revalued assets	 846	 846
Aggregate depreciation thereon	<u>(178)</u>	<u>(160)</u>
Historic cost net book value	<u>668</u>	<u>686</u>

Included within freehold land and buildings is £1,500,000 (2010: £1,500,000) of land which is not depreciated.

Notes to the financial statements (continued)

10 Stock

	30 June 2011 £'000	30 June 2010 £'000
Raw materials	<u>1,651</u>	<u>1,698</u>

11 Debtors

	30 June 2011 £'000	30 June 2010 £'000
Amounts falling due within one year:		
Trade debtors	5,575	5,051
Amounts owed by group undertakings	-	6
VAT recoverable	353	150
Prepayments and accrued income	<u>135</u>	<u>146</u>
	6,063	5,353
Amounts falling due after over one year:		
Deferred Tax (Note 13)	<u>494</u>	<u>506</u>
	6,557	5,859

12 Creditors: amounts falling due within one year

	30 June 2011 £'000	30 June 2010 £'000
Trade creditors	2,810	1,873
Amounts owed to group undertakings	478	226
Other taxation and social security	46	34
Other creditors	10	25
Accruals and deferred income	<u>188</u>	<u>499</u>
	3,532	2,657

During the prior year the Company was part of the wider Murray Group financial restructuring (see Note 25).

Following the restructuring, the Company is part of the Premier Hytemp Holdings Group. The Company has access to adequate facilities through this channel to ensure its ability to trade and fund planned expansion and capital expenditure.

The Company has no separate banking facilities.

Notes to the financial statements (continued)

13 Provisions for liabilities

	30 June 2011 £'000	30 June 2010 £'000
Deferred taxation is provided as follows:-		
At 1 July 2010	(506)	(501)
Charged/(credited) to the P&L account during the year	12	(5)
At 30 June 2011	<u>(494)</u>	<u>(506)</u>
Balance at end of year is made up of:		
Capital allowances	(152)	(128)
Tax losses and other deductions	(342)	(378)
	<u>(494)</u>	<u>(506)</u>
Transfer to debtors (Note 11)	<u>494</u>	<u>506</u>
	<u>-</u>	<u>-</u>

There were no unrecognised potential deferred tax assets at either year end.

14 Share capital

Allotted, called up and fully paid:

	30 June 2011		30 June 2010	
	No.	£'000	No.	£'000
Ordinary shares of £1 each	<u>3,691,110</u>	<u>3,691</u>	<u>3,691,110</u>	<u>3,691</u>

15 Reserves

	Profit and loss account £'000	Revaluation reserve £'000	Total £'000
At 1 July 2010	2,285	1,146	3,431
Loss for the year	(122)	-	(122)
At 30 June 2011	<u>2,163</u>	<u>1,146</u>	<u>3,309</u>

Notes to the financial statements (continued)

16 Reconciliation of movements in shareholders' funds

	30 June 2011 £'000	30 June 2010 £'000
(Loss)/profit for the financial period	(122)	18
Share capital issued	-	2,080
Net (reduction)/addition to shareholders' funds	(122)	2,098
Opening shareholders' funds	7,122	5,024
Closing shareholders' funds	7,000	7,122

17 Contingent liabilities

Some of the companies in the Premier Hytemp Group – Premier Hytemp Holdings Limited, Premier Hytemp Limited and Ireland Alloys Limited have provided cross guarantees in respect of their bank indebtedness. The Company's total contingency at 30 June 2011 amounts to £30.0m (30 June 2010 - £27.2m). The Company's obligations under the cross guarantee are secured by a bond and floating charge over the Company's assets and a standard security over a property.

18 Commitments under operating leases

At 30 June 2011 the Company had annual commitments under non-cancellable operating leases as set out below.

	30 June 2011		30 June 2010	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Operating leases which expire:				
Within 1 year	-	6	-	-
Within 1 to 2 years	-	-	-	11
Within 2 to 5 years	-	48	-	-
After more than 5 years	-	-	-	48
	-	54	-	59

19 Capital commitments

The Company had contracted capital commitments as at 30 June 2011 of £nil (30 June 2010 - £33,000).

20 Forward foreign currency contracts

At 30 June 2011 the Company had no forward currency contracts outstanding (30 June 2010 - USD1,500,000). The fair value of the contracts at 30 June 2011 was £nil (30 June 2010 - asset £6,000).

21 Pension costs

The Company participates in the Murray International Holdings Limited Group Personal Pension Plan (the "MIH GPPP Scheme"). This is a defined contribution multi-employer scheme, the assets and liabilities of which are held independently of the group. Contributions to this scheme for the period to 30 June 2011 were £69,000 (30 June 2010 - £60,000).

Notes to the financial statements (continued)

22 Related party transactions

In accordance with the exemptions provided under Financial Reporting Standard 8 for companies whose voting rights are 100% controlled within a group, the Company has not disclosed transactions with other subsidiary undertakings of the ultimate holding company (Note 23).

Transactions with not wholly owned subsidiaries are detailed below:

	30 June 2011 £'000	30 June 2010 £'000
Sales in the year	57	412
Purchases in the year	611	702
Closing balances at the year end	(27)	(220)

23 Ultimate holding company

The ultimate holding company is Murray International Holdings Limited and the immediate parent company is Premier Hytemp Holdings Limited, both of which are registered in Scotland.

The largest group in which the results of the Company are consolidated is that headed by the ultimate holding company whose principal place of business is at 10 Charlotte Square, Edinburgh, EH2 4DR. Copies of Murray International Holdings Limited financial statements are available from the above address.

The smallest group in which the results of the Company are consolidated is that headed by Premier Hytemp Holdings Limited whose principal place of business is at Newbridge Industrial Estate, Newbridge, Midlothian, EH28 8PJ. Copies of Premier Hytemp Holdings Limited financial statements are available from the above address.

24 Ultimate controlling party

Sir David E Murray, a director of the ultimate holding company (Note 23), and members of his close family, share control of this Company as a result of controlling directly or indirectly 70% (2010 – 76%) of the issued share capital of the ultimate holding company.

25 Financial restructuring

On 21 April 2010, Murray International Holdings Limited ("MIH") and certain of its subsidiaries completed a financial restructuring, details of which are set out in the financial statements of Murray International Holdings Limited for the year ended 30 June 2009.

Murray Group borrowing facilities were renewed with Lloyds Banking Group following completion of the financial restructuring. This involved segregating the overall Group banking arrangement into a series of sub facilities relevant and applicable to each of the Group's Divisions.

The Company forms part of the MIH Group's Oil & Gas Division comprising the following companies – Premier Hytemp Holdings Limited, Premier Hytemp Limited, Premier Hytemp Pte Limited, Premier Hytemp Inc and Ireland Alloys Limited. The companies in the Oil & Gas Division no longer provide cross guarantees in respect of the remainder of the MIH Group. Instead, the Company only provides cross guarantees in respect of bank indebtedness within its own Group (Note 17).