



Grant Thornton

**Ireland Alloys Limited
Financial Statements**

For the year ended 30 June 2012

TUESDAY



S1NKH9CB

SCT

11/12/2012

#770

COMPANIES HOUSE

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 D J Odam K Grandison
Secretary	D W M Horne
Bankers	Bank of Scotland The Mound Edinburgh EH1 1YZ
Solicitors	Gateley (Scotland) LLP Exchange Tower 19 Canning Street Edinburgh EH3 8EH
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 95 Bothwell Street Glasgow G2 7JZ

Contents

Report of the directors	4 - 6
Report of the independent auditor	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 20

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 2012.

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.

The year saw another period of high volatility in the prices of the commodities which largely dictate the pricing of the alloys in which the Company deals. Global economic factors influenced activity and this ongoing uncertainty continues to have an effect within the UK and international markets. Despite a 16% reduction in turnover our international business was maintained with exports accounting for 87% of the total. However, by seeking out new sources of supply, new customers and focusing on higher value business, our gross profit margin increased to 6.2% from 5.0%. Furthermore, margin maximisation will continue to be a key business driver within the organisation.

Our operations continued under constant quality review and we were delighted to be granted ISO 14001 status as well as achieving a bronze certificate of excellence under the ADS (Aerospace and Defence trade association) SC21 supply chain programme.

The new initiatives carried out during the year saw a return to, albeit modest, profit before tax and in the current economic circumstances, this can be considered positive progress

The new financial year has started better than last year but trading conditions remain challenging. The directors consider that the plans developed last year and opportunities currently under investigation have set the Company in a position to further improve trading when manufacturing activity resumes growth.

Results and dividends

Results and dividends are as follows:

	£'000
Retained profit at 30 June 2011	2,163
Loss for the financial year	(38)
Retained profit at 30 June 2012	<u>2,125</u>

No dividend was paid or proposed in respect of the year (2011 - £nil).

Directors

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

Report of the directors

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.

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.

Cashflow risk:

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.

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 Horne
Secretary

26 September 2012

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 2012 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 2012 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.



Thomas Chadwick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
27.9.2012

Profit & loss account

	Note	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Turnover	2	19,844	23,662
Cost of sales		(18,605)	(22,487)
Gross profit		1,239	1,175
Other operating expenses	3	(1,183)	(1,104)
Operating profit before exceptional costs		56	71
Exceptional costs	5	(50)	(180)
Operating profit/(loss) after exceptional costs	4	6	(109)
Interest payable and similar charges	6	-	(1)
Profit/(loss) on ordinary activities before taxation		6	(110)
Tax charge on profit/(loss) on ordinary activities	8	(44)	(12)
Loss for the financial year	15	(38)	(122)

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.

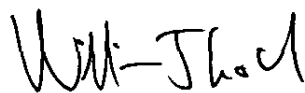
The accompanying notes form an integral part of these financial statements.

Balance sheet

	Note	30 June 2012 £'000	30 June 2011 £'000
Fixed assets			
Tangible assets	9	2,144	2,268
Current assets			
Stock	10	1,928	1,651
Debtors	11	4,719	6,557
Cash at bank		91	56
		6,738	8,264
Creditors: amounts falling due within one year	12	(1,920)	(3,532)
Net current assets		4,818	4,732
Net assets		6,962	7,000
Capital and reserves			
Called-up share capital	14	3,691	3,691
Revaluation reserve	15	1,146	1,146
Profit and loss account	15	2,125	2,163
Total shareholders' funds		6,962	7,000

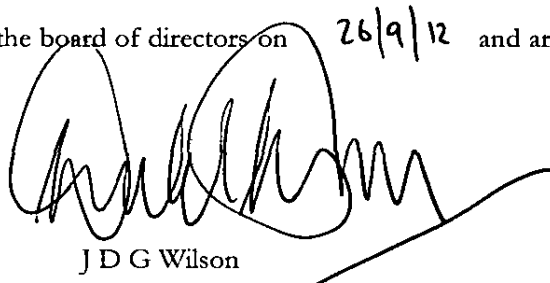
The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the board of directors on 26/9/12 and are signed on their behalf by:



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 modified to include the revaluation of certain assets 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 20 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 2012 £'000	Year ended 30 June 2011 £'000
United Kingdom	2,607	3,128
Overseas	17,237	20,534
	<u>19,844</u>	<u>23,662</u>

No geographical analysis of profit/(loss) 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 2012 £'000	Year ended 30 June 2011 £'000
Distribution expenses	515	522
Administrative expenses	668	582
	<u>1,183</u>	<u>1,104</u>

Notes to the financial statements (continued)

4 Operating profit/(loss)

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

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Depreciation of owned fixed assets	129	132
Auditor's remuneration - audit fees	9	9
Operating lease costs - plant and machinery	56	54
Net loss on foreign currency transactions	3	70

5 Exceptional items

In the current year, £50,000 of costs in relation to reorganisation/redundancy arrangements were incurred (2011 - £180,000).

6 Interest payable and similar charges

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
On bank loans and overdrafts	-	1

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:

	2012 Number	2011 Number
Production and sales	35	36
Administration	9	10
	<u>44</u>	<u>46</u>

The aggregate payroll costs of the above were:

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Wages and salaries	1,269	1,251
Social security costs	135	125
Other pension costs	79	69
	<u>1,483</u>	<u>1,445</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 2012 £'000	Year ended 30 June 2011 £'000
Emoluments	176	227
Contributions to money purchase pension schemes	18	20
	<u>194</u>	<u>247</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:

	2012 Number	2011 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 in the year

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Current tax:		
Total current tax	-	-
Deferred tax:		
Decrease in deferred tax asset	(44)	(12)
Tax charge on historic profit/(loss) on ordinary activities	<u>(44)</u>	<u>(12)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 25.5% (2011 – 27.5%).

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Profit/(loss) on ordinary activities before taxation	<u>6</u>	<u>(110)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of tax	1	(30)
Expenses not deductible for tax purposes	5	5
Utilisation of losses	(36)	(11)
Depreciation in excess of capital allowances	29	35
Other short term timing differences	1	1
Total current tax (note 8(a))	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

9 Tangible fixed assets

	Freehold land & buildings £'000	Plant & machinery £'000	Fixtures & fittings £'000	Total £'000
Cost or valuation				
At 1 July 2011	1,939	2,006	71	4,016
Additions	-	4	1	5
At 30 June 2012	<u>1,939</u>	<u>2,010</u>	<u>72</u>	<u>4,021</u>
Depreciation				
At 1 July 2011	(143)	(1,560)	(45)	(1,748)
Charge for the year	(18)	(101)	(10)	(129)
At 30 June 2012	<u>(161)</u>	<u>(1,661)</u>	<u>(55)</u>	<u>(1,877)</u>
Net book value				
At 30 June 2012	<u>1,778</u>	<u>349</u>	<u>17</u>	<u>2,144</u>
At 30 June 2011	<u>1,796</u>	<u>446</u>	<u>26</u>	<u>2,268</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 2012 £'000	30 June 2011 £'000
Freehold land and buildings		
At open market valuation	1,811	1,811
Aggregate depreciation thereon	<u>(155)</u>	<u>(140)</u>
Net book value	<u>1,656</u>	<u>1,671</u>
 Historic cost of revalued assets	 846	 846
Aggregate depreciation thereon	<u>(191)</u>	<u>(178)</u>
Historic cost net book value	<u>655</u>	<u>668</u>

Included within freehold land and buildings is £1,500,000 (2011 - £1,500,000) of land which is not depreciated.

Notes to the financial statements (continued)

10 Stock

	30 June 2012 £'000	30 June 2011 £'000
Raw materials	1,928	1,651

11 Debtors

	30 June 2012 £'000	30 June 2011 £'000
Amounts falling due within one year:		
Trade debtors	3,932	5,575
Amounts owed by group undertakings	7	-
VAT recoverable	176	353
Prepayments and accrued income	154	135
	<u>4,269</u>	<u>6,063</u>
Amounts falling due after over one year:		
Deferred tax (Note 13)	450	494
	<u>4,719</u>	<u>6,557</u>

12 Creditors: amounts falling due within one year

	30 June 2012 £'000	30 June 2011 £'000
Trade creditors	1,622	2,810
Amounts owed to group undertakings	137	478
Other taxation and social security	40	46
Other creditors	33	10
Accruals and deferred income	88	188
	<u>1,920</u>	<u>3,532</u>

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.

Notes to the financial statements (continued)

13 Provisions for liabilities

	30 June 2012 £'000	30 June 2011 £'000
Deferred taxation is provided as follows:-		
At 1 July 2011	(494)	(506)
Charged to the P&L account during the year	44	12
At 30 June 2012	<u>(450)</u>	<u>(494)</u>
Balance at end of year is made up of:		
Capital allowances	(167)	(152)
Tax losses and other deductions	(283)	(342)
	<u>(450)</u>	<u>(494)</u>
Transfer to debtors (Note 11)	450	494
	<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 2012		30 June 2011	
	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 2011	2,163	1,146	3,309
Loss for the year	(38)	-	(38)
At 30 June 2012	<u>2,125</u>	<u>1,146</u>	<u>3,271</u>

Notes to the financial statements (continued)

16 Reconciliation of movements in shareholders' funds

	30 June 2012 £'000	30 June 2011 £'000
Opening shareholders' funds	7,000	7,122
Loss for the financial period	(38)	(122)
Closing shareholders' funds	<u>6,962</u>	<u>7,000</u>

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 2012 amounts to £32.0m (2011 - £30.0m). 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 2012 the Company had annual commitments under other non-cancellable operating leases as set out below.

	30 June 2012 £'000	30 June 2011 £'000
Operating leases which expire:		
Within 1 year	-	6
Within 1 to 2 years	-	-
Within 2 to 5 years	48	48
After more than 5 years	-	-
	<u>48</u>	<u>54</u>

19 Capital commitments

The Company had no contracted capital commitments as at 30 June 2012 (2011 –£ nil).

20 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 2012 were £79,000 (2011 - £69,000).

Notes to the financial statements (continued)

21 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 22).

Transactions with not wholly owned subsidiaries are detailed below:

	30 June 2012 £'000	30 June 2011 £'000
Purchases in the year	268	96
Closing balances at the year end	-	(27)

22 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.

23 Ultimate controlling party

Sir David E Murray, a director of the ultimate holding company (Note 22), and members of his close family, share control of this Company as a result of controlling directly or indirectly 70% (2011– 70%) of the issued share capital of the ultimate holding company.

24 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).