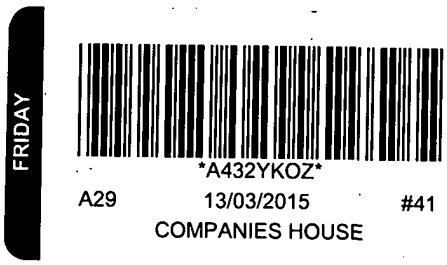
Grant Thornton

Ireland Alloys Limited

Financial Statements

For the year ended 30 June 2014



Company No. SC040892

Company information

Company registration number	SC040892
Registered office	Craighead Works Whistleberry Road Hamilton ML3 0HP
Directors	Sir David E Murray (resigned 24 September 2014) M S McGill (resigned (24 September 2014) D J Odam K Grandison (resigned 25 September 2014) D Wittmann (appointed 24 September 2014) U Dierkes (appointed 24 September 2014)
Bankers	Bank of Scotland The Mound Edinburgh EH1 1YZ
Solicitors	Burness Paull LLP 50 Lothian Road Edinburgh EH3 9WJ
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 95 Bothwell Street Glasgow G2 7JZ

Contents

Strategic report 4

Report of the directors 5 - 6

Report of the independent auditor 7

Profit and loss account 9

Balance sheet 10

Cashflow statement 11

Statement of recognised gains and losses 12

Notes to the financial statements 13 - 26

Strategic Report

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.

Our operations are performed under constant quality review and we maintained our ISO 14001 status as well as audits by LRQA and SEPA.

A site investigation in 2013 identified a long standing, contained ground contamination issue arising from a chemical spill that took place over 20 years ago. A remediation project commissioned in 2013 under the supervision of environmental consultants IKM Consulting and in liaison with SEPA was completed successfully in January 2014. Continued monitoring reveals no further issues with contamination of the site.

The year saw another period of high volatility with commodity prices falling during the first half of the year but then recovering strongly in the second half. Markets generally reflected these movements but volatility increased with all areas being depressed in the first half but recovering well in the UK and Europe but not the US in the second half. Turnover also showed huge variation with the first half being down 30% but recovering to increase by 3% in the second half – down 14% to £13m for the full year. The focus on higher margin business initiated last year bore fruit and the overall effect was an increase in gross profit margin from 1.5% to 7.6% delivering a profit before tax of £127,000.

The new financial year 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 particularly as manufacturing activity continues to strengthen and grow.

On 24 September 2014 the entire share capital of the Company was sold by its former parent company Murray Group Holdings Limited ("MGH") to Siegfried Jacob Helvetia GmbH which is part of "SJM" the leading, privately owned, European family business being active in all areas of metal recycling and trading (Note 23). The directors look forward to realizing the potential for substantial progress within a group offering the prospect for mutually beneficial synergies.

Strategic Report

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 has access to adequate facilities through its own banking facilities to ensure its ability to trade and fund planned expansion and capital expenditure.

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

D J Odam
Director

25 February 2015

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 2014.

Results and dividends

Results and dividends are as follows:

	£'000
Retained profit at 30 June 2013	137
Profit for the financial year	127
Retained profit at 30 June 2014	264

No dividend was paid or proposed in respect of the year (2013 - £nil).

Directors

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

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.

Report of the directors

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.

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 J Odam
Director
25 February 2015

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 2014 which comprise the profit and loss account, balance sheet, statement of total recognised gains and losses, cashflow statement 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 6, 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 Financial Reporting Council's (FRC'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 FRC'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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

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
26 February 2015

Profit & loss account

	Note	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Turnover	2	**12,956**	15,127
Cost of sales		**(11,920)**	(14,895)
Gross profit		**1,036**	232
Other operating expenses	3	**(909)**	(1,019)
Operating profit/(loss) before exceptional costs		**127**	(787)
Exceptional costs	5	**-**	(750)
Operating profit/(loss) after exceptional costs	4	**127**	(1,537)
Interest payable and similar charges	6	**-**	(1)
Profit/(loss) on ordinary activities before taxation		**127**	(1,538)
Tax charge on profit/(loss) on ordinary activities	8	**-**	(450)
Profit/(loss) for the financial year	14	**127**	(1,988)

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

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

Balance sheet

	Note	30 June 2014 £'000	30 June 2013 £'000
Fixed assets			
Tangible assets	9	**1,540**	1,655
Current assets			
Stock	10	**514**	841
Debtors	11	**2,640**	4,305
Cash at bank		**1,009**	167
		4,163	5,313
Creditors: amounts falling due within one year	12	**(962)**	(2,354)
Net current assets		**3,201**	2,959
Net assets		**4,741**	4,614
Capital and reserves			
Called-up share capital	13	**3,691**	3,691
Revaluation reserve	14	**786**	786
Profit and loss account	14	**264**	137
Total shareholders' funds		**4,741**	4,614

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

These financial statements were approved by the board of directors on 25 February 2015 and are signed on their behalf by:

D Wittmann
Director

D Odam
Director

Company No. SC040892

Cashflow statement

	Note	2014 £	2013 £
Net cash inflow from operating activities	21	843	77
Capital expenditure and financial investment		(1)	-
Increase in cash	20	842	77

Statement of recognised gains and losses

	Note	**Year ended 30 June 2014 £'000**	Year ended 30 Jun 2013 £'000
Profit/(loss) for the financial year	14	**127**	(1,988)
Revaluation adjustment	9	**-**	(360)
Total recognised profits/(losses)		**127**	(2,348)

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.

Going concern

The financial statements have been approved on the assumption that the Company remains a going concern.

The Company meets its day to day working requirements from its own banking facilities supplemented when required through inter-group funding from SJM, the immediate and ultimate parent of the Company.

The SJM Group acquired 100% of the shares in the Company on 24 September 2014 (Note 23) and the Company has traded profitably for the current year to date.

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 2013 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.

Notes to the financial statements (continued)

1 Accounting Policies (continued)

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.

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.

Notes to the financial statements (continued)

1 Accounting Policies (continued)

Taxation (continued)

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

Until the date of new ownership (Note 23) the Company participated in the Murray International Holdings Limited Group Personal Pension Plan on a defined contribution basis. After the acquisition the existing pension arrangements in respect of employees of the Company were hived off, maintaining the policy of assets of the scheme being 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 19 for more details regarding the Company's pension plan.

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.

Notes to the financial statements (continued)

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 2014 £'000	Year ended 30 June 2013 £'000
United Kingdom	**4,106**	3,820
Overseas	**8,850**	11,307
	12,956	15,127

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 2014 £'000	Year ended 30 June 2013 £'000
Distribution expenses	**488**	473
Administrative expenses	**421**	546
	909	1,019

4 Operating profit/(loss)

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

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Depreciation of owned fixed assets	**116**	128
Auditor's remuneration - audit fees	**8**	8
Operating lease costs - plant and machinery	**53**	52
Net loss/(gain) on foreign currency transactions	**43**	(1)

Notes to the financial statements (continued)

5 Exceptional items

In the current year, £nil costs in relation to reorganisation/redundancy arrangements were incurred (2013 - £62,000).

The Company also incurred cost of £nil (2013 – £688,000) on site investigations in relation to a long standing, contained contamination issue. The result of this investigation was to identify an area of ground contamination arising from a chemical spill that took place over 20 years ago. As noted in the Report of the Directors, the remediation project commissioned in 2013 under the supervision of environmental consultants IKM Consulting and in liaison with SEPA was completed successfully and within the provision made at June 2013. Continued monitoring reveals no further issues with contamination of the site.

6 Interest payable and similar charges

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
On group borrowing	**-**	1

7 Staff costs

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

	2014 Number	2013 Number
Production and sales	**29**	31
Administration	**7**	8
	36	39

The aggregate payroll costs of the above were:

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Wages and salaries	**1,092**	1,186
Social security costs	**113**	124
Other pension costs	**63**	69
	1,268	1,379

Notes to the financial statements (continued)

Staff costs (continued)

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 2014 £'000	Year ended 30 June 2013 £'000
Emoluments	**177**	175
Contributions to money purchase pension schemes	**15**	19
	192	194

Sir D E Murray, M S McGill, 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:

	2014 Number	2013 Number
Defined contribution schemes	**2**	2

8 Taxation on ordinary activities

(a) Analysis of tax charge in the year

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Current tax:		
Total current tax	**-**	-
Deferred tax:		
Decrease in deferred tax asset	**-**	(450)
Tax charge on historic profit/(loss) on ordinary activities	**-**	(450)

Notes to the financial statements (continued)

Taxation on ordinary activities (continued)

(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 22.5% (2013 – 23.75%).

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Profit/(loss) on ordinary activities before taxation	**127**	(1,538)
Profit/(loss) on ordinary activities multiplied by standard rate of tax	**29**	(365)
Expenses not deductible for tax purposes	**4**	88
(Utilisation of losses)/unrelieved losses carried forward	**(55)**	253
Depreciation in excess of capital allowances	**22**	24
Other short term timing differences	**-**	-
Total current tax (note 8(a))	**-**	-

9 Tangible fixed assets

	Freehold land & buildings £'000	Plant & machinery £'000	Fixtures & fittings £'000	Total £'000
Cost or valuation				
At 1 July 2013	1,579	1,989	72	3,640
Additions	-	1	-	1
At 30 June 2014	**1,579**	**1,990**	**72**	**3,641**
Depreciation				
At 1 July 2013	(179)	(1,740)	(66)	(1,985)
Charge for the year	(17)	(94)	(5)	(116)
At 30 June 2014	**(196)**	**(1,834)**	**(71)**	**(2,101)**
Net book value				
At 30 June 2014	**1,383**	**156**	**1**	**1,540**
At 30 June 2013	1,400	249	6	1,655

Notes to the financial statements (continued)

Tangible fixed assets (continued)

At 30 June 2013, the freehold land & buildings were re-valued at £1,400,000 by Jones Lang LaSalle. The valuation was carried out on an existing use basis and conducted in accordance with the RICS Valuation Standards (March 2012). 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 2014 £'000	30 June 2013 £'000
Freehold land and buildings		
At open market valuation	1,400	1,400
Aggregate depreciation thereon	(17)	-
Net book value	**1,383**	1,400
Historic cost of revalued assets	**846**	846
Aggregate depreciation thereon	**(217)**	(204)
Historic cost net book value	**629**	642

Included within freehold land and buildings is £1,150,000 (2013 - £1,150,000) of land which is not depreciated.

10 Stock

	30 June 2014 £'000	30 June 2013 £'000
Raw materials	**514**	841

11 Debtors

	30 June 2014 £'000	30 June 2013 £'000
Amounts falling due within one year:		
Trade debtors	**2,458**	3,322
Amounts owed by group undertakings	**-**	780
VAT recoverable	**78**	65
Prepayments and accrued income	**104**	138
	2,640	4,305

Notes to the financial statements (continued)

12 Creditors: amounts falling due within one year

	30 June 2014 £'000	30 June 2013 £'000
Trade creditors	**737**	1,508
Amounts owed to group undertakings	**-**	104
Other taxation and social security	**32**	36
Other creditors	**8**	8
Accruals and deferred income	**185**	698
	962	2,354

13 Share capital

Allotted, called up and fully paid:

	30 June 2014 No.	30 June 2014 £'000	30 June 2013 No.	30 June 2013 £'000
Ordinary shares of £1 each	**3,691,110**	**3,691**	3,691,110	3,691

14 Reserves

	Profit and loss account £'000	Revaluation reserve £'000	Total £'000
At 1 July 2013	137	786	923
Profit for the year	127	-	127
At 30 June 2014	**264**	**786**	**1,050**

15 Reconciliation of movements in shareholders' funds

	30 June 2014 £'000	30 June 2013 £'000
Opening shareholders' funds	**4,614**	6,962
Profit/(Loss) for the financial period	**127**	(1,988)
Loss on revaluation of fixed assets	**-**	(360)
Closing shareholders' funds	**4,741**	4,614

Notes to the financial statements (continued)

16 Contingent liabilities

At the year end, while still owned by the Murray Group, the Company provided cross guarantees in respect of bank indebtedness arranged on its behalf through the Murray Group. The Company's total contingency at 30 June 2014 amounts to £12.4m (2013 - £12.3m). The Company's obligations under the cross guarantee were secured by a bond and floating charge over the Company's assets and a standard security over a property. The Company's obligations were discharged on 24 September 2014 (Note 23)

17 Commitments under operating leases

At 30 June 2014 the Company had annual commitments under other non-cancellable operating leases as set out below.

	30 June 2014 £'000	30 June 2013 £'000
Operating leases which expire:		
Within 1 to 2 years	**48**	-
Within 2 to 5 years	**-**	48

18 Capital commitments

The Company had no contracted capital commitments as at 30 June 2014 (2013 –£ nil).

19 Pension costs

The Company participated in the Murray International Holdings Limited Group Personal Pension Plan (the "MIH GPPP Scheme") until the acquisition of the Company by SJM Group (Note 23). This was a defined contribution multi-employer scheme, the assets and liabilities of which were held independently of the group. Contributions to this scheme for the period to 30 June 2014 were £63,000 (2013 - £69,000). With effect from the change of ownership, the assets and liabilities of the scheme as applicable to the Company's employees were hived off so that all employees retained the same rights and benefits within a scheme relating solely to the Company.

20 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 21).

Transactions with not wholly owned subsidiaries are detailed below:

	30 June 2014 £'000	30 June 2013 £'000
Purchases in the year	-	56
Closing balances at the year end	-	-

Notes to the financial statements (continued)

21 Notes to the cashflow statement

Reconciliation of operating profit to net cash outflow from operating activities

	30 June 2014 £'000	30 June 2013 £'000
Operating profit	**127**	(1,537)
Profit on Disposal	**-**	1
Depreciation	**116**	128
Decrease in stocks	**327**	1,087
Decrease/(increase) in debtors	**1,665**	(36)
(Decrease)/increase in creditors	**(1,392)**	434
Net cash outflow from operating activities	**843**	77

Returns on investment and servicing of finance

	30 June 2014 £'000	30 June 2013 £'000
Interest paid	**-**	(1)
Net cash outflow from returns on investments and servicing of finance	**-**	(1)

Taxation

	30 June 2014 £'000	30 June 2013 £'000
Taxation	**-**	-

Notes to the financial statements (continued)

21 Notes to the cashflow statement (continued)

Capital expenditure and financial investment

	30 June 2014 £'000	30 June 2013 £'000
Payments to acquire tangible fixed assets	(1)	-
Net cash outflow for capital expenditure and financial investment	(1)	-

Reconciliation of net cash flow to movement in net debt

	30 June 2014 £'000	30 June 2013 £'000
Increase in cash in the year	**842**	76
Net cash at 1 July	**167**	91
Net cash at 30 June	**1,009**	167

Notes to the financial statements (continued)

21 Notes to the cashflow statement (continued)

Analysis of changes in net debt

	At 1 July 2013	Cash flows	At 30 June 2014
	£'000	£'000	£'000
Net Cash:			
Cash in hand and at bank	167	842	**1,009**
Debt:			
Debt due within 1 year	-	-	-
Debt due greater than 1 year	-	-	-
	-	-	-
Net cash	167	842	**1,009**

21 Ultimate holding company

At 30 June 2014, the ultimate holding company was Murray International Holdings Limited and the immediate parent company was Murray Group Holdings Limited, both of which are registered in Scotland.

On 24 September 2014, 100% of the share capital of the Company was acquired by SJM group (Note 23) and the ultimate holding company became Siegfried Jacob Metallwerke GmbH &Co KG, whose principal place of business is at Jacobstraße 41-45, D-58256 Ennepetal, Germany.

22 Ultimate controlling party

At 30 June 2014, Sir David E Murray, a director of the then ultimate holding company (Note 21), and members of his close family, shared control of this Company as a result of controlling directly or indirectly 70% (2013 – 70%) of the issued share capital of the ultimate holding company.

At the date of signing these financial statements, Mr Eckhard Jacob, a director of the ultimate holding company (Note 21), and members of his close family, shared control of this Company as a result of controlling directly or indirectly 100% (2013 – nil) of the issued share capital of the ultimate holding company.

Notes to the financial statements (continued)

23 Post Balance Sheet Event

On 24 September 2014, 100% of the share capital of the Company was acquired by Siegfried Jacob Helvetia GmbH, whose principal place of business is at Jacobstraße 41-45, D-58256 Ennepetal, Germany.

On the date of acquisition, the directors of the Company representing the Murray group resigned and new directors representing the SJM group were appointed (page 2).

SJM was founded in 1953 in Ennepetal by Siegfried Jacob. Today the company is the leading, privately owned, European family business being active in all areas of metal recycling and trading.

With subsidiary companies in Europe (100% family owned), SJM, also being active world wide, is concerned with trade, reprocessing and processing of non ferrous metals, non ferrous metal containing scrap and residues, as well as alloyed steel, copper base alloys, copper cathodes and high-quality nickel and zinc salt solutions for the chemical industry.

On a total area of more than 850,000 m² SJM and its subsidiaries provide a workplace for about 1,000 employees throughout Europe.