

Tipton & Mill Steels Limited

Annual report and financial statements
for the year ended 30 June 2011

Registered number 00513077



Directors' Report

for the year ended 30 June 2011

The directors present their annual report on the affairs of the company, together with the financial statements for the year ended 30 June 2011

Principal activity and business review

On 30 April 2010 the assets, liabilities and business undertaking of the company were transferred to its immediate parent undertaking, Murray Plate Steels Group Limited. For the prior period, the company's activity was steel stockholding and steel processing. The company has not traded in the year ended 30 June 2011.

As part of a wider process, the Board of Directors and shareholders of the Metals Division of Murray International Holdings Limited are considering options and alternatives for the company and the operations and activities of the Metals Division.

Results and dividends

The company did not trade during the year.

The directors do not recommend the payment of a dividend (30 June 2010 - £Nil).

Directors

The directors who served during the period and thereafter were as follows:

Sir D E Murray (Chairman)

J D G Wilson (resigned 9 May 2011)

G Hill

M S McGill

M R Surrey (resigned 31 January 2011)

Brightgate House
Cobra Court
1 Brightgate Way
Manchester
M32 0TB

By order of the Board, ~



M S McGill

Director

28 March 2012

Profit and loss account

For the year ended 30 June 2011

	Notes	Year ended 30 June 2011 £	Year ended 30 June 2010 £
Turnover	1	–	11,361,540
Cost of sales		–	(10,312,399)
Gross profit		–	1,049,141
Other operating expenses	2	–	(1,237,277)
Operating loss		–	(188,136)
Finance charges (net)	3	–	124
Loss on ordinary activities before taxation	4	–	(188,012)
Tax on loss on ordinary activities	6	–	(12,725)
Loss for the financial year	10	–	(200,737)

The accompanying notes form an integral part of the financial statements

The results are derived from discontinued activities following the transfer of trade and assets to the immediate parent undertaking Murray Plate Group Limited on 30 April 2010

There are no recognised gains or losses in either period other than the loss for that period. Accordingly, no separate statement of total recognised gains and losses is presented

Balance sheet

30 June 2011

	Notes	2011 £	2010 £
Current assets			
Debtors	7	<u>2,869,840</u>	<u>2,869,840</u>
Net assets		<u>2,869,840</u>	<u>2,869,840</u>
Capital and reserves			
Called-up share capital	8	3,003	3,003
Profit and loss account	9	<u>2,866,837</u>	<u>2,866,837</u>
Shareholder's funds	10	<u>2,869,840</u>	<u>2,869,840</u>

The accompanying notes form an integral part of the financial statements

Audit Exemption Statement

For the year ending 30 June 2011 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements on pages 2 to 9 were approved by the Board of Directors on 23 March 2012 and signed on its behalf by



G. Hill
Director



M S McGill
Director

Tipton & Mill Steels Limited

Company registration number: 00513077

Statement of accounting policies

for the year ended 30 June 2011

The principal accounting policies are summarised below. They have all 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.

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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.

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, 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.

Turnover

Turnover, which is stated net of trade discounts and VAT, represents amounts invoiced to third parties at the point goods are despatched and services are performed.

Pension costs

The company sponsors individual pension plans for certain employees. All contributions to the plans, which are independently administered by insurance companies, are charged in the profit and loss account in the period in which they are incurred.

Leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Notes to the financial statements

For the year ended 30 June 2011

1 Turnover

All turnover in the prior year arose in the United Kingdom as a result of the company's principal activity

2 Other operating expenses

	Year ended 30 June 2011 £	Year ended 30 June 2010 £
Distribution costs	–	667,639
Administrative expenses	–	563,442
Profit on disposal of tangible fixed assets	–	(3,700)
Restructuring costs	–	9,896
	<u>–</u>	<u>1,237,277</u>

3 Interest receivable

	Year ended 30 June 2011 £	Year ended 30 June 2010 £
Bank interest receivable	<u>–</u>	<u>124</u>

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting)

	Year ended 30 June 2011 £	Year ended 30 June 2010 £
Depreciation and amounts written off tangible fixed assets		
- owned	–	26,136
Operating lease rentals		
- property	–	83,333
- plant and machinery	–	17,198
Auditors' remuneration for audit services	–	6,370
Profit on disposal of tangible fixed assets	<u>–</u>	<u>(3,700)</u>

Amounts payable to Grant Thornton UK LLP and their associates by the company in respect of non-audit services were £ Nil (30 June 2010 - £Nil)

Notes to the financial statements (continued)

5 Staff costs

The average monthly number of employees (including executive directors) were

	Year ended 30 June 2011 Number	Year ended 30 June 2010 Number
Sales	–	6
Warehousing and processing	–	11
Administration	–	4
	<u>–</u>	<u>21</u>

	Year ended 30 June 2011 £	Year ended 30 June 2010 £
The aggregate remuneration comprised		
Wages and salaries	–	452,349
Social security costs	–	44,376
Other pension costs	–	15,377
	<u>–</u>	<u>512,102</u>

The remuneration of the directors was £Nil in both current and prior years

Notes to the financial statements (continued)

6 Tax on loss on ordinary activities

The tax charge comprises

	Year ended 30 June 2011 £	Year ended 30 June 2010 £
Current tax		
UK Corporation tax		
Group loss relief		
- prior year	—	12,725
Total current tax	—	12,725
	£	£
Deferred tax		
Origination and reversal of timing differences	—	12,621
Adjustment in respect of prior periods	—	(12,621)
Total deferred tax	—	—
Total tax on loss on ordinary activities	—	12,725

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

	Year ended 30 June 2011 £	Year ended 30 June 2010 £
Loss on ordinary activities before taxation	—	(188,012)
Tax on loss on ordinary activities at standard UK corporation tax rate of 27.5% (30 June 2010 - 28%)	—	(52,643)
Effects of		
Expenses not deductible for tax purposes	—	2,243
Other short term timing differences	—	(1,990)
Capital allowances in excess of depreciation	—	6,282
Unutilised losses transferred to parent undertaking	—	46,108
Adjustment to tax charge in respect of previous periods	—	12,725
Current tax charge for the year	—	12,725

Notes to the financial statements (continued)

7 Debtors

	2011 £	2010 £
Amounts falling due within one year		
Amounts owed by group undertakings	<u>2,869,840</u>	<u>2,869,840</u>

8 Called-up share capital

	2011 £	2010 £
<i>Allotted, called-up and fully-paid</i>		
3,003 ordinary shares of £1 each	<u>3,003</u>	<u>3,003</u>

9 Reserves

	Profit and loss account £
Beginning of year and end of year	<u>2,866,837</u>

10 Reconciliation of movements in shareholder's funds

	2011 £	2010 £
Loss for the financial year	–	(200,737)
Opening shareholder's funds	<u>2,869,840</u>	<u>3,070,577</u>
Closing shareholder's funds	<u>2,869,840</u>	<u>2,869,840</u>

11 Guarantees and other financial commitments

a) Capital commitments

At the end of the period, capital commitments contracted for but not provided for were £Nil (30 June 2010- £Nil)

b) Contingent liabilities

The company has guaranteed bank borrowings of its intermediate parent undertaking, Murray Metals Holdings Limited and certain other fellow subsidiary undertakings. The total contingency as at 30 June 2011 amounts to £58,687,885 (30 June 2010 - £54,638,422). Security for the bank facilities consists of cross guarantees and a debenture containing fixed and floating charges over the assets of the company.

Notes to the financial statements (continued)

12 Pension costs

The Company participates in the Murray International Holdings Limited Staff Pension and Life Assurance Plan pension scheme (the "MIH DB Pension Scheme") This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from Murray International Holdings Limited The Company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme

The Company also participates in the Murray International Holdings Limited Personal Pension Plan (the "MIH GPP Scheme") This is a defined contribution multi-employer scheme, the assets and liabilities of which are held independently of the group

Contributions to the schemes for the year to 30 June 2011 were £Nil (30 June 2010 £15,377)

Following consultation with its Members and Trustees, the MIH DB Scheme was closed to future accrual with effect from 30 April 2010 The Members of the MIH DB Scheme was thereafter entitled to participate in the MIH GPP Scheme The Trustees of the MIH DB Scheme and the Directors of Murray International Holdings Limited have agreed to enter into a recovery plan in respect of future contributions Further details on the schemes can be found in the financial statements of Murray International Holdings Limited

13 Ultimate controlling party

The company is a subsidiary undertaking of Murray Plate Group Limited which in turn is a subsidiary undertaking of Murray Metals Holdings Limited The ultimate parent company is Murray International Holdings Limited

The largest and smallest group of which the company is a member and for which group financial statements are drawn up is that headed by Murray International Holdings Limited whose principal place of business is at 10 Charlotte Square, Edinburgh EH2 4DR

Sir D E Murray, a director of the ultimate holding company, and members of his close family control the company as a result of controlling directly or indirectly by 70% (30 June 2010 - 76%) of the issued share capital of the ultimate holding company

14 Post balance sheet events

On 7 March 2012, Murray International Holdings Limited 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 period ended 30 June 2011

