

P & C Holdings Limited

Annual report and financial statements
for the period ended 31 January 2008

Registered number 4600557

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Directors' report

For the period ended 31 January 2008

The directors present their annual report on the affairs of the company, together with the financial statements and independent auditors' report, for the period ended 31 January 2008. This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activity

The principal activity of the company is that of a holding company for a subsidiary undertaking engaged in steel stockholding.

On 31 October 2007, the company and its subsidiary undertakings, Parson & Crosland (Middlesbrough) Limited and Parson & Crosland Limited, were acquired by Murray General Steels Group Limited. As a result, the company's ultimate parent undertaking is Murray International Holdings Limited and it operates as part of the group's metal division.

Following the sale of the company, its financial reporting period was changed to bring it into line with that of Murray International Holdings Limited. Consequently, the company's profit and loss account on page 5 reflects a period of thirteen months.

Results and dividends

Results are as follows

£

Retained profit at beginning of period	71,111
Retained profit for the period	40,079
Retained profit at end of period	<u>111,190</u>

The directors do not recommend the payment of a dividend (2006 - £60,000)

Directors and their interests

The directors who served during the period and thereafter are as follows

J D G Wilson (appointed 31 October 2007)
D B Lawson (appointed 31 October 2007)
G Hill (appointed 31 October 2007)
E J Bilcliffe
D E Crosland (resigned 13 March 2007)
N J A Learmond (resigned 31 October 2007)
I Crane (resigned 31 October 2007)

Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements. The directors have chosen to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP")

United Kingdom company law requires the directors to prepare such financial statements for each financial year which give a true and fair view in accordance with UK GAAP of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, 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 proper accounting records which 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 1985. They are also responsible for the system of internal control, 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 the directors are 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.

Auditors

Grant Thornton UK LLP were appointed as auditors to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

Newport Works
Forty Foot Road
Middlesbrough
TS2 1HH

By order of the Board



D. Horne

Secretary

30 October 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P & C HOLDINGS LIMITED

We have audited the financial statements of P & C Holdings Limited for the period ended 31 January 2008 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the directors' report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P & C HOLDINGS LIMITED (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2008
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Grant Thornton UK LLP

Registered Auditor

Chartered Accountants

Glasgow

4 November 2008

Profit and loss account

For the period ended 31 January 2008

	Notes	13 months ended 31 January 2008 £	12 months ended 31 December 2006 £
Exceptional operating income	1	40,079	–
Dividends received		–	60,000
Profit on ordinary activities before taxation		40,079	60,000
Tax on profit on ordinary activities		–	–
Profit for the financial period	7	40,079	60,000

The accompanying notes form an integral part of the financial statements

The results are derived from continuing activities

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

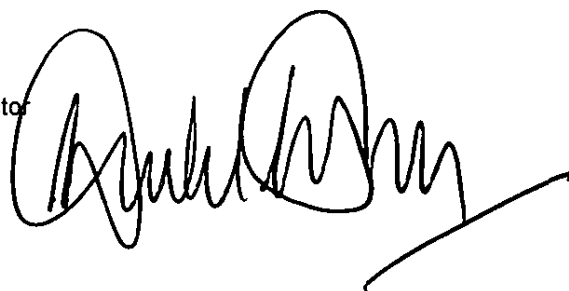
Balance sheet
31 January 2008

	Notes	2008 £	2006 £
Fixed assets			
Investments	2	<u>1,708,895</u>	<u>1,708,895</u>
Current assets			
Debtors	3	4,528	4,528
Creditors Amounts falling due within one year	4	<u>(122,233)</u>	<u>(162,312)</u>
Net current liabilities		<u>(117,705)</u>	<u>(157,784)</u>
Creditors Amounts falling due greater than one year	5	<u>(1,130,000)</u>	<u>(1,130,000)</u>
Net assets		<u>461,190</u>	<u>421,111</u>
Capital and reserves			
Called-up share capital	6	300,000	300,000
Capital redemption reserve	7	50,000	50,000
Profit and loss account	7	<u>111,190</u>	<u>71,111</u>
Shareholders' funds	8	<u>461,190</u>	<u>421,111</u>

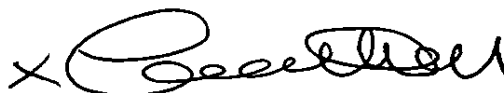
The accompanying notes form an integral part of the financial statements

The financial statements on pages 5 to 10 were approved by the Board of Directors on 30 October 2008 and signed on its behalf by

Director



Director



Statement of accounting policies

For the period ended 31 January 2008

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

Basis of accounting

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

The group has consistently applied all relevant accounting standards.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a subsidiary of Murray International Holdings Limited which prepares consolidated financial statements which are publicly available. The company is also, on this basis, exempt from the requirement of Financial Reporting Standard 1(Revised) to present a cash flow statement.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

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.

Notes to the financial statements (continued)

1 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after crediting

	13 months ended 31 January 2008 £	12 months ended 31 December 2006 £
Waiver of intra-group balance	<u>40,079</u>	<u>—</u>

2 Fixed asset investments

	Subsidiary undertakings shares £
Cost and net book value At 1 January 2007 and 31 January 2008	<u>1,708,895</u>

The company has an investment in the following subsidiaries

Company	Country of registration or incorporation	Principal activity	Proportion of ordinary shares held
Subsidiary undertaking			
Parson & Crosland Limited	England	Steel Stockholders	100%
Parson & Crosland (Middlesbrough) Limited	England	Dormant	100%

During the period the company disposed of its investment in William Lane Limited which was held at a net book value of £Nil

3 Debtors

	2008 £	2006 £
Amount owed by group undertaking	<u>4,528</u>	<u>4,528</u>

Notes to the financial statements (continued)

4 Creditors amounts falling due within one year

	2008 £	2006 £
Amount owed to group undertaking	<u>122,233</u>	<u>162,312</u>

5 Creditors amount falling due greater than one year

	2008 £	2006 £
Amount owed to group undertaking	<u>1,130,000</u>	<u>1,130,000</u>

6 Share capital

	2008 £	2006 £
<i>Authorised</i>		
500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
<i>Allotted, called up and fully paid</i>		
300,000 ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

7 Reserves

	Profit and loss account £	Capital redemption reserve £	Total £
Beginning of the period	71,111	50,000	121,111
Profit for the period	40,079	–	40,079
End of the period	<u>111,190</u>	<u>50,000</u>	<u>161,190</u>

Notes to the financial statements (continued)

8 Reconciliation of movements in shareholders' funds

	Period ended 31 January 2008 £	Year ended 31 December 2007 £
Profit for the period	40,079	60,000
Dividends	–	(60,000)
	<u>40,079</u>	<u>–</u>
Opening shareholders' funds	421,111	421,111
Closing shareholders' funds	<u>461,190</u>	<u>421,111</u>

9 Ultimate controlling party

The company is a wholly owned subsidiary undertaking of Murray General Steels Group Limited which in turn is a subsidiary undertaking of Murray Metals Group Limited

The largest and smallest group of which P & C Holdings Limited is a member and for which group financial statements are drawn up is that headed by Murray International Holdings Limited, the ultimate parent company, whose principal place of business is at 9 Charlotte Square, Edinburgh, EH2 4DR

Sir D E Murray and members of his close family control Murray International Holdings Limited as a result of controlling directly or indirectly 81% of the issued share capital

As a subsidiary undertaking of Murray International Holdings Limited, the company has taken advantage of the exemption in FRS 8 'Related party disclosures' from disclosing transactions with other members of the group headed by Murray International Holdings Limited