Parson & Crosland Limited
(formerly P & C Holdings Limited)

Annual report and financial statements
for the 17 month period ended 30 June 2009

Registered number 4600557

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Directors' report

For the 17 month period ended 30 June 2009

The directors present their annual report on the affairs of Parson & Crosland Limited, together with the financial statements and independent auditors' report, for the 17 month period ended 30 June 2009

Principal activity and business review

The company's principal activity is steel stockholding and steel processing There have not been any significant changes in the company's principal activities during the period under review The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the current year

As shown in the group's profit and loss account on page 6, the group's sales have decreased by 5% over the previous period on a like for like comparison This increase reflects the increase in the reporting period to 17 months Demand for steel in the market place has decreased consistently during the latter half of the period as demand for products produced by end users also fell Selling prices have also decreased during the period, reflecting the oversupply of steel in the market at a time of low demand The fall in selling prices has impacted on the overall gross margin which has fallen from 12 5% to 8 6%

The current environment continues to be uncertain with recent increases in raw material and commodity costs having resulted in a number of published increases in steel prices over recent months In addition, the UK market has not been particularly attractive to steel mills due to the relative strength of the Euro and lower prices charged This has led to longer lead times from suppliers and a tightening in supplies of certain specific products The directors remain confident, however, that measures taken over recent years leave the company ideally placed to take advantage of the opportunities that such uncertainties give rise to

The balance sheet on page 7 shows that difficult trading conditions have impacted the company's financial position, which has weakened, with the net assets falling by £349,332, equivalent to 10 8% The company has taken advantage of the slowdown in the market to reduce its stock levels This, together with tight credit management across its customer base has enabled the company to manage the overall additional investment in working capital

Murray International Holdings Limited manages its operations on a divisional basis For this reason, the company's directors believe further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the Metals division of Murray International Holdings Limited, which includes the company, is discussed in the group's Annual Report, which does not form part of this report

Group Reorganisation

On 31 December 2008 P&C Holdings Limited (Registered number 4600557) acquired the entire business and assets of its wholly owned subsidiaries of Parson & Crosland Limited (Registered number 272592) and Parson & Crosland (Middlesbrough) Limited (Registered number 211571) in an internal reorganisation of group companies At the same time P&C Holdings Limited (Registered number 4600557) changed its name to Parson & Crosland Limited and continued the trade of the business Parson & Crosland Limited (Registered number 272592) changed its name to P&C Shelf Limited On 31 March 2009, following 3 months from the reorganisation an application was made to Companies House to have the companies of P&C Shelf Limited (Registered number 272592) and Parson & Crosland (Middlesbrough) Limited (Registered number 211571) struck off

Results and dividends

Results are as follows

	17 months ended 30 June 2009 £
Retained profit at beginning of period	2,883,484
Trading loss for the period	(349,332)
Retained profit at end of period	2,534,152

The directors do not recommend the payment of a dividend (2008 - £Nil)

Financial Risk Management

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 and ensuring credit insurance is obtained where required

Liquidity Risk

Operations are financed by a mixture of shareholders' funds and bank 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's policy is to arrange core debt, bank loans and overdrafts, with a floating rate of interest plus an agreed margin

Directors and their interests

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

Mr E J Bilcliffe
Mr D B Lawson
Mr J D G Wilson
Mr G Hill
M S McGill (appointed following the end of the accounting period on 5 March 2010)

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 group and the company and of the profit or loss of the group 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

Supplier payment policy
The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment

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

Brightgate House
Cobra Court
Brightgate Way
Trafford Park
Manchester
M32 0TB

By order of the Board
D C Horne
D Horne
Secretary

28 April 2010

GrantThornton

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARSON & CROSLAND LIMITED

We have audited the financial statements of Parson & Crosland Limited for the period ended 30 June 2009 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the statement of accounting policies and the related notes 1 to 22 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 if 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

GrantThornton

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARSON & CROSLAND 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 group and company's affairs as at 30 June 2009 and of its profit for the period then ended,
- 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

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Glasgow
28 April 2010

Consolidated profit and loss account

For the 17 month period ended 30 June 2009

	Notes	17 months ended 30 June 2009 £	12 months ended 31 January 2008 £
Turnover	1	**20,320,952**	15,028,005
Cost of sales		**(18,581,796)**	(13,138,766)
Gross profit		**1,739,156**	1,889,239
Other operating expenses	2	**(2,210,488)**	(1,311,017)
		(471,332)	578,222
Other operating income		**26,252**	22,427
Operating (loss)/profit		**(445,080)**	600,649
Finance charges (net)	3	**(108,264)**	(145,801)
(Loss)/profit on ordinary activities before taxation	4	**(553,344)**	454,848
Tax on (loss)/profit on ordinary activities	6	**204,012**	(44,974)
(Loss)/profit for the period	18	**(349,332)**	409,874

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 year other than the (loss)/profit for that period Accordingly, no separate statement of total recognised gains and losses is presented

Consolidated Balance sheet

30 June 2009

	Notes	30 June 2009 £	31 January 2008 £
Fixed assets			
Tangible assets	9	**1,708,408**	1,494,179
Current assets			
Stocks	10	**2,038,442**	2,788,643
Debtors	11	**3,118,511**	3,696,461
Cash at bank and in hand		**-**	252
		5,156,953	6,485,356
Creditors Amounts falling due within one year	12	**(3,901,842)**	(4,137,567)
Net current assets		**1,255,111**	2,347,789
Total assets less current liabilities		**2,963,519**	3,841,968
Creditors Amounts falling due greater than one year	13	**(79,367)**	(598,600)
Provision for liabilities	15	**-**	(9,884)
Net assets		**2,884,152**	3,233,484
Capital and reserves			
Called-up share capital	17	**300,000**	300,000
Capital redemption reserve	18	**50,000**	50,000
Profit and loss account	18	**2,534,152**	2,883,484
Shareholders' funds	19	**2,884,152**	3,233,484

The accompanying notes form an integral part of the financial statements

The financial statements on pages 6 to 19 were approved by the Board of Directors on 2010 and signed on its behalf by

Director

Director

Parson & Crosland Limited (formerly P & C Holdings Limited)
Company registration number· 4600557

Company Balance sheet

30 June 2009

	Notes	30 June 2009 £	31 January 2008 £
Fixed assets			
Investments	8	-	1,708,895
Tangible assets	9	**1,708,408**	-
		1,708,408	1,708,895
Current assets			
Stocks	10	**2,038,442**	-
Debtors	11	**3,118,511**	4,528
Cash at bank and in hand		-	-
		5,156,953	4,528
Creditors: Amounts falling due within one year	12	**(3,901,842)**	(122,233)
Net current assets/(liabilities)		**1,255,111**	(117,705)
Total assets less current liabilities		**2,963,519**	1,591,190
Creditors Amounts falling due greater than one year	13	**(79,367)**	(1,130,000)
Provision for liabilities	15	-	-
Net assets		**2,884,152**	461,190
Capital and reserves			
Called-up share capital	17	**300,000**	300,000
Capital redemption reserve	18	**50,000**	50,000
Profit and loss account	18	**2,534,152**	111,190
Shareholders' funds	19	**2,884,152**	461,190

The accompanying notes form an integral part of the financial statements

The financial statements on pages 6 to 19 were approved by the Board of Directors on 28 April 2010 and signed on its behalf by

Director

Director

Parson & Crosland Limited (formerly P & C Holdings Limited)
Company registration number: 4600557

Accounting policies

For the 17 month period ended 30 June 2009

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

Basis of accounting

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

A cash flow statement has not been prepared as the company is a subsidiary undertaking of Murray International Holdings Limited, a company registered in Scotland A consolidated cash flow statement is provided in the group financial statements of that company

Basis of consolidation

The group's financial statements consolidate the financial statements of Parson & Crosland Limited and all its subsidiaries

Tangible fixed assets

Tangible fixed assets are shown at cost, net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows

Freehold property	Over 50 years	
Plant and machinery	10% - 20%	per annum
Motor vehicles	25% - 33%	per annum

Residual value is calculated on prices prevailing at the date of acquisition

Stocks

Stocks, which comprise goods for resale, are stated at the lower of cost and net realisable value Cost incurred in bringing each product to its present location and condition is based on purchase cost on a first-in, first-out basis, including transport Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and 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) 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 defined contribution 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
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet Those held under hire purchase contracts are depreciated over their estimated useful lives Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period The capital element of the future payments is treated as a liability

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

Grants
Government grants in respect of capital expenditure are credited against the cost of the relevant assets and are written off over their expected useful lives

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure

Investments
Investments are included at cost less amounts written off

Notes to the financial statements
For the 17 month period ended 30 June 2009

1 Turnover
All turnover arose in the United Kingdom as a result of the company's principal activity (2008 same)

2 Other operating expenses

	17 months ended 30 June 2009 £	12 months ended 31 January 2008 £
Distribution costs	630,077	457,186
Administrative expenses	1,580,411	853,831
	2,210,488	1,311,017

3 Finance charges

	17 months ended 30 June 2009 £	12 months ended 31 January 2008 £
Interest payable and similar charges		
Bank overdrafts	63,932	98,925
Hire purchase contracts	15,878	18,581
Mortgage charges	28,454	28,295
	108,264	145,801

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

	17 months ended 30 June 2009 £	12 months ended 31 January 2008 £
Depreciation and amounts written off tangible fixed assets		
- owned	168,151	125,126
- held under hire purchase contracts	79,067	49,172
Auditors' remuneration for audit services	9,917	7,000
Profit on disposal of tangible fixed assets	(19,651)	(23,394)

Amounts payable to Grant Thornton UK LLP and their associates by the company in respect of non-audit services were £Nil (2008 - £Nil)

5 Staff costs

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

	17 months ended 30 June 2009 Number	12 months ended 31 January 2008 Number
Average number of employees	49	51

The aggregate remuneration comprised	17 months ended 30 June 09 £	Year ended 31 January 08 £
Wages and salaries	1,520,299	1,171,660
Social security costs	145,706	108,246
Other pension costs	26,524	16,000
	1,692,529	1,295,906

Directors' remuneration

The remuneration of the directors was £41,467 (2008 £127,917)

6 Tax on profit on ordinary activities

The tax charge comprises

	17 months ended 30 June 2009 £	12 months ended 31 January 2008 £
Current tax		
UK Corporation tax		
- current year	-	83,669
Group loss relief	13,573	35,421
Total current tax	13,573	119,090
Deferred tax		
Origination and reversal of timing differences	(217,585)	(74,116)
Total deferred tax (note 15)	(217,585)	(74,116)
Total tax on (loss)/profit on ordinary activities	(204,012)	44,974

6 Tax on (loss)/profit on ordinary activities (continued)

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

	17 months ended 30 June 2009 £	12 months ended 31 January 2008 £
(Loss)/profit on ordinary activities before taxation	**(553,344)**	454,848
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 28% (2008 - 30%)	**(154,190)**	136,454
Effects of		
Income not taxable for tax purposes	**(783,768)**	(17,205)
Group relief surrendered before payment	**141,327**	-
Credit for group relief	**(162,082)**	-
Expenses not deductible for tax purposes	**711,948**	3,452
Other short term timing differences	**(1,277)**	-
Unrelieved tax losses and other deductions arising in the period	**172,892**	-
Accelerated capital allowance and other timing differences	**75,150**	19,298
Adjustments to tax charge in respect of previous periods	**13,573**	-
Marginal relief	**-**	(22,909)
Current tax charge for the year	**13,573**	119,090

7 Loss for the financial year

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements The parent company's profit for the financial year was £2,422,962

8 Investments

	Shares in subsidiary undertakings £
Cost	
At 1 February 2008	1,708,895
Write off during the period	(1,708,895)
At 30 June 2009	-

The investment represented a 100% shareholding in P & C (Shelf) Limited (formerly Parson & Crosland Limited) and Parson & Crosland (Middlesbrough) Limited Following the hive up of the trade and assets on 1 January 2009 (see note 16), these companies have been dissolved and the investment consequently written off

9 Tangible fixed assets

Group

	Freehold property	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
Beginning of period	845,577	1,332,427	258,280	2,436,284
Additions	111,223	228,931	122,943	463,097
Disposals	-	(7,500)	(73,365)	(80,865)
End of period	**956,800**	**1,553,858**	**307,858**	**2,818,516**
Depreciation				
Beginning of period	219,268	525,654	197,183	942,105
Charge for the period	25,244	172,141	49,833	247,218
Disposals	-	(5,858)	(73,357)	(79,215)
End of period	**244,512**	**691,937**	**173,659**	**1,110,108**
Net book value				
End of period	**712,288**	**861,921**	**134,199**	**1,708,408**
Beginning of period	626,309	806,773	61,097	1,494,179

Company

	Freehold property	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
Beginning of period	-	-	-	-
Transferred from group undertakings	888,645	1,368,232	311,589	2,568,466
Additions	68,155	185,626	20,269	274,050
Disposals	-	-	(24,000)	(24,000)
End of period	**956,800**	**1,553,858**	**307,858**	**2,818,516**
Depreciation				
Beginning of period	-	-	-	-
Transferred from group undertakings	235,277	624,661	177,686	1,037,624
Charge for the period	9,235	67,276	19,971	96,482
Disposals	-	-	(23,998)	(23,998)
End of period	**244,512**	**691,937**	**173,659**	**1,110,108**
Net book value				
End of period	**712,288**	**861,921**	**134,199**	**1,708,408**
Beginning of period	-	-	-	-

9 Tangible fixed assets (continued)

Included in cost of land and buildings is freehold land of £98,364 (2008 £98,364) which is not depreciated Included within fixed assets are plant and machinery and motor vehicles held under hire purchase contracts with a net book value of £354,611 (2008 £433,678) Depreciation charged on these assets in the year amounted to £79,067 (2008 £49,172)

10 Stocks

	Group		Company	
	30 June 2009	31 January 2008	**30 June 2009**	31 January 2008
	£	£	**£**	£
Goods for resale	**2,038,442**	2,788,643	**2,038,442**	-

11 Debtors

	Group		Company	
	30 June 2009	31 January 2008	**30 June 2009**	31 January 2008
	£	£	**£**	£
Amounts falling due within one year				
Trade debtors	**2,470,065**	3,477,261	**2,470,065**	-
Amounts owed by group undertakings	**244,420**	55,356	**244,420**	4,528
Other debtors	**56,018**	72,142	**56,018**	-
Corporation tax	**6,612**	-	**6,612**	-
Prepayments and accrued income	**133,695**	91,702	**133,695**	-
Deferred tax asset (note 15)	**207,701**	-	**207,701**	-
	3,118,511	3,696,461	**3,118,511**	4,528

12 Creditors: amounts falling due within one year

	Group		Company	
	30 June 2009	31 January 2008	**30 June 2009**	31 January 2008
	£	£	**£**	£
Bank loans and overdrafts	**2,210,722**	1,354,889	**2,210,722**	-
Hire purchase contracts	**62,600**	95,000	**62,600**	-
Trade creditors	**1,287,715**	2,218,098	**1,287,715**	-
Amounts owed to group undertakings	**235,732**	178,194	**235,732**	122,233
Corporation tax	**-**	83,669	**-**	-
Other taxation and social security	**25,891**	51,544	**25,891**	-
Other creditors	**10,903**	45,028	**10,903**	-
Accruals and deferred income	**68,279**	111,145	**68,279**	-
	3,901,842	4,137,567	**3,901,842**	122,233

Hire purchase liabilities are secured upon the assets to which they relate

Notes to the financial statements (continued)

13 Creditors: amounts falling due after more than one year

	Group 30 June 2009	Group 31 January 2008	Company 30 June 2009	Company 31 January 2008
	£	£	£	£
Bank loans	-	410,949	-	-
Hire purchase contracts	**79,367**	187,651	**79,367**	-
Amounts owed to group undertakings	-	-	-	1,130,000
	79,367	598,600	**79,367**	1,130,000

14 Borrowings

	Group 30 June 2009	Group 31 January 2008	Company 30 June 2009	Company 31 January 2008
	£	£	£	£
Borrowings are repayable as follows:				
Within one year				
Bank loans and overdrafts	**2,210,722**	1,354,889	**2,210,722**	-
Finance leases	**62,600**	95,000	**62,600**	-
After one and within two years				
Bank loans	-	48,000	**45,836**	-
Finance leases	**45,836**	85,583	-	-
After two and within five years				
Bank loans	-	144,000	**33,531**	-
Finance leases	**33,531**	102,068	-	-
After more than five years				
Bank loans	-	218,949	-	-
	2,352,689	2,048,489	**2,352,689**	-

15 Provisions for liabilities

	Group 30 June 2009	Group 31 January 2008	Company 30 June 2009	Company 31 January 2008
	£	£	£	£
Deferred tax				
Beginning of the period	**9,884**	84,000	-	-
Transfer from subsidiary (note 16)	-	-	**9,884**	-
Movement in period	**(217,585)**	(74,116)	**(217,585)**	-
End of the period	**(207,701)**	9,884	**(207,701)**	-
Deferred tax is provided as follows				
Accelerated capital allowances	**(207,701)**	9,884	**(207,701)**	-

16 Transfer of trade and assets

On 1 January 2009 the trade and assets of P & C Shelf Limited (formerly Parson & Crosland Limited) were hived up to Parson & Crosland Limited (formerly P & C Holdings Limited) The assets and liabilities transferred were as follows

	£
Tangible fixed assets	1,530,842
Stocks	3,789,242
Debtors	4,702,528
Creditors	(5,110,427)
Deferred tax	(9,884)
	4,902,301

17 Called-up share capital

	30 June 2009 £	31 January 2008 £
Authorised		
350,000 ordinary shares of £1 each	**350,000**	350,000
Allotted, called up and fully paid		
300,000 ordinary shares of £1 each	**300,000**	300,000

18 Reserves

Group	**Profit and loss account £**	**Capital redemption reserve £**	**Total £**
Beginning of the period	2,883,484	50,000	2,933,484
Loss for the period	(349,332)	-	(349,332)
End of the period	2,534,152	50,000	2,584,152

Company	**Profit and loss account £**	**Capital redemption reserve £**	**Total £**
Beginning of the period	111,190	50,000	161,190
Profit for the period	2,422,962	-	2,422,962
	2,534,152	50,000	2,584,152

19 Reconciliation of movements in shareholder's funds

Group	**2009** **£**
Loss for the financial period	(349,332)
Opening shareholder's funds	3,233,484
Closing shareholder's funds	2,884,152

Company	**2009** **£**
Profit for the financial period	2,422,962
Opening shareholder's funds	461,190
Closing shareholder's funds	2,884,152

20 Guarantees and other financial commitments

a) Capital commitments

At the end of the year, capital commitments contracted for but not provided for were £nil (2008 - £646,526)

b) Contingent liabilities

The company has guaranteed bank borrowings of its ultimate holding company and certain other subsidiary undertakings The total contingency as at 30 June 2009 amounts to £448,043,462 (31 January 2008 - £388,591,888) Security for the bank facilities consists of cross guarantees and a debenture containing fixed and floating charges over the assets of the company

21 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 Parson & Crosland 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, a director of the ultimate holding company, and members of his close family control the company as a result of controlling directly or indirectly 76% (31 January 2008 – 81%) of the issued share capital of the ultimate holding company

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

22 Post balance sheet events

As set out in Note 21, the company's ultimate holding company is Murray International Holdings Limited, a company which is registered in Scotland The largest and smallest 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 9 Charlotte Square, Edinburgh, EH2 4DR Copies of Murray International Holdings Limited financial statements are available from the above address

On 21 April 2010, 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 2009 A summary of the principal terms of this financial restructuring are set out below

(i) Lloyds Banking Group has increased its equity interests in the Group, subscribing for approximately £150 0m of additional share capital and share premium in Murray International Holdings Limited while reducing debt levels by a similar quantum

(ii) Following the issue of share capital, Sir David E Murray and members of his close family continue to control the Company and the Group as a result of controlling, either directly or indirectly, 76% of the voting share capital of the issued share capital of the Company This percentage was previously 88%

(iii) Group borrowing facilities have been renewed with Lloyds Banking Group following completion of the financial restructuring This has involved segregating the overall Group banking arrangement into a series of sub-facilities relevant and applicable to each of the Group's Divisions

(iv) The Company forms part of the Group's Metals Division comprising the following principal companies and their subsidiaries – Murray Metals Holdings Limited, Murray General Steels Group Limited, Murray Plate Group Limited, Murray Specialist Metals Limited The companies in the Metals Division no longer provide cross guarantees in respect of the remainder of the Group Instead, these Divisions will in future only provide cross guarantees in respect of bank indebtedness within their own Division As at 30 June 2009, the bank indebtedness under the revised cross guarantee structure was £62,564,537, and

(v) The Group has acquired minority interests held in certain subsidiaries in the Group for nominal value

The impact of these changes has been shown in the unaudited pro forma group balance sheet set out in the Directors' Report of the annual report and financial statements of Murray International Holdings Limited This unaudited pro forma balance sheet highlights the effect on the 30 June 2009 balance sheet of Murray International Holdings Limited of the various steps outlined above as if they had taken place on 30 June 2009