

DENT STEEL HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2010

The board of directors	M S Rogers C Dent J A Dent
Company secretary	M S Rogers
Business address	Low Moor Steel Works New Works Road Low Moor Bradford BD12 0QN
Auditor	RSM Tenon Audit Limited 2 Wellington Place Leeds LS1 4AP

DENT STEEL HOLDINGS LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements of the group for the year ended 31 December 2010.

Principal activities and business review

The principal activity of the company was that of a holding company, whilst the principal activity of the group continued to be that of steel stockholders.

Once again expectations have been exceeded and despite the difficult economic conditions the group has managed to produce very good results. The delayed contract, mentioned in last year's review, has now begun to have some impact but not a significant one.

The demand for the group's products remains very buoyant. Despite the difficulties experienced in other sectors of the steel market its customer base continues to strengthen and other areas of demand are being actively developed.

The relationship with our major customers has continued to develop and improve and has led to other large orders being secured from overseas, some of which should become long term business. There have been other contracts won during the year and more in the negotiation stages.

Prices of steel are rarely stable and 2010 was no exception. They continued to fluctuate dramatically with the first half of the year resulting in increases of up to 30%. The year ending with reductions of up to 15%. The trend appears to be continuing with steel forecast to rise again significantly in the early part of 2011.

Despite the very difficult trading conditions, the group's turnover improved to £30.2million against £27.4million in 2009, a very encouraging increase of over 10%. However, the year ended with a better than profits forecast of £2.1million against £1.1 million in 2009 an increase of 96%. The gross margin of 23.6% against 19.5% in 2009, an increase of 4.1%.

Capital expenditure continues to reduce and it is envisaged that no further major expenditure will be made in the foreseeable future. The policy of severe cost control and a prudent management of the business will continue, which should see further reductions in general costs.

The processing arm of the group remains very active and contributes significantly to the revenue and profits. It is envisaged that this will continue throughout 2011.

The tremendous results are due to the factors I have already described but a significant contribution to the continuing success of the group is the effort, commitment and dedication of the management and staff. Their contribution cannot be understated and the Directors are, once again, extremely grateful for their tremendous loyalty and hard work, without which these results would not have been achieved.

Results and dividends

The profit for the year, after taxation, amounted to £2,137,404. The directors have not recommended a dividend.

DENT STEEL HOLDINGS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2010

Financial risk management objectives and policies

The group is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The group manages these risks by financing its operations through retained profits, supplemented by long-term bank borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the group's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the group's trading activities.

The group makes little use of financial instruments other than an operational bank account and so its exposure to credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

The directors who served the company during the year were as follows:

M S Rogers
C Dent
J A Dent

Directors' responsibilities

The directors are responsible for preparing the Directors' 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 law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. 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, 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DENT STEEL HOLDINGS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2010


In so far as the directors are, individually, aware:

- there is no relevant audit information of which the group's auditor is 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 auditor is aware of that information.

Auditor

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



M S Rogers
Director

Approved by the directors on 19.4.2011...

DENT STEEL HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENT
STEEL HOLDINGS LIMITED
YEAR ENDED 31 DECEMBER 2010

We have audited the group and parent company financial statements ("the financial statements") of Dent Steel Holdings Limited for the year ended 31 December 2010 on pages 7 to 23. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of the group's 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 matters 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.

DENT STEEL HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENT
STEEL HOLDINGS LIMITED *(continued)*
YEAR ENDED 31 DECEMBER 2010

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Angus Marshall, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
2 Wellington Place
Leeds
LS1 4AP

Date:- 20/04/11

DENT STEEL HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Group turnover	2	30,225,356	27,398,061
Cost of sales		(23,092,056)	(22,059,714)
Gross profit		<u>7,133,300</u>	<u>5,338,347</u>
Amortisation of goodwill		(389,924)	(360,274)
Administrative expenses		(3,419,300)	(3,108,574)
Other operating income	3	15,121	62,051
Operating profit	4	<u>3,339,197</u>	<u>1,931,550</u>
Interest receivable		886	—
Interest payable and similar charges	7	(182,201)	(260,105)
Profit on ordinary activities before taxation		<u>3,157,882</u>	<u>1,671,445</u>
Tax on profit on ordinary activities	8	(1,020,478)	(582,266)
Profit for the financial year	9	<u><u>2,137,404</u></u>	<u><u>1,089,179</u></u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The results of the acquired operation in the year are not material to the group profit.

The notes on pages 11 to 23 form part of these financial statements.

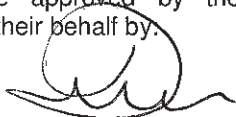
DENT STEEL HOLDINGS LIMITED
GROUP BALANCE SHEET
31 DECEMBER 2010

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Intangible assets	10		2,387,037		2,599,088
Tangible assets	11		5,578,844		5,714,919
			<u>7,965,881</u>		<u>8,314,007</u>
Current assets					
Stocks	14	1,539,844		1,938,714	
Debtors	15	5,157,530		3,709,720	
Cash at bank and in hand		1,972,344		359	
			<u>8,669,718</u>	<u>5,648,793</u>	
Creditors: Amounts falling due within one year	16	<u>(7,299,225)</u>		<u>(5,661,827)</u>	
Net current assets/(liabilities)			1,370,493		(13,034)
Total assets less current liabilities			<u>9,336,374</u>		<u>8,300,973</u>
Creditors: Amounts falling due after more than one year	17		(3,604,291)		(4,728,757)
Provisions for liabilities					
Deferred taxation	20		(145,359)		(122,896)
			<u>5,586,724</u>		<u>3,449,320</u>
Capital and reserves					
Called-up share capital	21		269,999		269,999
Share premium account	22		30,001		30,001
Profit and loss account	22		5,286,724		3,149,320
Shareholders' funds	23		<u>5,586,724</u>		<u>3,449,320</u>

These financial statements were approved by the directors and authorised for issue on 19.11.2011 and are signed on their behalf by:



C Dent
Director



J A Dent
Director