

**KESTON BOILERS SALES LIMITED**  
**(Registered Number 04590889)**

**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2009**

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COMPANIES HOUSE

**KESTON BOILERS SALES LIMITED**

**DIRECTORS**

T T Harvey  
G J Letham

**SECRETARY**

A D Briggs

**AUDITORS**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JD

**BANKERS**

HSBC Plc  
110 Grey Street  
Newcastle upon Tyne  
NE1 6JG

**SOLICITORS**

Dickinson Dees  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
NE99 1SB

**REGISTERED OFFICE**

69-75 Side  
Newcastle upon Tyne  
NE1 3JE

## KESTON BOILERS SALES LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their annual report together with the audited financial statements for the year ended 31 December 2009

#### RESULTS AND DIVIDENDS

The company did not trade in the current year and therefore made neither a profit nor a loss (2008 nil)

#### PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Keston Boilers Sales Limited is part of the Ideal Stelrad group of companies

On 7 August 2009, the ultimate holding company of the Group changed and the new ultimate holding company is ISG Holdings 1 Limited

Following the successful refinancing of the group in the current year and after making relevant enquiries, the directors have an expectation that the company has adequate resources to continue operating for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

The company did not trade in the year and the directors do not expect it to trade in future

#### DIRECTORS

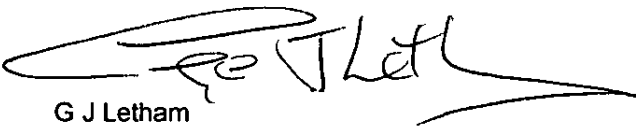
The composition of the Board of directors during the year, and to the date of this report, was as follows -

T T Harvey  
G J Letham

#### DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving the reports is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

By order of the Board

  
G J Letham  
Director  
8/4/10

## KESTON BOILERS SALES LIMITED

### STATEMENT OF 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 group and the company and of the profit or loss of the group for that period. 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 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 proper accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Keston Boilers Sales Limited**

We have audited the financial statements of Keston Boilers Sales Limited for the year ended 31 December 2009 which comprise the Balance Sheet and the related notes 1 to 9. 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 on page 3, 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 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the 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 company's affairs as at 31 December 2009,
- 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.

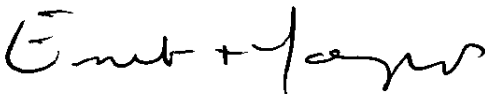
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

### **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.



Mark A B Hatton (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP  
Newcastle upon Tyne  
8 April 2010

KESTON BOILERS SALES LIMITED

**BALANCE SHEET AS AT 31 DECEMBER 2009**

	Notes	2009 £'000	2008 £'000
<b>Current assets</b>			
Debtors	4	52	52
<b>Creditors:</b> amounts falling due within one year	5	(14)	(14)
		<hr/>	<hr/>
<b>Net assets</b>		38	38
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Profit and Loss account	7	38	38
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		38	38
		<hr/>	<hr/>



G J Letham  
Director

8/4/10

## KESTON BOILERS SALES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

##### Basis of preparation

The financial statements of Keston Boilers Sales Limited were approved for issue by the Board of Directors on 08 April 2010.

The financial statements have been prepared under the historical cost convention.

##### Deferred taxation

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 future or a right to pay less tax in future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the company's taxable profits and its results as stated in the financial statements, which are capable of reversal in one or more subsequent periods. Deferred taxation 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 substantively enacted by the balance sheet date. No discounting is applied to reflect the time value of money.

#### 2 EMPLOYEES

The only employees of the company during the year were the directors.

#### 3 DIRECTORS' EMOLUMENTS

The directors are paid by a fellow subsidiary in respect of services to the group and are not recharged. These emoluments are disclosed in the financial statements of the ultimate parent undertaking, ISG Holdings 1 Limited.

#### 4 DEBTORS

	2009 £'000	2008 £'000
Amounts owed by fellow subsidiary undertakings	52	52

#### 5 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Corporation tax	14	14

# KESTON BOILERS SALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6 SHARE CAPITAL

	<i>2009</i>	<i>£</i>	<i>2008</i>	<i>£</i>
	<i>Number</i>		<i>Number</i>	
Authorised Ordinary Shares of £1 each	1,000	1,000	1,000	1,000
		<hr/>		<hr/>
Allotted, issued and fully paid Ordinary Shares of £1 each	1	1	1	1
		<hr/>		<hr/>

### 7 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share Capital £'000</i>	<i>Profit and loss account £'000</i>	<i>Total share- holders' funds £'000</i>
At 1 January 2008, 31 December 2008 and 31 December 2009	-	38	38
	<hr/>	<hr/>	<hr/>

### 8 CASH FLOW STATEMENT

A consolidated cash flow statement has been included in the financial statements of the parent company, which include the financial statements of Keston Boilers Sales Limited. Accordingly, as permitted by FRS1, no cash flow statement is presented with these financial statements.

### 9 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Keston Boilers Limited, a company registered in England and Wales. Copies of Keston Boilers Limited's financial statements can be obtained from Companies House, Cardiff.

The ultimate parent undertaking and controlling party is ISG Holdings 1 Limited, a company registered in England and Wales.

Copies of ISG Holdings 1 Limited's financial statements can be obtained from Companies House, Cardiff.