

Registered Number 04597895

Forgings International Holdings 1 Limited  
Annual Report  
for the year ended 30 September 2009



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for the year ended 30 September 2009  
Contents

Directors and advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	6
Balance sheet	7
Statement of accounting policies	8
Notes to the financial statements	9

# **Forgings International Holdings 1 Limited**

## **Directors and advisers for the year ended 30 September 2009**

### **Directors**

P S Bland

J T Hart

### **Secretary**

J T Hart

### **Registered Office**

Firth House

PO Box 644

Meadowhall Road

Sheffield

S9 1JD

### **Auditors**

PricewaterhouseCoopers LLP

1 East Parade

Sheffield

S1 2ET

### **Bankers**

HSBC

Carmel House

49-63 Fargate

Sheffield

S1 2HD

# Forgings International Holdings 1 Limited

## Directors' report for the year ended 30 September 2009

The directors present their report and the audited financial statements of the company for the year ended 30 September 2009

### Principal activities

The principal activity of the company is that of an intermediate holding company

### Review of business and future developments

The profit and loss account for the year is set out on page 6

Both the performance and the year end financial position remain satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future

The directors of Firth Rixson (Cyprus) Limited manage the group's risks at a group level. For this reason, the company's directors believe that discussion of the group's risks and analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business. The principal risks and uncertainties of the group, which include those of the company, and the development, performance and position of the company are discussed in the Directors' report in the group's financial statements which does not form part of this report

### Dividends

The directors do not recommend payment of a final dividend (2008 £nil)

### Directors

The directors who held office during the year are given below

P S Bland

J T Hart

In accordance with the Articles of Association, none of the directors are required to retire by rotation

### Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting

### By order of the Board



J T Hart

Director

14 December 2009

# Forgings International Holdings 1 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**By order of the Board**



**J T Hart**

Director

• 4 December 2009

# **Forgings International Holdings 1 Limited**

## **Independent auditors' report to the members of Forgings International Holdings 1 Limited**

We have audited the financial statements of Forgings International Holdings 1 Limited for the year ended 30 September 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes. 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities set out 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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 30 September 2009 and of its loss 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 matter prescribed by the Companies Act 2006**

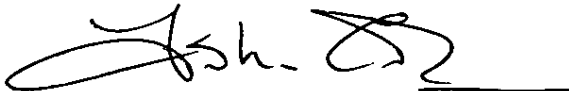
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Forgings International Holdings 1 Limited

## 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



**John S Cowling (Senior Statutory Auditor)**  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Sheffield  
14 December 2009

# Forgings International Holdings 1 Limited

## Profit and loss account for the year ended 30 September 2009

	Note	2009 £'000	2008 £'000
Interest payable	4	(7,844)	(10,273)
<b>Loss on ordinary activities before taxation</b>		<b>(7,844)</b>	<b>(10,273)</b>
Tax on loss on ordinary activities	5	-	-
<b>Retained loss for the financial year</b>	10	<b>(7,844)</b>	<b>(10,273)</b>

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented



# Forgings International Holdings 1 Limited

## Balance sheet as at 30 September 2009

	Note	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Investments	6	49,726	49,726
<b>Current assets</b>			
Debtors	7	715	715
<b>Creditors' amounts falling due within one year</b>	8	(97,517)	(89,673)
<b>Net current liabilities</b>		(96,802)	(88,958)
<b>Total assets less current liabilities</b>		(47,076)	(39,232)
<b>Net liabilities</b>		(47,076)	(39,232)
<b>Capital and reserves</b>			
Called up share capital	9	1,830	1,830
Share premium account	10	4,829	4,829
Profit and loss account	10	(53,735)	(45,891)
<b>Total shareholders' deficit</b>	11	(47,076)	(39,232)

The financial statements on pages 6 to 12 were approved by the Board of Directors on 14 December 2009 and were signed on its behalf by



**P S Bland**  
Director

# **Forgings International Holdings 1 Limited**

## **Statement of accounting policies**

### **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost convention. A summary of the main accounting policies, which have been applied consistently, are stated below.

### **Basis of preparation – going concern**

The company has made a loss on ordinary activities before taxation of £7,844,000 for the year ended 30 September 2009 and at that date its current liabilities exceeded its current assets by £96,802,000. However, the directors have prepared the financial statements on a going concern basis, taking into account continuing financial support from the Firth Rixson (Cyprus) Limited group for a period not less than one year from the date of these financial statements.

### **Cash flow statement**

The company is ultimately owned by Firth Rixson (Cyprus) Limited which prepares a consolidated cash flow statement. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

### **Investments**

Investments are shown in the balance sheet at cost less any amounts written off for permanent diminution in value.

### **Consolidated financial statements**

As permitted by Section 399(2) of the Companies Act 2006, Forgings International Holdings 1 Limited does not prepare consolidated accounts as its results are fully consolidated in the financial statements of Firth Rixson (Cyprus) Limited.

### **Related party transactions**

The company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Firth Rixson (Cyprus) Limited group.

# Forgings International Holdings 1 Limited

## Notes to the financial statements for the year ended 30 September 2009

### 1 Employee information

There were no persons employed by the company during the period (2008 none)

### 2 Directors' emoluments

None of the directors of the company received any emoluments for their services to the company during the year (2008 £nil)

### 3 Auditors' remuneration

Auditors' remuneration is borne by Firth Rixson Limited, another group company

### 4 Interest payable

	2009 £'000	2008 £'000
Interest on bank term loans	-	3,056
Amortisation of debt issue costs	-	1,932
Group interest payable	7,844	5,285
	7,844	10,273

# Forgings International Holdings 1 Limited

## 5 Tax on loss on ordinary activities

	2009	2008
	£'000	£'000
<b>Current tax</b>		
United Kingdom corporation tax on loss on ordinary activities	-	-
<b>Total current tax</b>	-	-

The tax charge for the year is different from the effective rate of corporation tax in the United Kingdom of 28% (2008 29%) The differences are explained below

	2009	2008
	£'000	£'000
Loss on ordinary activities before taxation	(7,844)	(10,273)
Loss on ordinary activities multiplied by effective rate of corporation tax in the UK of 28% (2008 29%)	(2,196)	(2,979)
Group relief surrendered not paid for	2,196	2,979
<b>Current tax charge for the period</b>	-	-

## 6 Investments

	£'000
<b>Cost and net book value</b>	
At 1 October 2008	49,726
<b>At 30 September 2009</b>	<b>49,726</b>

Investments comprise:

	Country of incorporation	Class of shares held	Percentage held	Nature of business
Forgings International Holdings 2 Limited	United Kingdom	Ordinary	100%	Non trading

# **Forgings International Holdings 1 Limited**

## **7 Debtors**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by group undertakings	<b>715</b>	<b>715</b>

## **8 Creditors: amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	<b>97,517</b>	<b>89,673</b>

## **9 Called up share capital**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
2,000,000 (2008 2,000,000) ordinary shares of £1 each	<b>2,000</b>	<b>2,000</b>
<b>Allotted and fully paid</b>		
1,830,197 (2008 1,830,197) ordinary shares of £1 each	<b>1,830</b>	<b>1,830</b>

## **10 Reserves**

	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£'000</b>	<b>£'000</b>
At 1 October 2008	<b>4,829</b>	<b>(45,891)</b>
Retained loss for the financial year	<b>-</b>	<b>(7,844)</b>
<b>At 30 September 2009</b>	<b>4,829</b>	<b>(53,735)</b>

# Forgings International Holdings 1 Limited

## 11 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Loss for the year	(7,844)	(10,273)
Opening shareholders' deficit	(39,232)	(28,959)
<b>Closing shareholders' deficit</b>	<b>(47,076)</b>	<b>(39,232)</b>

## 12 Contingent liabilities

The company has given a guarantee to HMRC in respect of group VAT deferment duty At 30 September 2009 the guarantee given amounted to £35,000 (2008 £35,000)

The company has given guarantees in respect of the bank borrowings of FR Acquisition Holdings Corporation (Luxembourg) S A R L , and other group subsidiaries At 30 September 2009 borrowings covered by these guarantees amounted to £620,500,000 (2008 £635,244,000)

Other bank guarantees under the group credit facility at the year end amounted to £4,005,000 (2008 £5,623,000) and had arisen in the normal course of trading

In the opinion of the directors, no loss is expected to arise in connection with these matters

## 13 Immediate parent undertaking and ultimate controlling party

The immediate parent undertaking of the company is Forgings International Holdings Limited, a company incorporated in England & Wales

The ultimate parent undertaking of the group is Firth Rixson (Cyprus) Limited, a company incorporated in Cyprus The directors regard Oak Hill Capital Partners to be the ultimate controlling party of the group

The largest and smallest group in which the results of the company are consolidated is Firth Rixson (Cyprus) Limited's financial statements, copies of which may be obtained from Firth House, PO Box 644, Meadowhall Road, Sheffield, S9 1JD