

Registered Number SC008271

North British Steel Group plc  
Annual Report  
for the year ended 30 September 2008

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for the year ended 30 September 2008  
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# **North British Steel Group plc**

## **Directors and advisers for the year ended 30 September 2008**

### **Directors**

P S Bland

J T Hart

### **Secretary**

C J A Dalton

### **Registered Office**

68-73 Queen Street

Edinburgh

Midlothian

EH2 4NH

### **Auditors**

PricewaterhouseCoopers LLP

1 East Parade

Sheffield

S1 2ET

### **Bankers**

HSBC

17 Church Street

Sheffield

S1 1HH

# North British Steel Group plc

## Directors' report for the year ended 30 September 2008

The directors present their report and the audited financial statements of the company for the year ended 30 September 2008.

### Principal activities

The company has not traded during the year and has made neither profits nor losses.

### Review of business and future developments

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

During the year Aurora Engineering (Scotland) Limited, a subsidiary undertaking of the company was liquidated. As a result, the company's investment and liabilities in relation to Aurora Engineering (Scotland) Limited have been released.

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 report and financial statements which does not form part of this report.

### Dividend

The directors do not recommend the payment of a dividend.

### 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, Mr P S Bland retires by rotation at the Annual General Meeting, and being eligible offers himself for re-election.

### 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

29 April 2009

# North British Steel Group plc

## Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company 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 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 confirm that they have complied with the above requirements in preparing the report and financial statements.

The directors are responsible for keeping proper accounting records that 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 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 each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as information needed by the company's auditors in connection with preparing their report. Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty 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  
29 April 2009

# **North British Steel Group plc**

## **Independent auditors' report to the members of North British Steel Group plc**

We have audited the financial statements of North British Steel Group plc for the year ended 30 September 2008 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the notes to the financial statements. These financial statements have been prepared under the accounting policies set out therein.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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.

# North British Steel Group plc

## 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 30 September 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Directors' report is consistent with the financial statements.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers LLP", written in a cursive, flowing style.

**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Sheffield

29 April 2009

# North British Steel Group plc

## Profit and loss account as at 30 September 2008

	Note	2008 £	2007 £
Other operating expenses		-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Tax on profit on ordinary activities	4	-	-
<b>Profit for the financial year</b>	10	-	-

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents.

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

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



# North British Steel Group plc

## Balance sheet as at 30 September 2008

	Note	2008 £	2007 Restated £
<b>Fixed assets</b>			
Investments	5	-	50,000
<b>Current assets</b>			
Debtors	6	2,338,046	2,338,046
Creditors: amounts falling due within one year	7	-	(50,000)
<b>Net current assets</b>		<b>2,338,046</b>	<b>2,288,046</b>
Creditors: amounts falling due after one year	8	(1,000,000)	(1,000,000)
<b>Net assets</b>		<b>1,338,046</b>	<b>1,338,046</b>
<b>Capital and reserves</b>			
Ordinary shares	9	1,285,164	1,285,164
Profit and loss account	10	27,541	27,541
Other distributable reserves	10	25,341	25,341
<b>Total shareholders' funds</b>	11	<b>1,338,046</b>	<b>1,338,046</b>

The financial statements on pages 6 to 12 were approved by the board of directors on 29 April 2009 and were signed on its behalf by:



**P S Bland**  
Director

# **North British Steel Group plc**

## **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 is stated below.

### **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 228 of the Companies Act 1985, North British Steel Group plc does not prepare consolidated financial statements 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.

### **Redeemable preference shares**

In accordance with FRS 25, redeemable preference shares have been presented as a financial liability where the company is contractually obliged to repay the principal amount. As a result, the prior year redeemable preference shares have been reclassified as a financial liability.

# North British Steel Group plc

## Notes to the financial statements for the year ended 30 September 2008

### 1 Employee information

There were no persons employed by the company during the year (2007: none).

### 2 Directors' emoluments

None of the directors of the company received any emoluments for their services to the company during the year (2007: £nil).

### 3 Auditors' remuneration

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

### 4 Tax on profit on ordinary activities

	2008 £	2007 £
<b>Current tax</b>		
United Kingdom corporation tax on profit on ordinary activities	-	-
<b>Tax on profit on ordinary activities</b>	-	-

There is no difference between the tax assessed for the period and the effective rate of corporation tax in the United Kingdom of 29% (2007: 30%).

# North British Steel Group plc

## 5 Investments in subsidiary undertakings

	£
<b>Cost</b>	
At 1 October 2007	50,000
Liquidation of subsidiary	(50,000)
At 30 September 2008	-
<b>Provision</b>	
At 1 October 2007 and 30 September 2008	-
<b>Net book value</b>	
<b>At 30 September 2008</b>	-
At 30 September 2007	50,000

During the year Aurora Engineering (Scotland) Limited, a subsidiary undertaking of the company was liquidated.

## 6 Debtors

	2008	2007
	£	£
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	2,338,046	2,338,046

## 7 Creditors: amounts falling due within one year

	2008	2007
	£	£
Amounts due to group undertakings	-	50,000

# North British Steel Group plc

## 8 Creditors: amounts falling due after one year

	2008	2007
		Restated
	£	£
1,000,000 cumulative redeemable preference shares of £1 each	<b>1,000,000</b>	1,000,000

The redeemable preference shares carry a cumulative preferential fixed level of interest and have dates of redemption as set out in the Articles of Association.

The redeemable preference shares are held 100% by the immediate parent undertaking, Aurora Group Limited. As at 30 September 2008, the Directors of Aurora Group Limited agreed to waive their rights to redemption of the preference shares and any accrued interest in respect of the current and previous years.

## 9 Called up share capital

	2008	2007
		Restated
	£	£
<b>Authorised, allotted and fully paid</b>		
5,140,656 ordinary shares of £0.25 each	<b>1,285,164</b>	1,285,164

## 10 Reserves

	Other distributable reserves	Profit and loss account
	£	£
At 1 October 2007	25,341	27,541
Retained profit for the financial year	-	-
<b>At 30 September 2008</b>	<b>25,341</b>	<b>27,541</b>

## North British Steel Group plc

### 11 Reconciliation of movements in shareholders' funds

	£
Opening shareholders' funds (as previously reported)	2,338,046
Reclassification of redeemable preference shares as a financial liability	(1,000,000)
Opening shareholders' funds (as restated)	1,338,046
Profit for the year	-
<b>Closing shareholders' funds</b>	<b>1,338,046</b>

### 12 Immediate parent undertaking and ultimate controlling party

The immediate parent undertaking of the company is Aurora Group Limited, a company incorporated in England and Wales.

The ultimate parent undertaking of the group is Firth Rixson (Cyprus) Limited (formerly Brozero 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.