

Company Registration No. SC166753 (Scotland)

**NORSON GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

MONDAY



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# **NORSON GROUP LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	A McLean G Mullins M Buchan D Duguid
<b>Secretary</b>	Burness, Paul & Williamsons LLP
<b>Company number</b>	SC166753
<b>Registered office</b>	Union Plaza (6th Floor) 1 Union Wynd Aberdeen AB10 1DQ
<b>Auditors</b>	Ernst & Young LLP Blenheim House Fountainhall Road Aberdeen AB15 4DT
<b>Solicitors</b>	Burness, Paul & Williamsons LLP Union Plaza (6th Floor) 1 Union Wynd Aberdeen AB10 1DQ

# **NORSON GROUP LIMITED**

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# **NORSON GROUP LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2011***

The directors present their report and financial statements for the year ended 31 December 2011.

#### **Principal activities and review of the business**

The principal activity of the company is to operate as an intermediary holding company. During previous years the company also provided management services to subsidiary companies.

On 1st January 2011, the entire trade & assets and all employees of the company's UK subsidiary Norson Power Limited were transferred to EnerMech Limited's 'Hydraulics' business line. On the same date, all employees of the Norson Group Ltd company also transferred to EnerMech Limited, and the principal activity of the company effectively passed across to EnerMech Limited.

As a result of these transfers, the results for the 2010 period shown on page 8 were deemed 100% discontinued operations for the company.

The company still holds its investment in the continuing operations within its USA based subsidiary Norson Services LLC - this entity was renamed EnerMech Services LLC in December 2011.

#### **Results and dividends**

The results for the period are set out on page 8.

No dividends were paid during the period (2010: £NIL) and there is no change to Reserves during the period.

#### **Auditors**

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

#### **Directors**

The following directors have held office since 1 January 2011:

A McLean

G Mullins

G Telfer (resigned 28 February 2011)

M Buchan

D Duguid

# NORSON GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

#### 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.

#### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



G Mullins

Director

27 May 2013

# **NORSON GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF NORSON GROUP LIMITED**

We have audited the financial statements of Norson Group Limited for the period ended 31 December 2011 set out on pages 8 to 15. 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 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**

As explained more fully in the Directors' Responsibilities Statement, included in the Directors' Report set out on page 5, 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 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2011 and of its results 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 period for which the financial statements are prepared is consistent with the financial statements.

# NORSON GROUP LIMITED

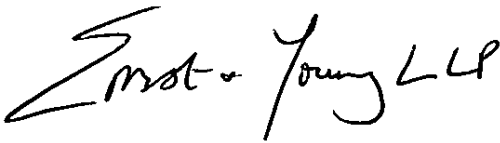
## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF NORSON GROUP 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.



Kenneth MacLeod Hall (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP (Statutory Auditor) Aberdeen

27, May 2013

# NORSON GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 DECEMBER 2011*

		Year ended 31 December 2011 £000	Period ended 31 December 2010 £000
	Notes		
Turnover	2	-	362
Administrative expenses		-	(465)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	3	-	(103)
Tax on loss on ordinary activities	4	-	-
		<hr/>	<hr/>
Loss for the year/period		-	(103)
		<hr/>	<hr/>

The profit and loss accounts for 2010 & 2011 are prepared on the basis that all operations are discontinued as of 31 December 2010.

There are no recognised gains and losses other than those passing through the profit and loss account.



# NORSON GROUP LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2011

			31 December 2011	31 December 2010
	Notes	£000	£000	£000
<b>Fixed assets</b>				
Investments	5		34	34
			<u>34</u>	<u>34</u>
<b>Current assets</b>				
Debtors	6	7,954		7,954
Cash held in escrow account	7	791		791
		<u>8,745</u>	<u>8,745</u>	
<b>Net current assets</b>			<u>8,745</u>	<u>8,745</u>
<b>Total assets less current liabilities</b>			<u>8,779</u>	<u>8,779</u>
<b>Provisions for liabilities</b>	7		(835)	(835)
			<u>7,944</u>	<u>7,944</u>
<b>Capital and reserves</b>				
Called up share capital	8		968	968
Share premium account	9		163	163
Other reserves	9		1,365	1,365
Profit and loss account	9		5,448	5,448
<b>Shareholders' funds</b>	9		<u>7,944</u>	<u>7,944</u>

Approved by the Board and authorised for issue on 27 May 2013



G Mullins  
Director

# **NORSON GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### ***FOR THE YEAR ENDED 31 DECEMBER 2011***

#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

##### **1.3 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.4 Pensions**

From 1 January 2011, all previously existing Pension scheme obligations of Norson Group Limited are being borne by EnerMech Limited.

##### **1.5 Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **1.6 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of EnerMech Group Limited, a company registered in Jersey, and is included in the consolidated accounts of that company.

#### **2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# NORSON GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

3	Operating loss	Year ended 31 December 2011 £000	Period ended 31 December 2010 £000
	Operating loss is stated after charging:		
	Depreciation of tangible assets	-	10
	Auditors' remuneration	-	22
	Directors' remuneration	-	92
		<u>          </u>	<u>          </u>

The intermediate parent EnerMech Limited bore auditors remunerations for the year of £2,000.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to Nil (2010: 1).

4	Taxation	Year ended 31 December 2011 £000	Period ended 31 December 2010 £000
	<b>Total current tax</b>	-	-
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year/period</b>		
	Loss on ordinary activities before taxation	-	(103)
		<u>          </u>	<u>          </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.50% (2010: 28.00%)	-	(29)
		<u>          </u>	<u>          </u>
	Effects of:		
	Capital allowances in excess of depreciation	-	(2)
	Tax losses not utilised	-	31
		<u>          </u>	<u>          </u>
		-	29
		<u>          </u>	<u>          </u>
	<b>Current tax charge for the year/period</b>	-	-
		<u>          </u>	<u>          </u>

The company has estimated losses of £ 682,000 (2010: £ 682,000) available for carry forward against future trading profits.

# NORSON GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

#### 5 Fixed asset investments

	Shares in subsidiary undertakings
	£000
<b>Cost &amp; Net book value</b>	
At 1 January 2011 & at 31 December 2011	34

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	%
		Class	
<b>Subsidiary undertakings</b>			
Norson Power Limited	Scotland	Ordinary	100
Norson Services LLC	USA	Ordinary	100
Norson Engineering Limited	Scotland	Ordinary	100
Norson Hydraulic Services Limited	Scotland	Ordinary	100

The results of the above have been included in the consolidated financial statements of EnerMech Group Limited.

6 Debtors	31 December 2011 £000	31 December 2010 £000
Amounts owed by parent and fellow subsidiary undertakings	7,954	7,954

#### 7 Provisions for liabilities: deferred consideration

	Other £000
Balance at 1 January 2011 and 31 December 2011	835

At 31 December 2011, the balance sheet included cash amounting to £791,064 (31 December 2010: £791,064), inclusive of interest of £6,063 (31 December 2010: £6,063), relating to the disposal of Norson Services Limited in March 2007. This is held in escrow accounts with the company's lawyers. The cash in escrow cannot be accessed without joint instruction of both the company and the purchaser. The final amount to be received relating to the disposal of Norson Services Limited could vary depending on the resolution of certain overseas tax assessments.

# NORSON GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

8	Share capital	31 December 2011 £000	31 December 2010 £000
	<b>Allotted, called up and fully paid</b>		
	483,335 ordinary shares of £1 each	483	483
	484,848 cumulative deferred shares of £1 each	485	485
		<hr/>	<hr/>
		968	968
		<hr/>	<hr/>

The rights of the above shares are as follows:

The deferred shares are entitled to a fixed cumulative preference dividend of £0.000001 per share, payable in priority. After payment of all cumulative deferred shares dividends, profits are available for distribution to the holders of ordinary shares only.

On a return of capital, the holders of the deferred shares shall be entitled to receive an aggregate sum of £1 only, as a class.

The holders of the deferred shares have no voting rights.

9	Reconciliation of movements in shareholders' funds	31 December 2011 £000	31 December 2010 £000
	Loss for the financial period	-	(103)
	Opening shareholders' funds	7,944	8,047
		<hr/>	<hr/>
	Closing shareholders' funds	7,944	7,944
		<hr/>	<hr/>

# NORSON GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

#### 10 Directors' remuneration

	Year ended 31 December 2011 £000	Period ended 31 December 2010 £000
Remuneration for qualifying services	-	89
Company pension contributions to defined contribution schemes	-	3
	<u>-</u>	<u>92</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to Nil (2010: 1).

#### 11 Employees

##### Number of employees

The average monthly number of employees (including directors) during the period was:

	Year ended 31 December 2011 Number	Period ended 31 December 2010 Number
Administration	-	7

	Year ended 31 December 2011 £000	Period ended 31 December 2010 £000
Employment costs		
Wages and salaries	-	146
Social security costs	-	15
Other pension costs	-	5
	<u>-</u>	<u>166</u>

#### 12 Related party transactions

At 31 December 2011, A McLean, a company director, was owed estimated deferred consideration of £4,165 (2010; £4,165), relating to the acquisition of the company.

## **NORSON GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2011***

##### **13 Control**

The company's immediate parent undertaking is Norson Holdings Limited, a company registered in Scotland.

The company's ultimate parent company is EnerMech Group Limited, a company registered in Jersey. EnerMech Group Limited is not controlled by any one person.

The smallest group, and the largest group, for which consolidated financial statements are prepared is EnerMech Group Limited, the company's ultimate parent company.

Copies of EnerMech Group Limited's financial statements are available from EnerMech House, Howes Road, Aberdeen, AB16 7AG