

Lone Star Holdings UK Limited
Annual report and financial statements
for the year ended 31 December 2013

Registered number: 06011438



Lone Star Holdings UK Limited

**Annual report and financial statements
for the year ended 31 December 2013**

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Lone Star Holdings UK Limited

Directors and advisers for the year ended 31 December 2013

Directors

S Mathilakath
S Diamond
C Hebden

Secretary and registered office

P J Lawton
Kennicott House
Well Lane
Wednesfield
Wolverhampton
West Midlands
WV11 1XR

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

Lloyds Banking Group Plc
114-116, Colmore Row
Birmingham
B3 3BD

Lone Star Holdings UK Limited

Strategic report for the year ended 31 December 2013

The directors present their strategic report of the company for the year ended 31 December 2013.

Principal activities

The principal activity of the company during the year was that of a holding company. Its subsidiaries remain the same as the prior year and are disclosed on page 12.

Results, business review and future developments

The company acts as an intermediate holding company only. There will not be any significant changes in the company's principal activities going forward.

The profit for the financial year amounted to £1,419,000 (2012: loss of £350,000). This profit relates to dividends received offset by interest payable on group loans.

Key performance indicators

The company's subsidiary, Lone Star Leeds Limited, operates across a diverse range of geographies and markets supplying a range of gasket and fastener products. Lone Star Grange is dormant. Each business has its own key performance with which to manage its operations. These KPIs are business unit specific and therefore are not measured and reported on a consolidated basis. There are no specific KPIs for Lone Star Holdings UK Limited.

Principal risks and uncertainties

As the company acts as an intermediate holding company the performance of investments is considered a principal risk. The directors regularly review the performance of subsidiary companies and receive detailed performance information that enable them to identify risks of potential impairment.

There are no other additional risks in the company than those disclosed in its parent, LSP Holding (UK) Limited.

By order of the Board



P J Lawton
Company Secretary

28 April 2014

Lone Star Holdings UK Limited

Directors' report for the year ended 31 December 2013

The directors present their report and audited financial statements for the year ended 31 December 2013.

Future developments

Future developments in the business of the company are detailed in the strategic report on page 2.

Dividends

The directors have not recommended the payment of a dividend (2012: £nil).

Directors

The Directors of the company during the year and up to the date of signing the financial statements were:

S Mathilakath (appointed 3 February 2014)
S Diamond (appointed 2 May 2013)
C Hebden
T Swales (resigned 31 August 2013)
M Stock (resigned 1 May 2013)

Director indemnity provision

Pursuant to the company's Articles of Association, the company has executed a deed poll of indemnity for the benefit of the directors of the company and persons who were directors of the company in respect of costs of defending claims against them and third party liabilities. The indemnity is a qualifying third party indemnity provision. This was in force throughout the last financial year and is currently in force. The indemnity provision in the company's Articles of Association also extends to provide a limited indemnity in respect of liabilities incurred as a director, secretary or officer of an associated company of the company.

A copy of the deed poll of indemnity and the company's Articles of Association are available for inspection at the company's registered office during normal business hours.

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, under section 418 of the Companies Act 2006, the following applies:

- So far as each director is aware, there is no relevant audit evidence of which the company's auditors are unaware; and
- Each director has taken 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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they will be reappointed will be proposed at the annual general meeting.

Lone Star Holdings UK Limited

Directors' report for the year ended 31 December 2013 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared 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;
- 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 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.

By order of the Board



P J Lawton
Company Secretary

28 April 2014

Registered Number: 06011438

Independent auditors' report to the members of Lone Star Holdings UK Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Lone Star Holdings UK Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report to the members of Lone Star Holdings UK Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

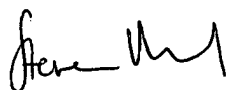
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 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 ISAs (UK & 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 Chapter 3 of Part 16 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.



Steven Kentish (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

30 April 2014

Lone Star Holdings UK Limited

Profit and loss account for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Operating result	2	-	-
Income from shares in group undertakings		1,800	-
Interest payable and similar charges	3	(381)	(350)
Profit/(loss) on ordinary activities before taxation		1,419	(350)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the financial year	9	1,419	(350)

All activities relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the historical cost gains and losses and those presented above, and thus no statement of historical cost profits and losses has been presented.

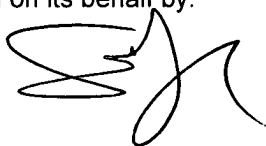
The notes on pages 9 to 14 form part of these financial statements.

Lone Star Holdings UK Limited

Balance sheet as at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	5	4,502	4,502
		4,502	4,502
Current assets			
Debtors (of which £1,800,000 (2012: £nil) due in more than one year)	6	1,800	-
		1,800	-
Net current assets		1,800	-
Total assets less net current liabilities		6,302	4,502
Creditors: amounts falling due after more than one year	7	(6,157)	(5,776)
Net assets/(liabilities)		145	(1,274)
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	145	(1,274)
Total shareholders' funds/(deficit)	10	145	(1,274)

The board of directors approved the financial statements on pages 7 to 14 on 28 April 2014 and they were signed on its behalf by:



S Diamond
Director

The accompanying notes on pages 9 to 14 form part of these financial statements.

Registered number: 06011438

Lone Star Holdings UK Limited

Notes to the financial statements for the year ended 31 December 2013

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards in the United Kingdom under the historical cost convention and the Companies Act 2006. A summary of the principal accounting policies that have been consistently applied are set out below.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary (through an intermediate parent undertaking) of LSP Holding (UK) Ltd, which is incorporated in the EEA and prepares consolidated financial statements. Therefore, in accordance with Section 400 of the Companies Act 2006, the company is not required to produce, and has not published, consolidated financial statements.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 "Cash Flow Statements" (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its intermediary parent undertaking, LSP Holding (UK) Limited, publishes a consolidated cash flow statement.

Investments

Investments are shown at cost less any provision for impairment.

Current taxation

Current tax is recognised on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Lone Star Holdings UK Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

2 Operating result

Auditors' remuneration

Auditors' remuneration in respect of the company of £2,000 is paid for by LSP Holding (UK) Limited and is not recharged to the company. (2012: £2,000 was paid by LSP Holding (UK) Limited).

Employees and directors

The company had no employees during the year, other than the directors, none of whom received any remuneration for their services to the company.

3 Interest payable and similar charges

	2013	2012
	£'000	£'000
Bank interest payable	6	-
Interest payable on group loans	375	350
	381	350

Lone Star Holdings UK Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Tax on profit/(loss) on ordinary activities

(a) Analysis of the tax charge in the year

	2013	2012
	£'000	£'000
Current tax		
UK corporation tax at 23.25% (2012: 24.5%)	-	-
Total current tax	-	-
Tax on profit/(loss) on ordinary activities	-	-

(b) Factors affecting the current taxation charge

The tax assessed for the year is lower than (2012: higher than) the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%) as shown below:

	2013	2012
	£'000	£'000
Profit/(loss) on ordinary activities before taxation	1,419	(350)
Profit/(loss) on ordinary activities multiplied by the standard rate	330	(86)
<i>Effect on tax charge of:</i>		
Non taxable dividend income	(419)	
Group relief surrendered for nil consideration	89	86
Total current tax charge	-	-

(c) Factors affecting future tax charges

The standard rate of corporation tax in the United Kingdom changed from 24% to 23% with effect from 1 April 2013. Accordingly the company's results for the year ended 31 December 2013 are taxed at 23.25%.

Further changes to the UK corporation tax rate were substantively enacted as part of the Finance Bill on 2 July 2013. These include reductions to the main rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had been substantively enacted at the balance sheet date.

The company has no recognised or unrecognised deferred tax (2012: £nil).

Lone Star Holdings UK Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

5 Fixed asset investments

	Subsidiary undertaking shares £'000
Cost	
At 1 January and 31 December 2013	4,502
Net Book value	
At 1 January and 31 December 2013	4,502

The company owns 100% of the issued share capital of the following companies incorporated in England and Wales:

Name	Nature of business
Lone Star Grange Limited	Dormant
Lone Star Leeds Limited	Manufacturer of precision components for the petrochemical and engineering industry and provides various types of electro plating and specialist surface treatments.

The directors believe that the carrying value of the investments is supported by their underlying net assets or future expected trading.

6 Debtors

	2013	2012
	£'000	£'000
Amounts owed by group undertakings	1,800	-

Amounts owed by group undertakings are unsecured, have no interest charge and are repayable on demand.

Of the amounts owed by group undertakings disclosed above, £1,800,000 (2012: £nil) is recoverable in greater than one year.

Lone Star Holdings UK Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Creditors: amounts falling due after more than one year

	2013	2012
	£'000	£'000
Amounts owed to group undertakings	6,157	5,776

Amounts owed to group undertakings are unsecured and have no fixed date of repayment.

8 Called up share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
100 (2012:100) ordinary shares of £1 each	100	100

9 Profit and loss account

	2013	2012
	£'000	£'000
At 1 January	(1,274)	(924)
Profit/(loss) for the financial year	1,419	(350)
At 31 December	145	(1,274)

Lone Star Holdings UK Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

10 Reconciliation of movements in total shareholders' deficit

	2013	2012
	£'000	£'000
Profit/(loss) for the financial year	1,419	(350)
Net addition/(reduction) to shareholders' deficit	1,419	(350)
Opening total shareholders' deficit	(1,274)	(924)
Closing total shareholders' funds/(deficit)	145	(1,274)

11 Related party transactions

The company is a wholly owned subsidiary undertaking of LSP Acquisition (UK) Limited and has taken advantage of the exemptions permitted under Financial Reporting Standard 8 "Related Party Transactions" not to provide details of transactions with fellow wholly owned group undertakings within the LSP Holding (UK) Ltd group in these financial statements. The financial statements of the largest and smallest group in which the company is consolidated are publically available.

12 Contingent liabilities

The company is party to a group debt facility agreement provided by Lloyds Banking Group, whereby the majority of companies within the LSP Holding (UK) Ltd group guarantee the debt of other companies within the group. LSP Holding (UK) Ltd group's banking facilities are supported by legal charges on the assets of the group. At 31 December 2013, the company had contingent liabilities of £9,984,000 (2012: £17,390,000) under this cross guarantee arrangement. The directors do not anticipate that the company will be called upon to honour this guarantee.

13 Ultimate parent company and controlling party

The immediate parent company of the company is LSP Acquisition (UK) Limited, a company registered in England and Wales.

The ultimate parent company is LSP Holding Sarl, a company registered in Luxembourg. These financial statements can be obtained from registered office of LSP Holding Sarl, 6D, EBBC, Route de Treves, L-2633, Senningerberg, Luxembourg.. The ultimate controlling party of LSP Holding Sarl is AEA Investors LP.

The largest and smallest group in which the company is consolidated is that of LSP Holding (UK) Ltd, and consolidated financial statements can be obtained from the registered office address of Kennicott House, Well Lane, Wednesfield, Wolverhampton, WV11 1XR.