Admission Document

for the admission to trading on Nordic ABM of "*Whitworth Midco Limited 12.875% senior secured USD 60,000,000 bonds 2023/2027*" with ISIN NO0012939661

Whitworth Midco PLC

LoneStar Group

This admission document (the "Admission Document") has been prepared by Whitworth Midco PLC ("Whitworth" or the "Issuer") in accordance with section 2.7.2.3 of the ABM Rules for the purpose of the admission to trading on Nordic ABM of a senior secured bond issue 2023/2027 with ISIN NO0012939661 and an initial nominal amount of USD 1.00 (the "Bonds") issued by the Issuer pursuant to the bond terms dated 20 June 2023 (the "Bond Terms"), attached as Appendix 1 to this Admission Document.

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1. Statement of responsibility

The Issuer confirms that, to the best of its knowledge, the information contained in this Admission Document is in accordance with the facts and the document contains no omission likely to affect its import.

18th December 2023

On behalf of
Whitworth Midco PLC

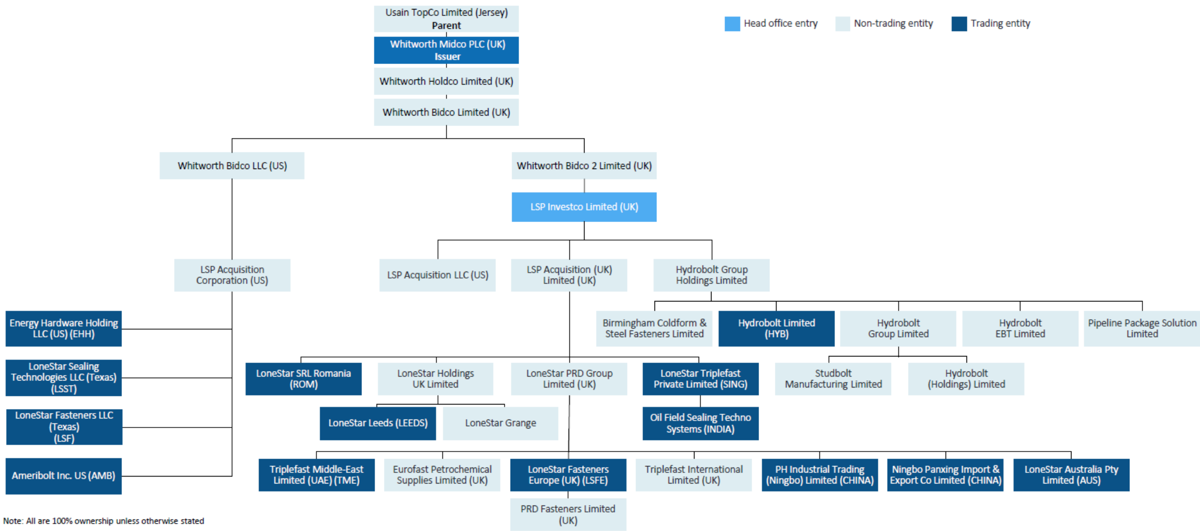
Statement from the Listing Agent:
Nordic Trustee Services AS, acting as Listing Agent, has assisted the Issuer in preparing this Admission Document. The Listing Agent has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Listing Agent expressively disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Admission Document or any other information supplied in connection with Bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Admission Document acknowledges that such person has not relied on the Listing Agent nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

2. Information about the Issuer

The Issuer's business name is Whitworth Midco PLC. The Issuer was incorporated on 14th November 2022 as a limited liability company domiciled in the UK and organized and existing under the laws of England and Wales pursuant to UK company law and legislation. The Issuer re-registered as a public company on 12th December 2023. Its registration number is 14482792 and LEI-code 984500V5CFB10A3FCB17. The Issuer's registered office address is Universal Point, Steelmans Road, Wednesbury, West Midlands, England, WS10 9UZ.

On 8th March 2023, Whitworth Bidco Limited, a subsidiary to the Issuer closed the acquisition of LSP Investco Limited and its subsidiaries, together known as LoneStar Group. The Issuer then became part of the LoneStar Group, consisting of the Issuer and the Issuer's directly and indirectly owned subsidiaries. The Issuer is an intermediate holding company and the operations of the Group are carried out through the operating subsidiaries of the Issuer. The Issuer also acts as a financing vehicle for the Group. Other than the acquisition of LSP Investco Limited on 8th March 2023, the issuance of the bonds subject to this Admission Document and the Issuer's re-registration as a PLC, there have been no key developments in the Issuer's business since its incorporation. It will remain an investment holding company in the foreseeable future.

As of the date of this Admission Document, the Issuer's registered share capital is GBP 50,000. There have been no changes in the issued share capital that have been formally approved. The Issuer is a privately held company majority owned, through its parent company Usain Topco Limited, by funds advised by Epiris LLP (the "Sponsor"). The Sponsor holds indirectly 83% of the shares while 17% are held by the management.



Management:
There is no CEO in the Issuer or other officers, except for the two directors; Jonathan Mark Ainsworth and Natalie Amanda Shaw. Richard Pickles is the CEO of the Group.

Richard Pickles - Chief Executive Officer
Mr. Richard Pickles has a wealth of experience and a proven track record in international industrial manufacturing and distribution businesses, and in business development in new geographical, industrial and product markets.

Jonathan Mark Ainsworth – Director
Mr. Ainsworth is a Director. He is also the Chief Financial Officer of the LoneStar Group and therefore conducts activities in relation to the activities of the Group as a whole. Mr. Ainsworth has over 10 years of experience at LoneStar Group. Prior to that his experience includes over 15 years with PwC mainly in corporate finance.

Natalie Amanda Shaw – Director

Mrs. Shaw is a Director. She is also the Group Financial Controller of the LoneStar Group and therefore conducts activities in relation to the activities of the Group as a whole.

Both Directors and the Group CEO can be reached at the Issuers registered office address.

3. Business overview

LoneStar Group is a global manufacturer and supplier of high-performance fasteners, sealing products, precision engineered components and pipeline packages to the world's industry and energy markets. The group utilises a worldwide network of in-house manufacturing and distribution operations, as well as primary supply sources, to supply and support customers worldwide. LoneStar Group maintains world class manufacturing facilities and fully certified raw materials, semi-finished and finished components, selling to OEMs (original equipment manufacturer), distributors and end-users. The company has a broad and diversified customer base comprising +2,000 unique customers, some of which have been with LoneStar Group for more than 25 years. Headquartered in Wolverhampton, UK, the company has more than 1,100 employees across 17 sites.

Fasteners

Fasteners are LoneStar Group's largest product offering, accounting for 81%[1] of 2022 revenue. LoneStar Group produces and distributes high-quality fasteners including custom and standard bolting, stud bolts, headed bolts, and bolting accessories. The bulk of products comprise various types of hardware devices that mechanically join or affix two or more objects together, and are used to create non-permanent joints. Products are manufactured for critical applications such as subsea and onshore applications. LoneStar Group has successfully diversified into different markets, with the revenue it derives from fastener sales also now coming from wind, infrastructure and nuclear applications in addition to its traditional energy and energy transition markets.

Sealing & Ancillary

LoneStar Group also manufactures and supplies ring joint gaskets, spiral wound gaskets, custom sealing solutions, critical subsea gaskets, gates, and stems. These are mechanical seals filling the space between two or more mating surfaces, generally to prevent leakage from or into the joined objects while under compression from fasteners. Complementary to fasteners offering as clients prefer to source from one supplier. Other categories supplied include machined parts, hardware, electrical components, lubrication systems, wire and cable management products.

LoneStar Group is a leading player within the energy markets in each of the key regions where it operates. However, LoneStar Group has only an estimated ~4% market share of the global addressable market. Relevant competitors can be segmented by their offering and geographical footprint (single vs. multi-region and manufacturer vs. distributor); LoneStar Group is one of two players operating as a multi-region player with both manufacturing and distribution capabilities. Consequently, LoneStar Group faces limited direct competition as a multi-region player offering high

[1] *Management estimate*

specification fasteners through distribution, conversion and manufacturing. Players with high-specification manufacturing / value-add distribution capabilities (e.g., LoneStar Group) are well-served by entry barriers due to complex processes to obtain industry standard approvals and certifications for higher spec products. In the lower specification industry standard distribution segment, barriers to entry are lower, however LoneStar Group's depth and breadth of inventory is a significant competitive advantage.

Nine manufacturing sites coupled with strategically placed sales/distributions hubs enabling global coverage:

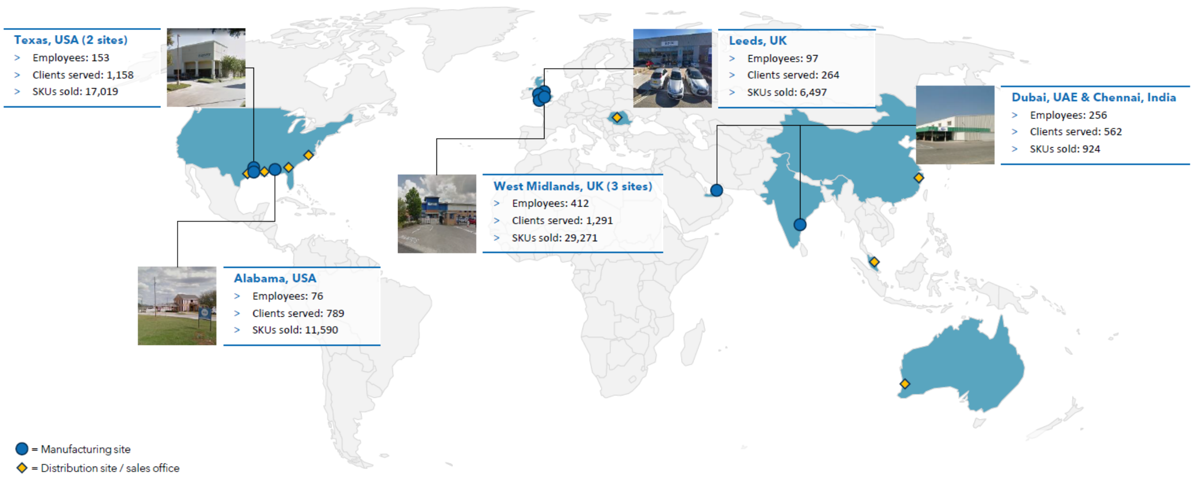


Chart as of March 2023. Where number of sites stated above it refers to manufacturing sites.

LoneStar Group has over 2,000 customers, giving it one of the largest global presences of any fastener business in its segment of the energy, industrial and infrastructure markets. The company has developed a strong relationship with its customer base as a result of its decentralised business model, whereby LoneStar Group has been able to effectively capitalise on its global presence by leveraging more localised support from regional brands, each strategically situated to capture customer demand. LoneStar Group enjoys valuable and long-standing client relationship with blue-chip clients such as GE Renewables (renewables), GE Power and Siemens (non-renewable power), Schlumberger, Shell and TechnipFMC (traditional energy), and Rolls Royce (defence/industrials). Ultimately, this customer demand is driven by the quality of the product offering and customer service provided by LoneStar Group, both of which underpin its place on numerous approved vendor lists (AVLs) and approved manufacturer lists (AMLs). This in turn has led to long-lasting customer relationships, which have largely remained unaffected, despite changing industry trends.

For further detail on the LoneStar Group and its activities, please refer to https://www.lonestargroup.com/en/

4. Financial information

Since the Issuer was first incorporated in November 2022 there are no statutory accounts available. As an investment holding company it does not have any revenue and therefore no operating results. Whitworth Midco PLC acquired the LoneStar Group on the 8th March 2023. Financial information for Q3 2023 and financial position at 30th September 2023 is presented on a pro-forma consolidated basis at the level of Whitworth Midco PLC. Comparatives including certain pre-acquisition financial information are presented on a pro forma basis. Please see appendix 4 for the Q3 2023 Unaudited Financial Report, and appendix 5 for the Q2 2023 Unaudited Financial Report.

The Issuer's first accounting period to December 2023 with audited accounts will be available by the end of April 2024. KPMG LLP is the Issuer's auditor.

For the periods covered by the last 3 years LSP Investco Limited ("LSPI") statutory accounts provided and through to 8th March 2023 the results of all operating subsidiaries are included in the consolidated results of LSPI. Post 8th March 2023 all of these operating subsidiaries are indirectly owned by the issuer, Whitworth Midco PLC, although post the transaction on 8th March 2023 the US operating subsidiaries are no longer indirectly owned by LSPI.

The income statement figures prepared for the FY22 and previous LSPI statutory accounts and for the issuer for FY23 onwards would, on a proforma basis, produce the same trading results i.e. down to operating profit before depreciation, amortisation and exceptional costs. Amortisation and other items below operating profit such as interest will vary in the issuer's accounts going forward due to the acquisition accounting, accounting for share based payments and changes in the financing structure of the group.

On a similar basis, the balance sheet would be comparable from a working capital and tangible fixed asset perspective however post the transaction certain balances including consolidated goodwill, intangible assets, the value of investments, financing related items and share capital structure will differ between the LSPI accounts and the Issuer. As with the income statement, the underlying operating cash flow (pre-exceptionals) generated by the operating subsidiaries would be comparable on a proforma basis between LSPI and the Issuer however comparability of items below operating cash flow (pre-exceptionals) would be impacted by acquisition related items and the new financing structure.

The Issuer's only external debt is the USD 40,000,000 issued bonds with ISIN NO0012939661. As of 30 September 2023, there is also an intercompany loan between the Issuer and its parent, Usain Topco Limited, in an amount of c.£14.25m due by the Issuer to its parent.

Certain of the Issuer's direct and indirect subsidiaries are party to a facilities agreement with Wells Fargo. The maximum size of the Wells Fargo Credit Facility, as per the facility agreement, is GBP 50m in aggregate.

There are no major future investments planned by the Issuer that have been approved by its corporate bodies.

There are no legal disputes, arbitration proceedings, legal decisions, arbitration rulings or settlements not shown in the accounts appended to the Admission Document which have or may have a significant effect on the Issuer's financial position.

5. Attached documents

- Appendix 1: Bond Terms - NO0012939661
- Appendix 2: Loan description - NO0012939661
- Appendix 3: Articles of Association
- Appendix 4: Whitworth Midco Limited - Q3 2023 Unaudited Financial Report
- Appendix 5: Whitworth Midco Limited - Q2 2023 Unaudited Financial Report
- Appendix 6: Income statement - pro forma reconciliation
- Appendix 7: LSP Investco Limited – Annual report and consolidated financial statements 2022 – audited by KPMG LLP
- Appendix 8: LSP Investco Limited – Annual report and consolidated financial statements 2021 – audited by KPMG LLP
- Appendix 9: LSP Investco Limited – Annual report and consolidated financial statements 2020 – audited by KPMG LLP

The documents mentioned in this Admission Document are either attached to this Admission document or available at www.gov.uk.

Execution version

BOND TERMS

FOR

Whitworth Midco Limited 12.875% senior secured USD 60,000,000 bonds 2023/2027

ISIN NO0012939661

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BOND TERMS between	
ISSUER:	Whitworth Midco Limited, a limited liability company incorporated under the laws of England and Wales with registration number 14482792 and LEI-code 984500V5CFB10A3FCB17 and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	20 June 2023
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

"**Acceptable Bank**" means:

(a) Wells Fargo Capital Finance (UK) Limited and Wells Fargo Bank, National Association, London Branch, PNC Bank NA, Regions Bank, HSBC Bank PLC, Lloyds Bank PLC, TSB Bank PLC, Barclays Bank PLC, The Royal Bank of Scotland PLC, National Westminster Bank PLC and Santander UK PLC (and, in each case, their Affiliates and/or successors in title);

(b) a bank or financial institution which has a rating for its long term unsecured and non credit enhanced debt obligations of BBB or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa2 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or

(c) any other bank or financial institution, provided that any amount held with such bank or financial institution exceeding an aggregate amount of GBP 2 million (or its equivalent in other currencies) shall not count towards Cash and Cash Equivalents.

"**Accounting Standard**" means GAAP.

"**Additional Bonds**" means the debt instruments issued under a Tap Issue, including any Temporary Bonds.

"**Affiliate**" means, in relation to any person:

(a) any person which is a Subsidiary of that person;

(b) any person with Decisive Influence over that person (directly or indirectly); and

(c) any person which is a Subsidiary of an entity with Decisive Influence over that person (directly or indirectly).

"**Amendment Letter**" means the letter dated 13 June 2023 entered into between by Whitworth Holdco Limited as parent and obligor's agent and Wells Fargo Capital Finance (UK) Limited as agent, pursuant to which, *inter alia*, the Existing Facility Agreement is amended to reflect that distributions from other Group Companies to the Issuer for the purpose of funding the Issuer's interest payment obligations under the Bond Terms are permitted.

"**Annual Financial Statements**" means the audited consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

"**Attachment**" means any schedule, appendix or other attachment to these Bond Terms.

"**Bond Currency**" means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Bond Issue**" means the Initial Bond Issue and any issuance of Additional Bonds.

"**Bond Terms**" means these terms and conditions, including all Attachments which form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

"**Bond Trustee**" means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

"**Bond Trustee Fee Agreement**" means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

"**Bondholder**" means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

"**Bondholders' Meeting**" means a meeting of Bondholders as set out in Clause 15 (*Bondholders' Decisions*).

"**Bonds**" means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

"**Borrowings**" means, at any time, (without double counting) the outstanding principal, capital or nominal amount of Financial Indebtedness of the Group, excluding:

(a) any Treasury Transaction, except to the extent due and payable;

(b) the amount of any liability in respect of pension obligations of the Group;

(c) Financial Indebtedness owed by one member of the Group to another member of the Group;

(d) any Subordinated Loans;

(e) Financial Indebtedness arising in respect of credit card, merchant services, payment processing, or daylight facilities incurred in the ordinary course of the Group's day-to-day banking, payment processing and merchant services arrangements;

(f) any increase or decrease in the amount of Borrowings arising solely and directly due to the application of FRS 26; and

(g) any amount of deferred consideration or earn-out which is contingent or not contractually certain as to amount and due and payable by a member of the Group,

but including any liabilities in respect of any guarantee, performance bond, advance payment bond, documentary letter of credit or equivalent, to the extent such liabilities have become payable by any member of the Group and remain unpaid.

"**Business Day**" means a day on which both the relevant CSD settlement system is open, and the relevant settlement system for the Bond Currency is open.

"**Business Day Convention**" means that if the last day of any Interest Period originally falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.

"**Call Option**" has the meaning ascribed to such term in Clause 10.2 (*Voluntary early redemption – Call Option*).

"**Call Option Repayment Date**" means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

"**Cash and Cash Equivalents**" means, at the date of calculation (on a consolidated basis for the Group), the aggregate amount of the Group's freely available:

(a) payments made by cheque or debit card which have been paid to a Group Company but are yet to be received in cleared funds, cash in hand or in transit between Group Companies, or cash on deposit with any Acceptable Bank (as reported in its Financial Reports); and

(b) cash equivalents (as reported in its Financial Reports),

in all cases unencumbered by any Security (other than one arising pursuant to any Credit Facility, netting, set-off, cash management, cash pooling or consolidation or combination of accounts in accordance with the Group's banking arrangements and calculated on a net basis after deduction of taxes and other withholdings).

"**Change of Control Event**" means the occurrence of an event or series of events whereby:

(a) the Parent ceases to hold and control 100 per cent. of the shares in the Issuer; and/or

(b) a person or group of persons acting in concert, other than an Existing Shareholder, gaining Decisive Influence over the Issuer.

"**Compliance Certificate**" means a statement substantially in the form as set out in Attachment 1 hereto.

"**Consolidated Net Debt**" means, in respect of the Group at any time, the aggregate at that time of all Borrowings of members of the Group, calculated on a consolidated basis, but:

(a) including the capitalised value of any Finance Lease; and

(b) deducting the aggregate amount of Cash and Cash Equivalents held by any member of the Group at that time.

"**Credit Facility**" means the Existing Facility or any facility refinancing that facility, provided that any refinancing is made with a commercial bank and that the all-in-yield (taking into account interest margins, interest rate floors and upfront fees and original issue discount, but excluding arrangement fees that are not payable to all initial lenders) for the creditors of the refinancing shall not exceed the all-in-yield which apply to the Existing Facility by more than 1 percentage point, and provided in each case that the commitment under such facility/ies do not exceed the higher of:

(a) GBP 50,000,000; and

(b) provided that the Incurrence Test is met on the date of an increase of the commitment (pro forma calculation), GBP 50,000,000 plus an amount equal to, on a 1:1 basis, the positive EBITDA (as per the last date of the Relevant Period ending immediately prior to the date of the completion of the acquisition of such company) contributed by a company (or if a group of companies, on a consolidated basis) acquired by a member of the Group after the date of the Bond Terms.

"**CSD**" means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

"**Decisive Influence**" means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

(a) a majority of the voting rights in that other person; or

(b) a right to elect or remove a majority of the members of the board of directors of that other person.

"**Default Notice**" has the meaning ascribed to such term in Clause 14.2 (*Acceleration of the Bonds*).

"**Default Repayment Date**" means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

"**Deferred Consideration**" means the deferred consideration owed by Whitworth Bidco Limited to the institutional sellers specified in the SPA relating to LSP Investco Ltd dated 18 December 2022, in an amount of up to GBP 6,000,000 to be settled no later than 30 September 2023.

"**EBITDA**" means in respect of any Relevant Period, the consolidated operating profit of the Group before taxation (excluding the results from discontinued operations):

(a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis) in respect of that Relevant Period;

(b) not including any accrued interest owing to any Group Company;

(c) after adding back any amount attributable to the amortisation or depreciation of assets of members of the Group;

(d) before taking into account any Exceptional Items, provided that the maximum adjustments for such items (other than Transaction Costs) may not exceed (in aggregate for all such items) 10 % of EBITDA (prior to making any adjustments for any such Exceptional Items) for any Relevant Period;

(e) before taking into account any Transaction Costs;

(f) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;

(g) before taking into account any unrealised gains or losses on any derivative or financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);

(h) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset (including, for the avoidance of doubt, any revaluation due to exchange rate movements);

(i) before taking into account any Pension Items; and

(j) excluding the charge to profit represented by the expensing of stock options or share based payments, in each case only non-cash payments; and

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation.

The EBITDA for the Relevant Period shall be adjusted by:

(a) Including the operating profit before interest, tax, depreciation, amortization and impairment charges (calculated on the same basis as EBITDA) of a Group Company for the Relevant Period (or attributable to a business or assets acquired by a Group Company during such period) prior to it becoming a Group Company or (as the case may be) prior to the acquisition of the business or assets; and

(b) Excluding the operating profit before interest, tax, depreciation, amortization and impairment charges (calculated on the same basis as EBITDA) for the Relevant Period of any Group Company (or, as the case may be, any business or assets) sold or disposed of by a Group Company during such period.

"**Equity Bridge Loan**" means £31,330,000 10% Fixed Rate Unsecured Loan Notes (plus accrued and unpaid interest) due 2033 held by funds advised by Epiris LLP and management.

"**Escrow Account**" means an account in the name of the Escrow Agent, blocked and pledged on first priority as security for the Issuer's obligations under the Finance Documents.

"**Escrow Account Pledge**" means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

"**Escrow Agent**" means Pareto Securities AS.

"**Event of Default**" means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

"**Exceptional Items**" means any exceptional, one off, non-recurring or extraordinary items which represent gains or losses including (without limitation) those arising on:

(a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(b) disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment;

(c) disposals of assets associated with discontinued operations or business; and

(d) Transaction Costs.

"**Exchange**" means:

(a) Nordic ABM, a self-regulated marketplace organised and operated by Oslo Børs; or

(b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

"**Existing Facility**" means the term loan and revolving credit facility agreement originally dated 18 December 2022 (as amended from time to time, including pursuant to the Amendment Letter) entered into by, *inter alia*, Whitworth Bidco Limited as borrower and Wells Fargo Bank, National Association, London Branch as original lender.

"**Existing Shareholder**" means any funds managed or advised by Epiris LLP.

"**Finance Documents**" means these Bond Terms, the Bond Trustee Fee Agreement, any Transaction Security Document, the Subordination Deed, and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

"**Finance Leases**" means any finance lease or capital lease (other than any which is or would have been classified as an operating lease under the Accounting Standard in force as at 31 December 2018).

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed (and debit balances at banks or other financial institutions);

(b) acceptance credits;

(c) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(d) any amount raised pursuant to any note purchase facility or the issue of bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument, including the Bonds;

(e) the amount of any liability in respect of Finance Leases;

(f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability (but not, in any case, Trade Instruments) of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;

(i) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;

(j) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance, or (b) the agreement is in respect of the supply of assets or services and payment is due more than 180 calendar days after the date of supply;

(k) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard, other than any finance lease or capital lease which would not fall under the definition of "Finance Lease"; and

(l) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.

"**Financial Reports**" means the Annual Financial Statements and the Interim Accounts.

"**Financial Support**" means any (i) loans or credit, or (ii) guarantee or indemnity in respect of Financial Indebtedness.

"**First Call Date**" means the Interest Payment Date falling in June 2025.

"**First Issue Date**" means 21 June 2023.

"**GAAP**" means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

"**GBP**" means the lawful currency of the United Kingdom.

"**Government Bond Rate**" means the interest rate of debt securities instruments issued by the government of the Relevant Jurisdiction on the day falling 2 Business Days before the notification to the Bondholders of the Make Whole Amount pursuant to paragraph (c) of Clause 10.2 (*Voluntary early redemption – Call Option*).

"**Group**" means the Issuer with all its Subsidiaries from time to time.

"**Group Company**" means any person which is a member of the Group.

"**HoldCo**" means Whitworth Holdco Limited, a limited liability company incorporated under the laws of England and Wales with registration number 14483578.

"**IFRS**" means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

"**Incurrence Test**" has the meaning ascribed to such term in Clause 13.20 (*Financial covenants*).

"**Initial Bond Issue**" means the amount to be issued on the First Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Initial Nominal Amount**" means the Nominal Amount of each Bond on the First Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Insolvent**" means that a person:

(a) is unable or admits inability to pay its debts as they fall due;

(b) suspends making payments on any of its debts generally; or

(c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

"**Interest Payment Date**" means the last day of each Interest Period, the first Interest Payment Date being 21 September 2023 and the last Interest Payment Date being the Maturity Date.

"**Interest Period**" means, subject to adjustment in accordance with the Business Day Convention, the periods between September, December, March and June each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

"**Interest Rate**" means 12.875 percentage points per annum.

"**Interim Accounts**" means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with the Accounting Standard, with the exception of year end adjustments and notes. Such financial statements to be in accordance with the rules of the Exchange, and include, inter alia, a profit and loss account, balance sheet, cash flow statement and commentary on the financial statements.

"**ISIN**" means International Securities Identification Number.

"**Issuer**" means the company designated as such in the preamble to these Bond Terms.

"**Issuer's Bonds**" means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

"**Leverage Ratio**" means, in respect of any Relevant Period, the ratio of Consolidated Net Debt on the last day of that Relevant Period to EBITDA for that Relevant Period.

"**Listing Failure Event**" means:

(a) that the Bonds (save for any Temporary Bonds) have not been admitted to listing on an Exchange within 6 months following the First Issue Date, or

(b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange, or

(c) that the Temporary Bonds have not been admitted to listing on the Exchange where the other Bonds are listed within 6 months following the issue date for such Temporary Bonds.

"**Make Whole Amount**" means an amount equal to the sum of the present value on the Call Option Repayment Date of:

(a) the Nominal Amount of the redeemed Bonds at the price as set out in paragraph (a) (ii) of Clause 10.2 (*Voluntary early redemption – Call Option*) as if such payment originally had taken place on the First Call Date; and

(b) the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date) to the First Call Date,

where the present value in respect of both (a) and (b) above shall be calculated by using a discount rate of 50 basis points above the comparable Government Bond Rate (i.e. comparable to the remaining Macaulay duration of the Bonds from the Call Option Repayment Date until the First Call Date using linear interpolation).

"**Managers**" means Pareto Securities AS and Nordea Bank Abp.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the business, financial condition or operations of the Group taken as a whole;

(b) the ability of the Issuer or any Security Provider to perform and comply with its obligations under any Finance Document; or

(c) the validity or enforceability of any Finance Document.

"**Maturity Date**" means *21 June 2027*, adjusted according to the Business Day Convention.

"**Maximum Issue Amount**" means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Net Proceeds**" means the proceeds from the issuance of the Bonds (net of fees and legal cost of the Managers and, if required by the Bond Trustee, the Bond Trustee fee, and any other cost and expenses incurred in connection with the issuance of the Bonds).

"**Nominal Amount**" means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

"**Outstanding Bonds**" means any Bonds not redeemed or otherwise discharged.

"**Overdue Amount**" means any amount required to be paid by the Issuer under the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

"**Parent**" means Usain Topco Limited, incorporated under the laws of Jersey with business registration number 146091, being the direct sole shareholder of the Issuer.

"**Partial Payment**" means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

"**Paying Agent**" means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

"**Payment Date**" means any Interest Payment Date or any Repayment Date.

"**Pension Items**" means any income or charge attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme.

"**Permitted Acquisitions**" means an acquisition by a Group Company of all or the majority of the shares or equivalent ownership interests of an entity, business or undertaking financed, in part or in full, with proceeds from any Additional Bonds (each a "**Proposed Target**"), provided that:

(a) the business of the Proposed Target is similar or complementary to that of the Group;

(b) the consolidated earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) of the entity, business or undertaking to be acquired is positive for the twelve-month period ending on the relevant date immediately preceding the closing date of the acquisition; and

(c) no Event of Default is continuing and no Event of Default would occur on the date of or result from the acquisition.

"**Permitted Distribution**" means:

(a) any distribution made by the Issuer to cover the administrative costs, tax, professional fees and regulatory costs of any direct or indirect holding company of the Issuer and the Sponsor's management fees, in an amount not exceeding EUR 500,000 per annum;

(b) any distribution made in connection with the Deferred Consideration; and

(c) any distribution made by a Subsidiary of the Issuer, if such distribution is made to another Group Company or (in the case of Subsidiaries not wholly owned by such Group Company) to any other holder of equity interests pro-rata to that shareholder's equity interest,

in the case of (a) and (b) above, provided that no Permitted Distribution may be made at any time whilst an Event of Default is continuing or would result from the proposed distribution.

"**Permitted Financial Indebtedness**" means:

(a) any Financial Indebtedness incurred pursuant to the Finance Documents (including any Tap Issue subject to compliance with the Incurrence Test);

(b) Financial Indebtedness incurred pursuant to any Subordinated Loan;

(c) any Financial Indebtedness incurred under a Credit Facility;

(d) Financial Indebtedness arising under the Deferred Consideration;

(e) Financial Indebtedness related to Treasury Transactions in the ordinary course of business and on a non-speculative basis;

(f) incurred under any guarantee, bond or guarantee or letter of credit facility, in each case entered into with banks and financial institutions in the ordinary course of business;

(g) incurred by any Group Company in connection with merchant services, cash pooling arrangements, payment processing, daylight facilities, credit card services and other treasury, payment processing, banking and cash management services, in each case entered into with banks and financial institutions in the ordinary course of business;

(h) Financial Indebtedness arising out of any Permitted Loan, Permitted Guarantee or Permitted Security;

(i) Financial Indebtedness incurred under any pension or tax liabilities in the ordinary course of business;

(j) any Financial Indebtedness as a result of any Group Company acquiring another entity after the First Issue Date and such Financial Indebtedness is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of 3 months following the date of acquisition;

(k) constituting Finance Lease commitments incurred in the ordinary course of business, provided that such commitments in aggregate do not exceed GBP 1 million at any time; and

(l) any other Financial Indebtedness not permitted by the preceding paragraphs and the aggregate outstanding principal amount of which does not exceed an aggregate amount of GBP 1 million (or the equivalent in other currencies) at any time.

"**Permitted Guarantees**" means:

(a) any guarantee obligation arising under or out of the Finance Documents;

(b) the endorsement of negotiable instruments in the ordinary course of trade;

(c) any guarantee given in respect of the cash pooling, netting or set-off arrangements permitted pursuant to paragraph (c) of the definition of Permitted Security;

(d) guarantees given by a Group Company to a landlord in its capacity as such;

(e) any guarantee constituting Permitted Financial Indebtedness or a guarantee granted in order to secure Permitted Financial Indebtedness of any Group Company;

(f) customary indemnities given in mandate, engagement and commitment letters; and

(g) any guarantees or indemnities not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed GBP 1 million (or its equivalent in other currencies) in aggregate of the Group at any time.

"**Permitted Loan**" means:

(a) any Financial Indebtedness or loan made by a Group Company to another Group Company;

(b) deposits of cash or cash equivalents with financial institutions for cash management purposes or in the ordinary course of business;

(c) any Financial Indebtedness or loan made or credit extended by any Group Company to its customers in the ordinary course of business;

(d) any Financial Indebtedness or Financial Support arising out of any Permitted Guarantee or Permitted Security;

(e) any loan or credit made by a Group Company for the purpose of funding an employee share option programme for employees of the Group provided that the aggregate of all such loans do not at any time exceed GBP 1 million (or its equivalent in other currencies) in aggregate of the Group at any time,

(f) any loan or credit made to an employee or director of any Group Company, provided that the aggregate of all such loans do not at any time exceed GBP 1 million (or its equivalent in other currencies) in aggregate of the Group at any time; and

(g) any Financial Indebtedness or loan not permitted pursuant to the preceding paragraphs and the aggregate principal amount of which does not exceed GBP 1 million (or its equivalent in other currencies) at any time.

"**Permitted Security**" means:

(a) any Transaction Security, including cash collateral to secure obligations under the Finance Documents;

(b) any Security arising by operation of law and in the ordinary course of trading, provided that if such Security has arisen as a result of any default or omission by any member of the Group it shall not subsist for a period of more than 30 calendar days;

(c) any cash pooling, netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of Group Companies;

(d) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and not arising as a result of a default or omission by any Group Company that is continuing for a period of more than 30 calendar days;

(e) any right of set-off arising under contracts entered into by Group Companies in the ordinary course of their day-to-day business;

(f) any Security arising over any bank accounts or custody accounts or other clearing banking facilities held with any bank or financial institution under the standard terms and conditions of such bank or financial institution;

(g) payments into court or any Security arising under any court order or injunction or as security for costs arising in connection with any litigation or court proceedings being contested by any Group Company in good faith (which do not otherwise constitute or give rise to an Event of Default);

(h) Security over shares in joint ventures to secure obligations to the other joint venture parties;

(i) Security by way of cash cover or deposits for any letter of credit or guarantee or any similar instrument issued on behalf of the Issuer and/or any other Group Company;

(j) Security by way of cash cover for the obligations incurred by any Group Company in the ordinary course of business;

(k) any Security securing Financial Indebtedness which constitutes Permitted Financial Indebtedness or Permitted Guarantees;

(l) any Security securing a Credit Facility, provided that no security shall be provided in favour of a Credit Facility over any asset subject to the Transaction Security; and

(m) any Security not permitted pursuant to the preceding paragraphs, securing obligations in aggregate not exceeding GBP 1 million (or its equivalent in other currencies).

"**Put Option**" has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"**Put Option Event**" means a Change of Control Event.

"**Put Option Repayment Date**" means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"**Relevant Jurisdiction**" means the country in which the Bonds are issued, being Norway.

"**Relevant Period**" means each period of twelve consecutive calendar months ending on a quarter Date.

"**Relevant Record Date**" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

(a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or

(b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders' Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.

"**Repayment Date**" means any Call Option Repayment Date or the Maturity Date.

"**Secured Obligations**" means all present and future liabilities and obligations, at any time due, of the Issuer and the Security Provider to any of the Secured Parties under the Finance Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

"**Secured Parties**" means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

"**Securities Trading Act**" means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

"**Security**" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Agent**" means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

"**Security Agent Agreement**" means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

"**Security Provider**" means any Affiliate of the Issuer providing Transaction Security.

"**Sponsor**" means Epiris LLP.

"**Subsidiary**" means a person over which another person has Decisive Influence.

"**Subordinated Loans**" means any loan granted to the Issuer from the Parent, fully subordinated to the Bonds by way of a subordination declaration to the satisfaction of the Bond Trustee, whereby any servicing of interest or principal of such loan (other than conversion to equity) is subject to all present and future obligations and liabilities under the Finance Documents having been discharged in full.

"**Summons**" means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

"**Tap Issue**" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds)*.

"**Tap Issue Addendum**" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds)*.

"**Tax Event Repayment Date**" means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

"**Temporary Bonds**" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds)*.

"**Trade Instruments**" means any guarantees, performance bonds, advance payment bonds or documentary letters of credit issued in respect of the obligations of any Group Company arising in the ordinary course of business of that Group Company.

"**Transaction Costs**" means all fees, costs and expenses incurred by a Group Company directly or indirectly in connection with (i) the Initial Bond Issue, (ii) any Tap Issue, (iii) any Credit Facility, (iv) an acquisition by a Group Company of all or the majority of the shares or equivalent ownership interests of an entity, business or undertaking, whether or not such acquisition is completed and including any costs, fees, penalties or similar incurred as a result of the termination of a proposed acquisition.

"**Transaction Security**" means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*).

"**Treasury Transactions**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"**Voting Bonds**" means the Outstanding Bonds less the Issuer's Bonds.

"**Written Resolution**" means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

(a) headings are for ease of reference only;

(b) words denoting the singular number will include the plural and vice versa;

(c) references to Clauses are references to the Clauses of these Bond Terms;

(d) references to a time are references to Central European Time unless otherwise stated;

(e) references to a provision of "**law**" are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;

(f) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline by any official body;

(g) references to a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;

(h) references to Bonds being "**redeemed**" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;

(i) references to Bonds being "**purchased**" or "**repurchased**" by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer's purchase of Bonds*);

(j) references to persons "**acting in concert**" shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and

(k) an Event of Default is "**continuing**" if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

(a) The Issuer has resolved to issue a series of Bonds up to USD 60,000,000 (the "**Maximum Issue Amount**"). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of USD 40,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a "**Tap Issue**") until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a "**Tap Issue Addendum**").

If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds referred to as the "**Temporary Bonds**"). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee, the Exchange and the Paying Agent and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds.

(b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.

(c) The Initial Nominal Amount of each Bond is USD 1.00.

(d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN, (ii) any Temporary Bonds and (iii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.

(e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders' Meeting*).

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the First Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

(a) The Issuer will use the Net Proceeds from the Initial Bond Issue towards:

(i) repayment of the Equity Bridge Loan; and

(ii) general corporate purposes of the Group.

(b) The Issuer will use the Net Proceeds from the issuance of any Additional Bonds for general corporate purposes of the Group (including financing of Permitted Acquisitions).

(c) For the purpose of making the repayment of the Equity Bridge Loan, the Issuer may together with the repayment under (a) above, irrespective of any provision to the contrary in these Bond Terms, apply an amount of up to GBP 1.95 million of the Group's cash towards such repayment.

2.4 Status of the Bonds

The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall be secured on a first priority basis by the Transaction Security. The Bonds will rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

2.5 Transaction Security

(a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties with first priority within the times agreed in Clause 6 (*Conditions for Disbursement*):

(i) Pre-Settlement Transaction Security:

(A) the Escrow Account Pledge;

(ii) Pre-Disbursement Transaction Security:

(A) a first priority charge granted by the Parent over (i) the entire share capital of the Issuer and (ii) any current or future intragroup receivables granted by the Parent to the Issuer; and

(B) a first priority charge granted by the Issuer over (i) the entire share capital of HoldCo and (ii) any current or future intragroup receivables granted by the Issuer to HoldCo.

(b) The Transaction Security shall be entered into on such terms and conditions as the Security Agent and the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

(c) The Security Agent is irrevocably authorised to (i) release any guarantees and Transaction Security over assets which are sold or otherwise disposed of (directly or indirectly) (A) in any merger, de-merger or disposal permitted in compliance with Clauses 13.5 (*Mergers and de-mergers*) or 13.11 (*Disposals*) and (B) following an enforcement.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

(a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.

(b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

(a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.

(b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

(a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.

(b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall ensure that the Bonds are listed on an Exchange within 6 months of the First Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full. The Issuer shall ensure that any Temporary Bonds are listed on an Exchange within 6 months of the issue date for such Temporary Bonds.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

(a) Payment of the Net Proceeds from the issuance of the Bonds to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the First Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:

(i) these Bond Terms duly executed by all parties hereto;

(ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;

(iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party;

(iv) copies of the Issuer's articles of association (or equivalent constitutional documents);

(v) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;

(vi) the Amendment Letter duly executed by all parties thereto;

(vii) copies of the Issuer's latest Financial Reports (if any);

(viii) confirmation that the applicable prospectus requirements (ref. the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;

(ix) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);

(x) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;

(xi) the Bond Trustee Fee Agreement duly executed by all parties thereto; and

(xii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).

(b) The Net Proceeds from the issuance of the Bonds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:

(i) a duly executed release notice from the Issuer, as set out in Attachment 2;

(ii) unless delivered under paragraph (a) above, as pre-settlement conditions precedent:

(A) copies of all necessary corporate resolutions of each Security Provider required to provide the Transaction Security and execute the Finance Documents to which it is a party;

(B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Security Provider to relevant individuals for their execution of the Finance Documents to which it is a party;

(C) copies of the articles of association;

(iii) the Transaction Security Documents duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security;

(iv) any notices or other documents required under the Transaction Security Documents (including any original share certificates in relation to shares charged by the Transaction Security Documents and corresponding signed (but undated) stock transfer forms);

(v) in respect of each company incorporated in the United Kingdom whose shares are the subject of the Transaction Security (a "Charged Company"), either:

(A) certificate of an authorised signatory of the Issuer certifying that:

(1) the relevant members of the Group have complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and

(2) no "warning notice" or "restrictions notice" (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares,

together with a copy of the "PSC register" (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Company which, in the case of a Charged Company that is a member of the Group, is certified by an authorised signatory of the Parent to be correct, complete and not amended or superseded as at a date no earlier than the date of these Bond Terms; or

(B) a certificate of an authorised signatory of the Issuer certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006;

(vi) evidence of appointment of a process agent in respect of Transaction Security Documents executed by persons outside England; and

(vii) legal opinions or other statements as may be required by the Bond Trustee, including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of the Finance Documents (unless delivered under paragraph (a) as pre-settlement conditions precedent).

(c) Settlement of any Tap Issue and disbursement of the Net Proceeds from such Tap Issue to the Issuer, will be subject to the delivery of certain conditions precedent, to the satisfaction of the Bond Trustee, as customary for such Tap Issues, including (but not limited to):

(i) the aggregate amount of (a) the Outstanding Bonds prior to such Tap Issue and (b) the requested amount under such Tap Issue does not exceed the Maximum Issue Amount less any Bonds already redeemed;

(ii) the Issuer to provide a calculation evidencing that it meets the Incurrence Test tested pro forma including the new Financial Indebtedness incurred as a result of issuing the Additional Bonds;

(iii) confirmation from the Issuer that no Event of Default has occurred or would occur as a result of the making of such Tap Issue;

(iv) a Tap Issue addendum to the Bond Terms, duly executed;

(v) confirmation that any maximum liability in the Transaction Security covers aggregate amount of all Outstanding Bonds, following the Tap Issue;

(vi) consent to such Tap Issue has been obtained from relevant third parties;

(vii) copies of corporate resolutions required for the Tap Issue and any power of attorney or other authorisation required for execution of the Tap Issue addendum and any other Finance Documents; and

(viii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Tap Issue addendum and any other Finance Documents (if applicable)).

(d) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1, waive or postpone the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Disbursement of the proceeds

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (a) and (b) (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (d) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

6.3 Tap Issues

The Issuer may issue Additional Bonds if:

(a) the conditions in Clause 6.1 (c) (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (d) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*); and

(b) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and Warranties*), in respect of itself to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

(a) on the date of these Bond Terms;

(b) on the First Issue Date;

(c) on the date of disbursement of proceeds from the Escrow Account; and

(d) on the date of issuance of any Additional Bonds:

7.1 Status

It is (i) a limited liability company or (ii) if this representation is made after the Conversion, a public liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

(a) No Event of Default exists or is likely to result from the making of any disbursement of proceeds or the entry into, the performance of, or any transaction contemplated by, any Finance Document.

(b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorisations and consents

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required:

(a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and

(b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse

Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports , there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under the Finance Documents.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

7.13 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

(a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.

(b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD on the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.

(c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.

(d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

(a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.

(b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

(c) Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum. In the event the Listing Failure Event relates to Temporary Bonds, the Interest Rate will only be increased in respect of such Temporary Bonds.

8.3 Partial Payments

(a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:

(i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);

(ii) secondly, towards accrued interest due but unpaid; and

(iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.

(b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;

(i) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or

(ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

8.4 Taxation

(a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.

(b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:

(i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and

(ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.

(c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

(d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

8.5 Currency

(a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

(b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

(a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.

(b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with paragraph (a) above.

(c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:

(i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30–day month; or

(ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

(a) The Issuer may redeem all but not only some of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:

(i) the First Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;

(ii) the First Call Date to, but not including, the Interest Payment Date in June 2026 at a price equal to 106.4375 per cent. of the Nominal Amount for each redeemed Bond;

(iii) the Interest Payment Date in June 2026 to, but not including, the Interest Payment Date in December 2026 at a price equal to 103.8625 per cent. of the Nominal Amount for each redeemed Bond;

(iv) the Interest Payment date in December 2026 to, but not including the Interest Payment Date in March 2027 at a price equal to 101.9313; and

(v) the Interest Payment Date in March 2027 to, but not including, the Maturity Date at a price equal to 100.00 per cent. of the Nominal Amount for each redeemed Bond.

(b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

(c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.

(d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

(a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.

(b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders' right to exercise the Put Option is irrevocable.

(c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5^{th} Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.

(d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained or sold, but not cancelled in the Issuer's sole discretion, including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

11.2 Restrictions

(a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.

(b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

(a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 4 months after the end of the financial year.

(b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 2 months after the end of the relevant interim period.

12.2 Requirements as to Financial Reports

(a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Reports fairly represent its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with Clause 13.20 (*Financial covenants*) as at such date.

(b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

12.3 Put Option Event

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

12.4 Listing Failure Event

The Issuer shall promptly inform the Bond Trustee in writing if a Listing Failure Event has occurred. However, no Event of Default shall occur if the Issuer fails (i) to list the Bonds in accordance with Clause 4 (*Admission to Listing)* or (ii) to inform of such Listing Failure Event, and such failure shall result in the accrual of default interest in accordance with paragraph (c) of Clause 8.2 (*Default interest*) for as long as such Listing Failure Event is continuing.

12.5 Information: Miscellaneous

The Issuer shall:

(a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;

(b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);

(c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;

(d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;

(e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;

(f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and

(g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13.

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will obtain, maintain and comply with the terms of any authorisation, approval, license and consent material for the conduct of the business of the Group.

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply with all laws and regulations (including, without limitation, any applicable sanctions laws and environmental laws) to which it may be subject from time to time of material importance to the business and operations of the Group.

13.3 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business of the Group from that carried on by the Group at the First Issue Date.

13.4 Corporate status

The Issuer shall not change its type of organization, other than performing the Conversion, or jurisdiction of incorporation.

13.5 Mergers and de-mergers

The Issuer shall not, and shall procure that no other Group Company will, carry out:

(a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or

(b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer and any Group Company;

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect, and always provided that the Issuer shall always be the surviving entity in a merger involving the Issuer.

13.6 Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company will, incur any additional Financial Indebtedness or maintain or prolong any existing Financial Indebtedness, other than any Permitted Financial Indebtedness.

13.7 Acquisitions

The Issuer shall not, and shall procure that no other Group Company will:

(a) use the Net Proceeds of a Tap Issue to acquire any company, shares, securities, business or undertaking (or any interest in any of them), other than Permitted Acquisitions; or

(b) acquire any company, shares, securities, business or undertaking (or any interest in any of them), unless such acquisition would not have a Material Adverse Effect.

13.8 Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (whether present or future), other than any Permitted Security.

13.9 Financial Support

The Issuer shall not, and shall procure that no other Group Company will, provide any Financial Support, other than any Permitted Loan or Permitted Guarantee.

13.10 Distributions

The Issuer shall not, and shall procure that no other Group Company will, make any distributions (including for the avoidance of doubt repayment of Subordinated Loans), other than Permitted Distributions.

13.11 Disposals

The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of all or substantially all of the Group's assets (including shares or other securities in any person) or operations (other than to a Group Company), unless such sale, transfer or disposal is carried out in the ordinary course of business and would not have a Material Adverse Effect.

13.12 Related party transactions

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall conduct all business transactions with any Affiliate at market terms and otherwise on an arm's length basis.

13.13 Subsidiaries Distributions

The Issuer shall ensure that no Group Company creates any contractual obligation (or encumbrance) restricting the right to pay dividends or make other distributions to its shareholders, other than (i) where such obligation or encumbrance is not reasonably likely to prevent the Issuer from complying with its payment obligations under the Finance Documents, or (ii) such obligation or encumbrance is imposed under a Credit Facility on terms not more restrictive than those of the Existing Facility as in effect on the First Issue Date and always subject to paragraph (a) of Clause 13.17 (*Issuer Specific Covenants*) set out below.

13.14 Issuer as a holding company

The Issuer shall not trade, carry on any business, incur any liabilities or own any material assets, except such trade, business, liabilities or assets normally associated with the business of a holding company, including but not limited to:

(a) the provision of administrative services to the Group Companies of a type customarily provided by a holding company (excluding any treasury services);

(b) the taking of any administrative actions necessary to maintain its existence;

(c) any liabilities under the Finance Documents;

(d) the Issuer's direct ownership of the shares and voting rights in HoldCo;

(e) any Permitted Loans granted to or incurred from a Group Company;

(f) any liabilities under any Subordinated Loan incurred by the Issuer;

(g) ownership of credit balances in any bank accounts; and

(h) ownership of Cash and Cash Equivalents.

13.15 Anti-corruption and sanctions

The Issuer shall, and shall ensure that all other Group Companies will: (a) ensure that no proceeds from the Bond Issue are used directly or indirectly for any purpose which would breach any applicable acts, regulations or laws on bribery, corruption or money laundering; and (b) conduct its businesses, and maintain policies and procedures in compliance with, applicable anti-corruption laws. The Issuer shall not, and shall ensure that no Group Company will, engage in any conduct prohibited by any sanctions.

13.16 Ownership and control

The Issuer shall directly own and control 100 per cent. of the shares in HoldCo.

13.17 Issuer specific covenants

The Issuer shall procure that:

(a) (i) no amendments to the Amendment Letter are made, or (ii) terms are agreed under a Credit Facility, whereby the Group's ability to upstream funds to the Issuer is further restricted relative to the Existing Facility as in place on the First Issue Date, without the prior written consent of the Bondholders;

(b) each Group Company will, maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of its business where failure to do so would have a Material Adverse Effect; and

(c) each Group Company will, maintain customary insurances on or in relation to their business and assets with reputable independent insurance companies and underwriters against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

13.18 Conversion of the Issuer from a private limited company to a public limited company

The Issuer shall as soon as practically possible, but in no event later than six months after the Issue Date, convert from a private limited company to a public limited company (the "**Conversion**").

Not less than 10 Business Days prior to the Conversion, the Issuer shall provide the Bond Trustee (for its approval (acting reasonably)) drafts of:

(a) all necessary corporate resolutions of the Issuer to complete the Conversion;

(b) the Issuer's articles of association to be adopted on Conversion;

(c) any new share certificates to be issued in connection with the Conversion in relation to shares charged by the Transaction Security Documents and corresponding signed (but undated) stock transfer forms;

(d) the shareholder register of the Issuer; and

(e) any other documents as may be requested by the Bond Trustee relating to the Conversion.

Within 5 Business Days of the Conversion or, in respect of any matter not within the control of the Issuer as soon as reasonably practicable following the Conversion, the Issuer shall provide the Bond Trustee with final (executed, in the case of those documents which require execution) versions of the above., together with a certificate of incorporation on re-registration of a private limited company as a public company.

13.19 People with Significant Control regime

The Issuer shall:

(a) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from HoldCo; and

(b) promptly provide the Security Agent with a copy of that notice.

13.20 Financial Covenants

(a) The Issuer shall procure that the Group maintains a Leverage Ratio of maximum 4.0x.

(b) The Incurrence Test is met if the Leverage Ratio is not greater than 3.0x, and no Event of Default has occurred or would result from any effect or circumstance in respect of which the Incurrence Test is performed.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) *Non-payment*

The Issuer fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

(i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or

(ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

The Issuer, any Security Provider or any Group Company representing more than 5 per cent. of the Group's gross assets or EBITDA (excluding intra-Group items), in each case calculated on a consolidated basis, does not comply with any provision of the Finance Documents (which it is a party to) other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by the Issuer or any Security Provider under or in connection with any Finance Documents (which it is a party to) is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(d) *Cross acceleration*

If for the Issuer or any Group Company representing more than 5 per cent. of the Group's gross assets or EBITDA (excluding intra-Group items), in each case calculated on a consolidated basis:

(i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or

(ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or

(iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or

(iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of GBP 500,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

If the Issuer or any Group Company representing more than 5 per cent. of the Group's gross assets or EBITDA (excluding intra-Group items):

(i) is Insolvent; or

(ii) is the object of any corporate action or any legal proceedings is taken in relation to:

(A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or

(B) a composition, compromise, assignment or arrangement with any creditor which may materially impair the Issuer's ability to perform its obligations under these Bond Terms; or

(C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or

(D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross acceleration*) above; or

(E) for paragraphs (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company.

However, this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer or any Group Company representing more than 5 per cent. of the Group's gross assets or EBITDA (excluding intra-Group items), in each case calculated on a consolidated basis, having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross acceleration*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for the Issuer to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

(i) the ability of the Issuer to perform its obligations under these Bond Terms; or

(ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

(h) *Subordination Deed*

Any subordination created under the Subordination Deed ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective, and in each case the cessation or alleged ineffectiveness individually or cumulatively materially and adversely affects the interests of the Finance Parties under the Finance Documents taken as a whole.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice to the Issuer:

(a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or

(b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

(a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or

(b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date):

(a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and

(b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

(a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.

(b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

(c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.

(d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.

(e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.

(f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.

(g) Save for any amendments or waivers which can be made without resolution pursuant to paragraph (a)(i) and (ii) of Clause 17.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

(a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:

(i) the Issuer;

(ii) Bondholders representing at least 1/10 of the Voting Bonds;

(iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or

(iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

(b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.

(c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).

(d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.

(e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.

(f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).

(g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").

(h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt regarding whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.

(i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.

(j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.

(k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).

(l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

(a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.

(b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.

(c) For the purposes of this Clause 15, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.

(d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

(a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.

(b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.

(c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

(a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a

Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.

(b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.

(c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.

(d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:

(i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or

(ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5,

shall not apply to a Written Resolution.

(e) The Summons for a Written Resolution shall include:

(i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and

(ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority, which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons (the "**Voting Period**").

(f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.

(g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.

(h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.

(i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

(a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

(b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

(a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.

(b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.

(c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.

(d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.

(e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.

(f) The Bond Trustee shall facilitate that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.

(g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

(h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:

(i) complying with instructions of the Bondholders; or

(ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

(i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.

(j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

16.3 Equality and conflicts of interest

(a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

(b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

(a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.

(b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.

(c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.

(d) The Bond Trustee shall not be considered to have acted negligently in:

   (i) acting in accordance with advice from or opinions of reputable external experts; or

   (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.

(e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.

(f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.

(g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any Finance Document which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.

(h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Issuer, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.

(i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

(a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.

(b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5, initiated by the retiring Bond Trustee.

(c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.

(d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.

(e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

(a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.

(b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.

(c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.

(d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require the Issuer and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.

(e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

(a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:

(i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;

(ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or

(iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).

(b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

(a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

(b) Prior to agreeing to an amendment or granting a waiver in accordance with paragraph (a)(i) of Clause 17 (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

(a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.

(b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.

(c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

(a) Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

(b) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).

(c) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.

(d) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter or e-mail. Any such notice or communication will be deemed to be given or made as follows:

(i) if by letter, when delivered at the address of the relevant party;

(ii) if by e-mail, when received; and

(iii) if by publication on a relevant information platform, when published.

(e) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone and contact persons.

(f) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):

(i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;

(ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and

(iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

(a) Subject to paragraph (b) below and provided that:

(i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");

(ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and

(iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

(A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.5 (*Information: miscellaneous*) and Clause 13 (*General and Financial Undertakings*);

(B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security;

(b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.

(c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

(a) to commence proceedings against the Issuer or any Security Provider or any of their respective assets in any court in any jurisdiction; and

(b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

SIGNATURES:

The Issuer:	**As Bond Trustee and Security Agent:**
Whitworth Midco Limited	**Nordic Trustee AS**
....	....
By: Jonathan Mark Ainsworth	By:
Position: Director	Position:

SIGNATURES:

The Issuer:	**As Bond Trustee and Security Agent:**
Whitworth Midco Limited	**Nordic Trustee AS**
....	....
By:	By: Jørgen Andersen
Position:	Position: Authorised signatory

ATTACHMENT 1
COMPLIANCE CERTIFICATE

[date]

Whitworth Midco Limited 12.875% senior secured USD 60,000,000 bonds 2023/2027 ISIN NO0012939661

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 of the Bond Terms, a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*), we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

The financial covenants set out in Clause 13.20 (*Financial covenants*) are met, please see the calculations and figures in respect of the covenants attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

NX

____

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]

ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT[1]

[date]

Dear Sirs,

Whitworth Midco Limited 12.875% senior secured USD 60,000,000 bonds 2023/2027 ISIN NO0012939661

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw [Alt 1: the amount specified in Enclosure I (*Flow of Funds*)]/[Alt 2: all amounts] from the Escrow Account to be applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we confirm that the representations and warranties set out in the Bond Terms are true and accurate in all material respects at the date hereof.

Yours faithfully,

NX

____

Name of authorised person

Enclosure I: Flow of Funds

[1] If escrow account is used

Term sheet written in connection with application for registration on Nordic ABM

Date 18.12.2023 **Final** ISIN: NO0012939661

Whitworth Midco Limited 12.875% senior secured USD 60,000,000 bonds 2023/2027

Terms:

Documentation: *The Loan Agreement [1] is described more closely in Standard Terms*	Before investing in the bond, the investor is encouraged to become familiar with relevant documents such as this term sheet, the Loan Agreement and the Issuer's financial accounts and articles of association and if relevant, admission document, cf. ABM-rules section 2.7.2.3. The documents are available with the Issuer and in Relevant Places. In the case of any discrepancies between the Loan Agreement and this term sheet, the Loan Agreement will apply.
Relevant places:	www.lonestargroup.com
Issuer:	Whitworth Midco PLC
Borrowing Limit – Tap Issue:	USD 60 000 000
First Tranche / Loan Amount: [2]	USD 40 000 000
Disbursement Date: [3]	21.06.2023
Maturity Date: [4]	21.06.2027
Interest Rate:	12.875 %
Yield on Disbursement Date:	12.875 %
Day Count Fraction– Interest rate:[5]	30/360
Business Day Convention: [6]	Unadjusted
Interest Payment Date(s): [7]	21 September, 21 December, 21 March and 21 June each year
Interest accrual date:	Disbursement Date
Date until which interest accrues:	Maturity Date
Status of the loan: [8]	Senior debt obligations
Issue Price: [9]	100.00%
Denomination:	USD 1

Call: [10]

Redemption Date(s):	**Price:**
21.06.2023 - 20.06.2025	Make Whole
21.06.2025 - 20.06.2026	106.4375
21.06.2026 - 20.12.2026	103.8625
21.12.2026 - 20.03.2027	101.9313
21.03.2027 - 20.06.2027	100.00

Issuer's org. number/LEI number: 14482792 / 984500V5CFB10A3FCB17

Number / Codes: **Sector code:** **Geographic code:** **Industry (trade) Code:**

Usage of funds:

(a) The Issuer will use the Net Proceeds from the Initial Bond Issue towards:
  (i) repayment of the Equity Bridge Loan; and
  (ii) general corporate purposes of the Group.

(b) The Issuer will use the Net Proceeds from the issuance of any Additional Bonds for general corporate purposes of the Group (including financing of Permitted Acquisitions).

(c) For the purpose of making the repayment of the Equity Bridge Loan, the Issuer may together with the repayment under (a) above, irrespective of any provision to the contrary in the Loan Agreement, apply an amount of up to GBP 1.95 million of the Group's cash towards such repayment.

Approvals / Permissions:

- The issuance is approved by the board of directors on 19.06.2023
- The admission document has been inspected by Oslo Børs, cf ABM-rules sec 2.7

Trustee: Nordic Trustee AS, Postboks 1470 Vika, 0116 Oslo

Arranger(s): Pareto Securities AS and Nordea Bank Abp

Paying Agent: Pareto Securities AS

Securities Depository:	Euronext Securities Oslo (Verdipapirsentralen (VPS))
FISN- and CFI-code:	FISN: Lonestar/12.875 BD 20270621 CFI: DBFGGR
Market Making:	No market-maker agreement has been made for this Bond Issue.
MiFiD II target market of end clients:	Professional Clients/Eligible counterparty No PRIIPS, No KID
Withholding tax: 11)	Gross up
Special (distinct) conditions:	Information regarding "Mandatory repurchase due to a Put Option Event" – please see the Loan Agreement clause 10.3. Information regarding "Early redemption option due to a tax event" – please see the Loan Agreement clause 10.4.

Supplementary information about status of the loan and collateral: 8)

The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall be secured on a first priority basis by the Transaction Security. The Bonds will rank pari passu between themselves and at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

As described in the Loan Agreement clause 2.5 – *Transaction Security:*

(a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties with first priority within the times agreed in the Loan Agreement Clause 6 (*Conditions for Disbursement*):

   (i) Pre-Settlement Transaction Security:
      (A) the Escrow Account Pledge;

   (ii) Pre-Disbursement Transaction Security:
      (A) a first priority charge granted by the Parent over (i) the entire share capital of the Issuer and (ii) any current or future intragroup receivables granted by the Parent to the Issuer; and
      (B) a first priority charge granted by the Issuer over (i) the entire share capital of HoldCo and (ii) any current or future intragroup receivables granted by the Issuer to HoldCo.

(b) The Transaction Security shall be entered into on such terms and conditions as the Security Agent and the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

(c) The Security Agent is irrevocably authorised to (i) release any guarantees and Transaction Security over assets which are sold or otherwise disposed of (directly or indirectly) (A) in any merger, de-merger or disposal permitted in compliance with the Loan Agreement Clauses 13.5 (*Mergers and de-mergers*) or 13.11 (*Disposals*) and (B) following an enforcement.

Due to the extensive number of definitions, and unless otherwise defined in this Loan Description capitalized terms used in this Loan Description shall have the meaning given to such terms in Clause 1.1 "*Definitions*" in the Loan Agreement.

Standard terms: *If any discrepancy should occur between this Loan description and the Loan Agreement, then the Loan Agreement should apply.*

Loan Agreement: 1)	The bond terms were entered into between the Issuer and the Trustee on 20 June 2023 (the "**Loan Agreement**"). The Loan Agreement regulates the Bondholder's rights and obligations in relations with the Issue. The Trustee entered into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Loan Agreement. When bonds were subscribed/purchased, the Bondholder accepted the Loan Agreement and is bound by the terms of the Loan Agreement. For tap issues, the Loan Agreement will apply for later issues made within the Borrowing Limit. The parties' rights and obligations are also valid for subsequent issued bonds within the Borrowing Limit.
Open / Close: 3) 4)	Tap Issues will be opened on Disbursement Date and closed no later than five bank days before Maturity Date.

Disbursement date: 3)	Payment of the First Tranche / Loan Amount took place on the banking date ahead of Disbursement Date as agreed with the Manager(s). In case of late payment, the applicable default interest rate according to "lov 17. desember 1976 nr 100 om renter ved forsinket betaling m.m." would accrue.
Expansions – Tap Issues: 2)	For Tap Issues the Issuer can increase the loan above the First Tranche/Loan Amount. For taps not falling on Interest Payment Dates, Accrued Interest will be calculated using standard market practice in the secondary bond market. The Issuer may apply for an increase in the Borrowing Limit.
Issue price – Tap Issues: 9)	Any taps under the Tap Issue will be made at market prices.
Interest Period: 7)	The interest rate is due in arrears on the Interest Payment Date. The first Interest Rate was paid on the first Interest Payment Date after Disbursement Date. The subsequent period runs from this date until the next Interest Payment Date. Last Interest Payment Date corresponds to Maturity Date.
Day Count Fraction– Interest rate: 5)	Interest shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days, in case of a non-finished month the actual number of calendar days (30/360-basis), with the exception of periods where a) the last day in the period is the 31st calendar day, and the first day of the period is neither the 30th nor the 31st of the month, in which the month containing the period shall not be reduced to 30 days; or b) the last day of the period is the last calendar day in February, in which February shall not be extended to a 30-day month.
Standard Business Day Convention 6)	Interest Payment Date will not be moved even if it is on a day that is not a banking day. If Interest Payment Date is not a banking day, payments will be made on the following banking day.
Accrued interest:	Accrued Interest rates for trades in the secondary bond market are calculated on the basis of current recommendations of Norske Finansanalytikerers Forening (*The Norwegian Society of Financial Analysts*).
Condition – Call: 10)	Exercise of Call shall be notified by the Issuer to the Bondholders and the Bond Trustee at least ten Business Days prior to the relevant Call Date.
Registration:	The loan was prior to disbursement registered in the Securities Depository. The bonds were registered on each Bondholders account or nominee account in the Securities Depository.
Issuer's acquisition of bonds:	The Issuer has the right to acquire Bonds and to retain, sell or discharge such Bonds in the Securities Depository.
Amortisation: 4)	The bonds will run without instalments and be repaid in full on Maturity Date at par, provided the Issuer has not exercised the Call Option.
Redemption:	Matured interest rate and matured principal will be credited each Bondholder directly from the CSD. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Sale:	First Tranche / Loan Amount has been sold by the Arrangers. Later taps can also take place by other authorized investment firms.
Legislation:	Disputes arising from or in connection with, the Loan Agreement which are not resolved amicably, shall be resolved in accordance with Norwegian law and the Norwegian courts. Legal suits shall be served at the City Court of the capital of Norway.
Fees and expenses:	Any public fees payable in connection with the Loan Agreement and fulfilling of the obligations pursuant to the Loan Agreement shall be covered by the Issuer. The Issuer is not responsible for reimbursing any public fees levied on the trading of Bonds.
Withholding tax: 11)	The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents. In case of gross up, the Issuer shall be liable to gross up any payments in relation to the Finance Documents by virtue of withholding tax, public levy or similar taxes. In case of no gross up, the Issuer shall not be liable to gross up any payments in relation to the bonds by virtue of withholding tax, public levy or similar taxes.

LoneStar Group   Pareto Securities   Nordea

Company number: 14482792

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

WHITWORTH MIDCO PLC

(Adopted by special resolution passed on

4 December 2023)

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THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

WHITWORTH MIDCO PLC

(the "Company")

(adopted by special resolution passed on 4 *December 2023)*

INTERPRETATION AND LIMITATION OF LIABILITY

1. DISAPPLICATION OF MODEL ARTICLES

None of the regulations in the model articles for public companies set out in Schedule 3 to the Companies (Model Articles) Regulations 2008 (SI 2009/3229) shall apply to the Company.

2. DEFINITIONS AND INTERPRETATION

2.1 In these Articles, unless the context otherwise requires:

"**Articles**" means the Company's articles of association for the time being in force;

"**bankruptcy**" includes individual insolvency proceedings (and, in relation to a corporate person, includes corporate insolvency proceedings) in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy (or, in relation to corporate persons, insolvency, liquidation or winding up);

"**business day**" means a day (other than a Saturday or Sunday) on which banks in the City of London are open for ordinary banking business;

"**capitalised sum**" has the meaning given in Article 43.1(b);

"**chairman**" has the meaning given in Article 15;

"**chairman of the meeting**" has the meaning given in Article 46;

"**Companies Acts**" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

"**director**" means a director for the time being of the Company, and includes any person occupying the position of director, by whatever name called;

"**distribution recipient**" has the meaning given in Article 38.2;

"**document**" includes, unless otherwise specified, any document sent or supplied in electronic form;

"**electronic form**" has the meaning given in section 1168 of the Companies Act 2006;

"**eligible director**" has the meaning given in Article 10.3;

"**fully paid**" in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

"**hard copy form**" has the meaning given in section 1168 of the Companies Act 2006;

"**holder**" in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

"**instrument**" means a document in hard copy form;

"**member**" means a person who is the holder of a share;

"**ordinary resolution**" has the meaning given in section 282 of the Companies Act 2006;

"**paid**" means paid or credited as paid;

"**participate**", in relation to a directors' meeting, has the meaning given in Article 12.1;

"**persons entitled**" has the meaning given in Article 43.1(b);

"**proxy notice**" has the meaning given in Article 52.1;

"**Secured Party**" means, in respect of any shares, any bank, institution or other entity or person to which such shares have been mortgaged, charged or pledged (or in favour of which any other security interest in such shares has been created) and any nominee, agent or trustee for any such entity or person;

"**Secured Party Transfer**" means a transfer of shares in the Company which is or is proposed to be made to any Secured Party pursuant to any relevant security interest;

"**shares**" means shares in the Company;

"**special resolution**" has the meaning given in section 283 of the Companies Act 2006;

"**subsidiary**" has the meaning given in section 1159 of the Companies Act 2006;

"**transmittee**" means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law; and

"**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

2.2 In the Articles, unless the context otherwise requires:

(a) terms used shall, unless otherwise defined herein, bear the meaning ascribed to them in the Companies Act 2006 as in force on the date when the Articles became binding on the Company;

(b) a reference to an Article is a reference to the relevant article of these Articles unless expressly provided otherwise;

(c) a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

(i) any subordinate legislation from time to time made under it; and

(ii) any amendment or re-amendment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts;

(d) references to the singular include the plural and vice versa and references that are gender neutral or gender specific include each gender and no gender;

(e) references to a "person" includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality;

(f) references to "sterling", "pounds sterling" or "£" are references to the lawful currency from time to time of the United Kingdom and references to "dollars" or "$" are references to the lawful currency from time to time of the United States of America;

(g) references to times of the day are to London time unless otherwise stated;

(h) words introduced by the word "other" shall not be given a restrictive meaning because they are preceded by words referring to a particular class of acts, matters or things; and

(i) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and the words "includes" and "including" shall be construed without limitation.

2.3 The headings and sub-headings in the Articles are inserted for convenience only and shall not affect the construction of the Articles.

3. LIABILITY OF MEMBERS

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

4. DIRECTORS' GENERAL AUTHORITY

Subject to the Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

5. COMPANY NAME

The directors may resolve in accordance with Article 9 to change the Company's name.

6. MEMBERS' RESERVE POWER

6.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.

6.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

7. DIRECTORS MAY DELEGATE

7.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles:

(a) to such person or committee;

(b) by such means (including by power of attorney);

(c) to such an extent;

(d) in relation to such matters or territories; and

(e) on such terms and conditions,

as they think fit.

7.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

7.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

8. COMMITTEES

8.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.

8.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

9. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

Decisions of the directors may be taken:

(a) by a majority of the votes of the participating directors at a directors' meeting; or

(b) in accordance with Article 10.

10. UNANIMOUS DECISIONS

10.1 A decision of the directors is taken in accordance with this Article 10 when all eligible directors indicate to each other by any means that they share a common view on a matter.

10.2 Such a decision may take the form of a resolution in writing, signed by each eligible director (whether or not each signs the same document) or to which each eligible director has otherwise indicated agreement in writing.

10.3 References in these Articles to an "eligible director" means a director who would have been entitled to vote on the relevant matter had it been proposed as a resolution at a directors' meeting and whose vote would have been counted in respect of such matter.

10.4 A decision may not be taken in accordance with this Article 10 if the eligible directors would not have formed a quorum at such a meeting.

11. CALLING A DIRECTORS' MEETING

11.1 Any director may call a directors' meeting.

11.2 The company secretary must call a directors' meeting if a director so requests.

11.3 A directors' meeting is called by giving notice of the meeting to the directors.

11.4 Notice of any directors' meeting must indicate:

(a) its proposed date and time;

(b) where it is to take place; and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

11.5 Subject to Article 11.6, notice of a directors' meeting must be given to each director whether or not he is absent from the United Kingdom, but need not be in writing.

11.6 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company prior to or not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

12. PARTICIPATION IN DIRECTORS' MEETINGS

12.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

(a) the meeting has been called and takes place in accordance with the Articles; and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

12.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

12.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

13. QUORUM FOR DIRECTORS' MEETINGS

13.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

13.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two and, unless otherwise fixed, it is two.

14. MEETINGS WHERE TOTAL NUMBER OF DIRECTORS LESS THAN QUORUM

14.1 This article 14 applies where the total number of directors for the time being is less than the quorum for directors' meetings.

14.2 If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

14.3 If there is more than one director:

(a) a directors' meeting may take place, if it is called in accordance with these articles and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting to do so, and

(b) if a directors' meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

15. CHAIRING OF DIRECTORS' MEETINGS

15.1 The directors may appoint a director to chair their meetings. The person so appointed for the time being is known as the chairman.

15.2 The directors may terminate the chairman's appointment at any time.

15.3 If the chairman is not participating in a directors' meeting within ten minutes after the time at which it was to start, or if no director has been appointed chairman, the participating directors must appoint one of themselves to chair it.

16. CASTING VOTE

16.1 Subject to Article 16.2 if the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.

16.2 The chairman or other director chairing a meeting (or part of a meeting) shall not have a casting vote if, in accordance with the Articles, the chairman, or other director, is not an eligible director for the purposes of that meeting (or part of a meeting).

17. DIRECTORS' INTERESTS

17.1 A director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement.

17.2 A director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable, unless the interest has already been declared under Article 17.1.

17.3 Any declaration required by Article 17.1 may (but need not) be made, and any declaration required by Article 17.2 must be made, either:

(a) at a directors' meeting;

(b) by notice in writing in accordance with section 184 of the Companies Act 2006; or

(c) by general notice in accordance with section 185 of the Companies Act 2006.

17.4 If a declaration made under Article 17.1 or 17.2 proves to be, or becomes, inaccurate or incomplete, a further declaration must be made under Article 17.1 or 17.2, as appropriate.

17.5 A director need not declare an interest under Article 17.1 or 17.2:

(a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;

(b) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware);

(c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a directors' meeting or by a committee of the directors appointed for the purpose under these Articles or any agreement between the members; or

(d) if the director is not aware of his interest or is not aware of the transaction or arrangement in question (and for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware).

17.6 Subject to the provisions of the Companies Act 2006 and provided that he has declared the nature and extent of any direct or indirect interest of his in accordance with Article 17.1 or 17.2, a director notwithstanding his office:

(a) may be a party to, or otherwise be interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

(b) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested (and shall be an eligible director for these purposes);

(c) may act by himself or through his firm in a professional capacity for the Company (otherwise than as auditor), and in any such case on such terms as to remuneration and otherwise as the directors may decide; and

(d) may be a director or other officer of, or employed or engaged by, or a party to any transaction or arrangement with, or otherwise be interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested.

18. CONFLICTS OF INTEREST

18.1 A director, notwithstanding his office, may at the time of his appointment or subsequently be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any subsidiary of the Company, any holding company of the Company, or any subsidiary of a holding company of the Company, from time to time, and no further authorisation under Article 18.2 or 18.3 shall be necessary in respect of such interest.

18.2 The directors may authorise any matter proposed to them which would, if not so authorised, involve a breach of duty by a director under section 175 of the Companies Act 2006 (and such authorisation may be given on such terms as the directors think fit and may be varied or terminated at any time), provided that any authorisation given under this Article 18.2 shall be effective only if:

(a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other director interested in the matter under consideration; and

(b) the matter was agreed to without such directors voting or would have been agreed to if such directors' votes had not been counted.

18.3 Alternatively and without prejudice to the remainder of these Articles or the Companies Act 2006, the Company may authorise (specifically or generally) any matter proposed to it which would, if not so authorised, involve a breach of duty by a director under section 175 of the Companies Act 2006. Such authorisation shall be effected:

(a) with the consent in writing of the holders of a majority in nominal value of the issued ordinary share capital for the time being of the Company; or

(b) by an ordinary resolution.

18.4 A director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person. In particular the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 if he:

(a) fails to disclose any such information to the directors or to any director or other officer or employee of, or consultant to, the Company; or

(b) does not use or apply any such information in performing his duties as a director of the Company.

However, to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this Article 18.4 applies only if the existence of that relationship has been authorised pursuant to Article 18.1, or authorised by the directors pursuant to Article 18.2, or authorised by the members pursuant to Article 18.3 (and, in each case, subject to the terms upon which such authorisation was given).

18.5 Where the existence of a director's relationship with another person has been authorised pursuant to Article 18.1, or authorised by the directors pursuant to Article 18.2, or authorised by the members pursuant to Article 18.3, and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 if, at his discretion or at the request or direction of the directors or any committee of the directors, he:

(a) absents himself from a directors' meeting (or a committee thereof) at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed, or from the discussion of any such matter at a directors' meeting or otherwise; or

(b) makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by or on behalf of the Company or for such documents and information to be received and read by a professional adviser on his behalf,

for so long as he reasonably believes such conflict of interest (or possible conflict of interest) subsists.

18.6 The provisions of Articles 18.4 and 18.5 are without prejudice to any equitable principle or rule of law which may excuse the director from:

(a) disclosing information, in circumstances where disclosure would otherwise be required under these Articles or any agreement between the members; or

(b) attending meetings or discussions or receiving documents and information as referred to in Article 18.5, in circumstances where such attendance or receipt would otherwise be required under these Articles or any agreement between the members.

18.7 A director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office, employment or engagement or from any transaction or arrangement or from any interest in any body corporate:

(a) the acceptance, entry into or existence of which is authorised pursuant to Article 18.1, or authorised by the directors pursuant to Article 18.2, or authorised by the members pursuant to Article 18.3 (in each case, subject to the terms upon which such authorisation was given); or

(b) which he is permitted to hold or enter into pursuant to Article 17.6 or otherwise pursuant to these Articles or any agreement between the members,

and no such transaction, arrangement or interest shall be liable to be avoided on the ground of any such remuneration or other benefit, nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006.

19. RECORDS OF DECISIONS TO BE KEPT

The company secretary must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

20. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

21. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum, but shall not be less than two.

22. METHODS OF APPOINTING DIRECTORS

22.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

(a) by ordinary resolution;

(b) by a decision of the directors; or

(c) by a member or members, holding the whole of the issued ordinary share capital for the time being of the Company, in accordance with Article 24.

22.2 In any case where, as a result of death or bankruptcy, the Company has no members and no directors, the transmittee of the last member to have died or to have a bankruptcy order made against him has the right, by notice in writing, to appoint a person who is willing to act and is permitted to do so, to be a director.

22.3 For the purposes of Article 22.2, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

23. TERMINATION OF DIRECTOR'S APPOINTMENT

23.1 A person ceases to be a director as soon as:

(a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

(b) a bankruptcy order is made against that person;

(c) a composition is made with that person's creditors generally in satisfaction of that person's debts;

(d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

(e) notification is received by the Company from that person that he is resigning from office, and such resignation has taken effect in accordance with its terms;

(f) that person is convicted of a criminal offence (other than a motoring offence not resulting in disqualification) and the directors resolve that his office be vacated; or

(g) he is removed from office by a member or members, holding the whole of the issued ordinary share capital for the time being of the Company, in accordance with Article 24.

24. APPOINTMENT AND REMOVAL BY SOLE MEMBER

A member or members holding the whole of the issued ordinary share capital for the time being in the Company shall have power from time to time and at any time to appoint any person as a director or directors either as an additional director or to fill any vacancy and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same, or in the case of a member being a body corporate signed by one of its directors or other officers on its behalf, and shall take effect upon lodgement at the registered office of the Company or such later date as may be specified in the instrument.

25. DIRECTORS' REMUNERATION

25.1 Directors may undertake any services for the Company that the directors decide.

25.2 Directors are entitled to such remuneration as the directors determine:

(a) for their services to the Company as directors; and

(b) for any other service which they undertake for the Company.

25.3 Subject to the Articles, a director's remuneration may:

(a) take any form; and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

25.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

25.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiary undertakings or of the Company's parent undertakings from time to time or of any other body corporate in which the Company or any such parent undertaking is interested.

26. DIRECTORS' EXPENSES

26.1 The Company may pay any reasonable expenses which the directors and the company secretary properly incur in connection with their attendance at:

(a) meetings of directors or committees of directors;

(b) general meetings; or

(c) separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

27. COMPANY SECRETARY

The directors may appoint any person who is willing to act as the company secretary for such term, at such remuneration, and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

SHARES AND DISTRIBUTIONS

SHARES

28. ALL SHARES TO BE FULLY PAID

No share (other than shares taken on the formation of the company by the subscribers to the company's memorandum) may be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

29. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

29.1 Subject to the Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

29.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

30. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

31. SHARE CERTIFICATES

31.1 The Company must issue each member, free of charge, with one or more certificates in respect of the shares which that member holds.

31.2 Every certificate must specify:

(a) in respect of how many shares, of what class, it is issued;

(b) the nominal value of those shares;

(c) that the shares are fully paid up; and

(d) any distinguishing numbers assigned to them.

31.3 No certificate may be issued in respect of shares of more than one class.

31.4 If more than one person holds a share, only one certificate may be issued in respect of it.

31.5 Certificates must:

(a) have affixed to them the Company's common seal; or

(b) be otherwise executed in accordance with the Companies Acts.

32. REPLACEMENT SHARE CERTIFICATES

32.1 If a certificate issued in respect of a member's shares is:

(a) damaged or defaced; or

(b) said to be lost, stolen or destroyed,

that member is entitled to be issued with a replacement certificate in respect of the same shares.

32.2 A member exercising the right to be issued with such a replacement certificate:

(a) may at the same time exercise the right to be issued with a single certificate or separate certificates;

(b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and

(c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

33. SHARE TRANSFERS

33.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, executed by or on behalf of the transferor.

33.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

33.3 The Company may retain any instrument of transfer which is registered.

33.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

33.5 Subject to the provisions of Article 33.6 below, the directors may, in their absolute discretion, refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with a notice of refusal unless they suspect that the proposed transfer may be fraudulent.

33.6

(a) Notwithstanding anything contained in these Articles, where a transfer of shares is proposed to be:

(i) executed by a Secured Party by way of the exercise of any power of sale or other enforcement power under any relevant security interest;

(ii) executed by a receiver or manager or similar officer or insolvency practitioner appointed by or on behalf of any Secured Party or the Company under any relevant security interest; or

(iii) a Secured Party Transfer, then:

(A) the directors (or director if there is only one) of the Company may not decline to register (or suspend the registration of) such transfer;

(B) a holder of shares in the Company shall not be required to comply with any provision of the Articles which restricts the transfer of shares or which requires any such shares to be first offered to all or any shareholders for the time being of the company before any such transfer may take place;

(C) a holder of shares in the Company shall not have any right under the Articles or otherwise to require any shares that are the subject of such transfer to be transferred to them, and, for the avoidance of doubt, regulations 4 and 63(5) of the public company model articles shall not apply insofar as it would otherwise prevent or restrict any such transfer (or the recognition of any such transfer).

(b) A certificate by any officer of a Secured Party that the shares were so charged, mortgaged or pledged and the transfer was or will be so executed shall be conclusive evidence of such facts.

(c) Notwithstanding anything contained in these Articles, the Company shall have no present or future lien on any share, dividend or moneys payable in respect of shares which have been mortgaged, charged or pledged by way of security to a Secured Party and any lien conferred pursuant to these Articles shall not apply in respect of any such share, dividend or moneys payable.

(d) If there is any inconsistency between any provision of this Article 33.6 and any provision of any other article, the provision of this Article 33.6 shall apply.

34. TRANSMISSION OF SHARES

34.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.

34.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:

(a) may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person; and

(b) subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

34.3 Subject to Article 22.2, transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

35. EXERCISE OF TRANSMITTEES' RIGHTS

35.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

35.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

35.3 Any transfer made or executed under this Article 35 is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

36. TRANSMITTEES BOUND BY PRIOR NOTICES

If a notice is given to a member in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the member before the transmittee's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

37. PROCEDURE FOR DECLARING DIVIDENDS

37.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

37.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

37.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.

37.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each member's holding of shares on the date of the resolution or decision to declare or pay it.

37.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

37.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

37.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

38. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

38.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

38.2 In the Articles, the "**distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:

(a) the holder of the share;

(b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

39. NO INTEREST ON DISTRIBUTIONS

39.1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:

(a) the terms on which the share was issued; or

(b) the provisions of another agreement between the holder of that share and the Company.

40. UNCLAIMED DISTRIBUTIONS

40.1 All dividends or other sums which are:

(a) payable in respect of shares; and

(b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

40.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

40.3 If:

(a) twelve years have passed from the date on which a dividend or other sum became due for payment; and

(b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

41. NON-CASH DISTRIBUTIONS

41.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including shares or other securities in any company).

41.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

(a) fixing the value of any assets;

(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

(c) vesting any assets in trustees.

42. WAIVER OF DISTRIBUTIONS

42.1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:

(a) the share has more than one holder; or

(b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

43. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

43.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:

(a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

(b) appropriate any sum which they so decide to capitalise ("**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend ("**persons entitled**") and in the same proportions.

43.2 Capitalised sums must be applied:

(a) on behalf of the persons entitled; and

(b) in the same proportions as a dividend would have been distributed to them.

43.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

43.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

43.5 Subject to the Articles the directors may:

(a) apply capitalised sums in accordance with Articles 43.3 and 43.4 partly in one way and partly in another;

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article 43 (including the issuing of fractional certificates or the making of cash payments); and

(c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article 43.

DECISION-MAKING BY MEMBERS

ORGANISATION OF GENERAL MEETINGS

44. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

44.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

44.2 A person is able to exercise the right to vote at a general meeting when:

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

44.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

44.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

44.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

45. QUORUM FOR GENERAL MEETINGS

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

46. CHAIRING GENERAL MEETINGS

46.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

46.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

(a) the directors present; or

(b) (if no directors are present), the meeting,

must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

46.3 The person chairing a meeting in accordance with this Article 46 is referred to as the "**chairman of the meeting**".

47. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-MEMBERS

47.1 Directors may attend and speak at general meetings, whether or not they are members.

47.2 The chairman of the meeting may permit other persons who are not:

(a) members; or

(b) otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

48. ADJOURNMENT

48.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

48.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

(a) the meeting consents to an adjournment; or

(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

48.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

48.4 When adjourning a general meeting, the chairman of the meeting must:

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and

(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

48.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

(a) to the same persons to whom notice of the Company's general meetings is required to be given; and

(b) containing the same information which such notice is required to contain.

48.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

49. VOTING: GENERAL

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

50. ERRORS AND DISPUTES

50.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

50.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

51. POLL VOTES

51.1 A poll on a resolution may be demanded:

(a) in advance of the general meeting where it is to be put to the vote; or

(b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

51.2 A poll on a resolution may be demanded by:

(a) the chairman of the meeting;

(b) the directors;

(c) two or more persons having the right to vote on the resolution; or

(d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

51.3 A demand for a poll may be withdrawn if:

(a) the poll has not yet been taken; and

(b) the chairman of the meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

51.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

52. CONTENT OF PROXY NOTICES

52.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:

(a) states the name and address of the member appointing the proxy;

(b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

(c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and

(d) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate not less than 48 hours before the time appointed for holding the meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting to which they relate,

and a proxy notice which is not delivered in such manner shall be invalid unless the directors in their absolute discretion at any time before the start of the meeting otherwise determine.

52.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

52.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions and the proxy is obliged to vote or abstain from voting in accordance with the specified instructions. However, the Company is not obliged to check whether a proxy votes or abstains from voting as he has been instructed and shall incur no liability for failing to do so. Failure by a proxy to vote or abstain from voting as instructed at a meeting shall not invalidate proceedings at that meeting.

52.4 Unless a proxy notice indicates otherwise, it must be treated as:

(a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and

(b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

53. DELIVERY OF PROXY NOTICES

53.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

53.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

53.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

53.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

54. AMENDMENTS TO RESOLUTIONS

54.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

(a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

54.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

54.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

ADMINISTRATIVE ARRANGEMENTS

55. MEANS OF COMMUNICATION TO BE USED

55.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of the Companies Act 2006 to be sent or supplied by or to the Company.

55.2 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

(a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

(b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;

(c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

(d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article 55, no account shall be taken of any part of a day that is not a business day.

55.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Companies Act 2006.

55.4 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

55.5 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

56. COMPANY SEALS

56.1 Any common seal may only be used by the authority of the directors.

56.2 The directors may decide by what means and in what form any common seal is to be used.

56.3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

56.4 For the purposes of this Article 56, an authorised person is:

(a) any director of the Company;

(b) the company secretary; or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

57. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member.

58. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

59. INDEMNITY

59.1 Subject to Article 59.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

(a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

(i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

(ii) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, or regulatory investigation or action, in which judgment is given in his favour or in which he is acquitted or the proceedings are, or the investigation or action is, otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

(b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings, investigation, action or application referred to in Article 59.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

59.2 This Article 59 does not authorise any indemnity to the extent it would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

59.3 In this Article 59:

(a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

(b) a "**relevant officer**" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act 2006)).

60. INSURANCE

60.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

60.2 In this Article 60:

(a) a "**relevant officer**" means any director or other officer or former director or other officer of the Company or an associated company (including any such company which is a trustee of an occupational pension scheme as defined by section 235(6) of the Companies Act 2006);

(b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

(c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

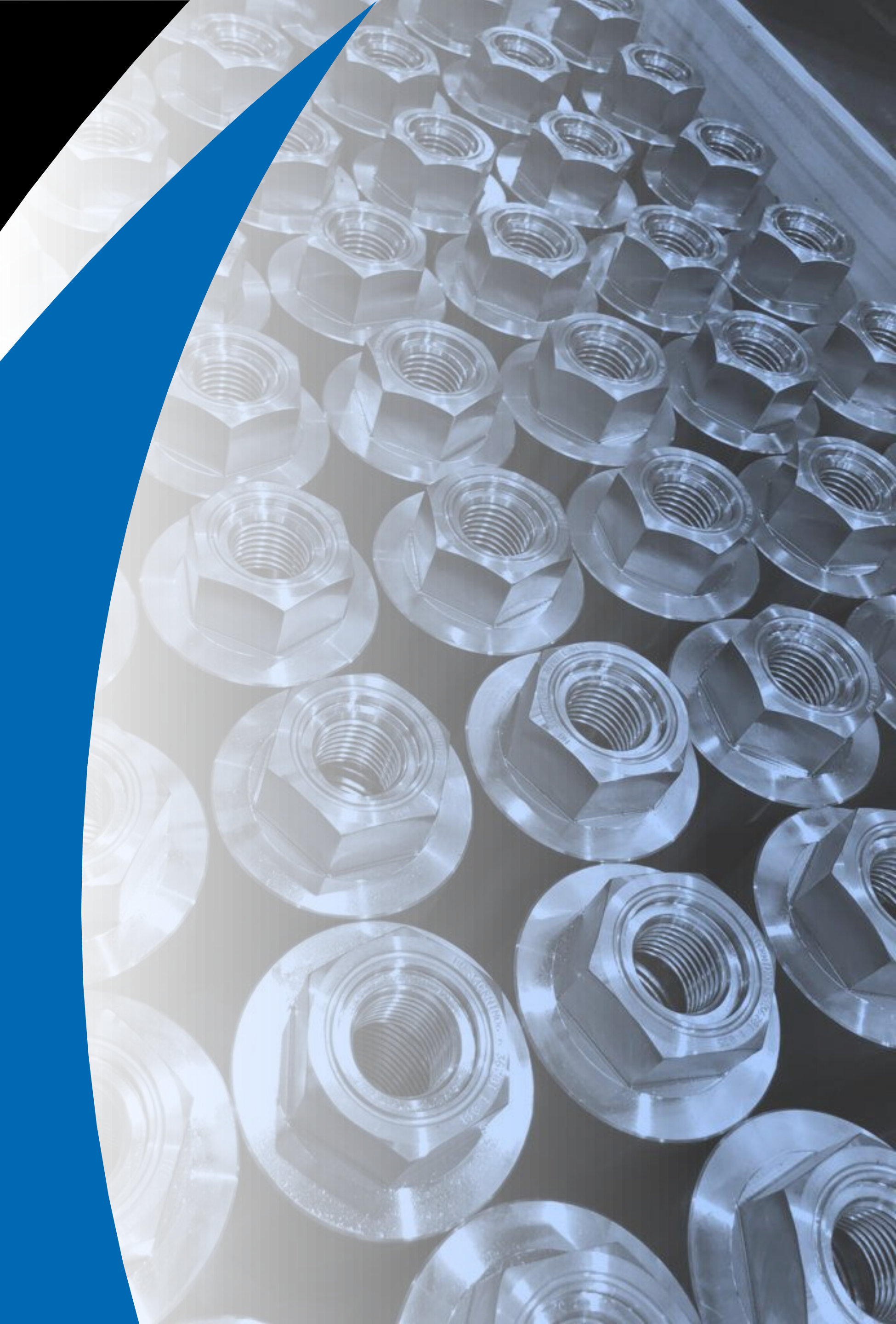
LoneStar Group

Q3 2023 UNAUDITED FINANCIAL REPORT

USD 40m Senior secured bond issue

8 November, 2023

www.lonestargroup.com



SUMMARY

- Whitworth Midco Limited acquired the LoneStar Group on the 8th March 2023. Financial information for Q3 2023 and financial position at 30 September 2023 is presented on a consolidated basis at the level of Whitworth Midco Limited. Comparatives including certain pre-acquisition financial information are presented on a pro forma basis.

- All financial data is unaudited, unless otherwise stated. Accounting for the acquisition is ongoing, including the purchase price allocation and transaction related costs. This could lead to further adjustments to the FY23 financial information. This accounting process will be completed as part of the year-end process.

- Q3 trading
  - Q3 2023 revenue of c.£49.8m, an increase of c.8.5% on Q3 2022, at a gross margin of c.34.3%.
  - Q3 EBITDA of c.£7.8m and YTD EBITDA of c.£23.4m up c.42.7% and c.49.2% respectively on prior year.
  - Reported LTM sales and EBITDA on a pro forma basis of c.£189.3m and c.£28.2m respectively as at September 2023.

- Order intake and order book
  - Order book at 30 September 2023 was c.£46.9m (up from c.£46.6m at 30 June 2023) with order intake in Q3 at c.£50.1m, broadly in line with Q3 2022 order intake of c.£50.5m.

- Balance sheet
  - Net assets at 30 September 2023 amounted to c.£46.3m.
  - As at 30 September 2023, the Group recorded a cash balance of c.£13.9m with financial debt consisting of term loan, revolver and bond of c.£63.0m (including c.£32.8m relating to the bond). Deferred consideration of c.£6.0m was paid in September 2023.

- Cash flow
  - Q3 2023 cash flow reflects the repayment of the deferred consideration in September 2023.
  - Operating cash flow (OCF) generation remained strong in Q3 2023 helped by EBITDA performance.

- Covenant
  - Leverage Ratio at 30 September 2023 of c.1.8x with Consolidated Net Debt of c.£49.6m and LTM EBITDA of c.£28.2m.

Notes: Consolidated Net Debt figure excludes c.£0.5m of cash collateral held as Security

PROFIT AND LOSS

Summary P&L

	Q3 2023			YTD 2023			LTM	FY22
	Actual	Prior Year		Actual	Prior Year		Actual	Actual
	£'000	£'000	Var	£'000	£'000	Var	£'000	£'000
Net Revenue	49,811	45,910	8.5%	147,578	127,971	15.3%	189,271	169,664
Cost of sales	(32,708)	(31,954)	2.4%	(96,449)	(88,736)	8.7%	(125,371)	(117,658)
% of Net revenue	*65.7%*	*69.6%*	*-3.9%*	*65.4%*	*69.3%*	*-4.0%*	*66.2%*	*69.3%*
Gross Profit	17,103	13,957	22.5%	51,129	39,235	30.3%	63,900	52,006
Gross Margin	34.3%	30.4%	3.9%	34.6%	30.7%	4.0%	33.8%	30.7%
Operating Expenses	(9,820)	(9,003)	9.1%	(29,365)	(25,109)	16.9%		
% of Net revenue	19.7%	19.6%	0.1%	19.9%	19.6%	0.3%		
Add: depreciation	539	527	2.3%	1,594	1,532	4.0%		
EBITDA	7,822	5,481	42.7%	23,358	15,658	49.2%	28,160	20,460
% Net Margin	*15.7%*	*11.9%*	*3.8%*	*15.8%*	*12.2%*	*3.6%*	*14.9%*	*12.1%*
Depreciation	(539)	(527)		(1,594)	(1,532)			
EBITA	7,283	4,954	47.0%	21,764	14,125	54.1%		
Loan Amortisation	(73)							
Goodwill Amortisation	(1,295)							
FX gain / (loss)	(1,868)							
Management Fees	(37)							
Exceptional Costs	(419)							
Net Interest	(1,848)							
Corporation Taxes	(844)							
Net Income	899							
% of Net revenue	*1.8%*							
Interest on shareholders loan notes	(515)							
Net Income	384							
% of Net revenue	*0.8%*							

Consolidated P&L

> Whitworth Midco Limited acquired the LoneStar Group on 8th March 2023. YTD, Prior Year, LTM and FY22 figures to EBITDA are presented on a pro forma basis.

> Q3 2023 revenue of c.£49.8m, an increase of c.£3.9m (c.8.5%) on the prior year with the increase driven by Europe and MENA-APAC.

> Gross profit margin was c.34.3%, up from c.30.4% in the prior year, helped by the increase in revenue.

> Q3 and YTD EBITDA up c.42.7% and c.49.2% respectively on prior year.

> Accounting for the acquisition is ongoing, including the purchase price allocation and transaction related costs. This could lead to further adjustments to the FY23 financial information. This accounting process will be completed as part of the year-end process.

Notes: Prior year and LTM results are prepared on a pro-forma basis. Figures are shown before any FY22 audit adjustments.

BALANCE SHEET

Balance Sheet £'000	Sep-23	Jun-23	Mar-23
Cash	13,949	8,327	11,777
Trade Receivables	34,658	33,364	34,414
Other Receivables	1,688	2,513	2,728
Inventory	50,075	51,548	52,904
Total Current Assets	**100,371**	**95,752**	**101,823**
Plant , Property and Equipment	6,596	6,133	6,112
Other non current assets	25,600	25,808	28,488
Total Assets	**132,566**	**127,694**	**136,423**
Trade Accounts Payable	(16,055)	(14,955)	(15,804)
VAT	768	720	515
Other Payables	(2,106)	(1,867)	(4,403)
Accrued Expenses	(14,408)	(13,109)	(12,381)
Income tax payable	(608)	(615)	(774)
Interest accrual	(576)	(367)	(138)
Total Current Liabilities	**(32,985)**	**(30,193)**	**(32,987)**
Non Current Liabilities			
Deferred tax Asset	8,603	8,363	8,515
Other Non Current Liabilities			
Total Non Current Assets / Liabilities	**8,603**	**8,363**	**8,515**
Total Liabilities	**(24,382)**	**(21,830)**	**(24,472)**
Financial Debt			
Term Loans	(41,401)	(40,588)	(9,000)
Revolver	(21,607)	(18,410)	(17,025)
Capitalised debt fees	1,166	1,239	296
Deferred consideration	0	(5,953)	(9,950)
Total Financial Debt	**(61,842)**	**(63,713)**	**(35,679)**
Net Assets	**46,341**	**42,151**	**76,272**

Consolidated Balance Sheet

- The adjacent table presents the unaudited consolidated balance sheet on a post-acquisition basis.
- Accounting for the acquisition is ongoing, including the purchase price allocation and transaction related costs. This could lead to further adjustments to the FY23 financial information. This accounting process will be completed as part of the year-end process.
- Sep-23 balance sheet reflects the repayment of the deferred consideration in September. The issued bond makes up c.£32.8m of the Term Loans in the balance sheet at Sep-23.

Notes: Historic actual figures are shown before any FY22 audit adjustments. Financial Debt excludes bonds/guarantees.

CASH FLOW

	Q3 2023 £'000
EBITDA	**7,822**
Movement in WC	3,594
FX on WC	1,340
Total	**4,934**
Capex	**(895)**
Operating Cash Flow (pre Exceptionals)	**11,861**
Exceptional Costs	**(275)**
Management Fees	**(37)**
Corporation Taxes	**(861)**
Operating Cash Flow	**10,688**
Net interest payments	(1,645)
Deferred consideration payments	(5,953)
Long term debt	186
Total Debt Service	**(7,411)**
Acquisitions (exc. debt drawdown)	**(145)**
Equity funding	**0**
FX/Other Movement	**2,490**
Net Cash Flow	**5,622**
Opening Cash	8,327
Net Cash Flow	5,622
Closing Cash	13,949

Consolidated Cash Flow

- The adjacent table presents the consolidated cash flow on a post-acquisition basis following the acquisition of the LoneStar Group by Whitworth Midco Limited on 8th March 2023.
- Accounting for the acquisition is ongoing, including the purchase price allocation and transaction related costs. This could lead to further adjustments to the FY23 financial information. This accounting process will be completed as part of the year-end process.
- Underlying OCF cash generation was strong in Q3 2023 helped by EBITDA performance. OCF of c.£10.7m represented c.137% conversion of EBITDA.
- Q3 2023 cash flow reflects the repayment of the deferred consideration paid in September.
- Long term debt includes net drawdowns from the existing ABL facility, in part to finance the deferred consideration payment made in September 2023.

Notes: Post-acquisition cash flow presented only following the acquisition of the LoneStar Group by Whitworth Midco Limited on 8th March 2023.

LoneStar Group

THANK YOU

CONTACT US

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jon.ainsworth@lonestargroup.com

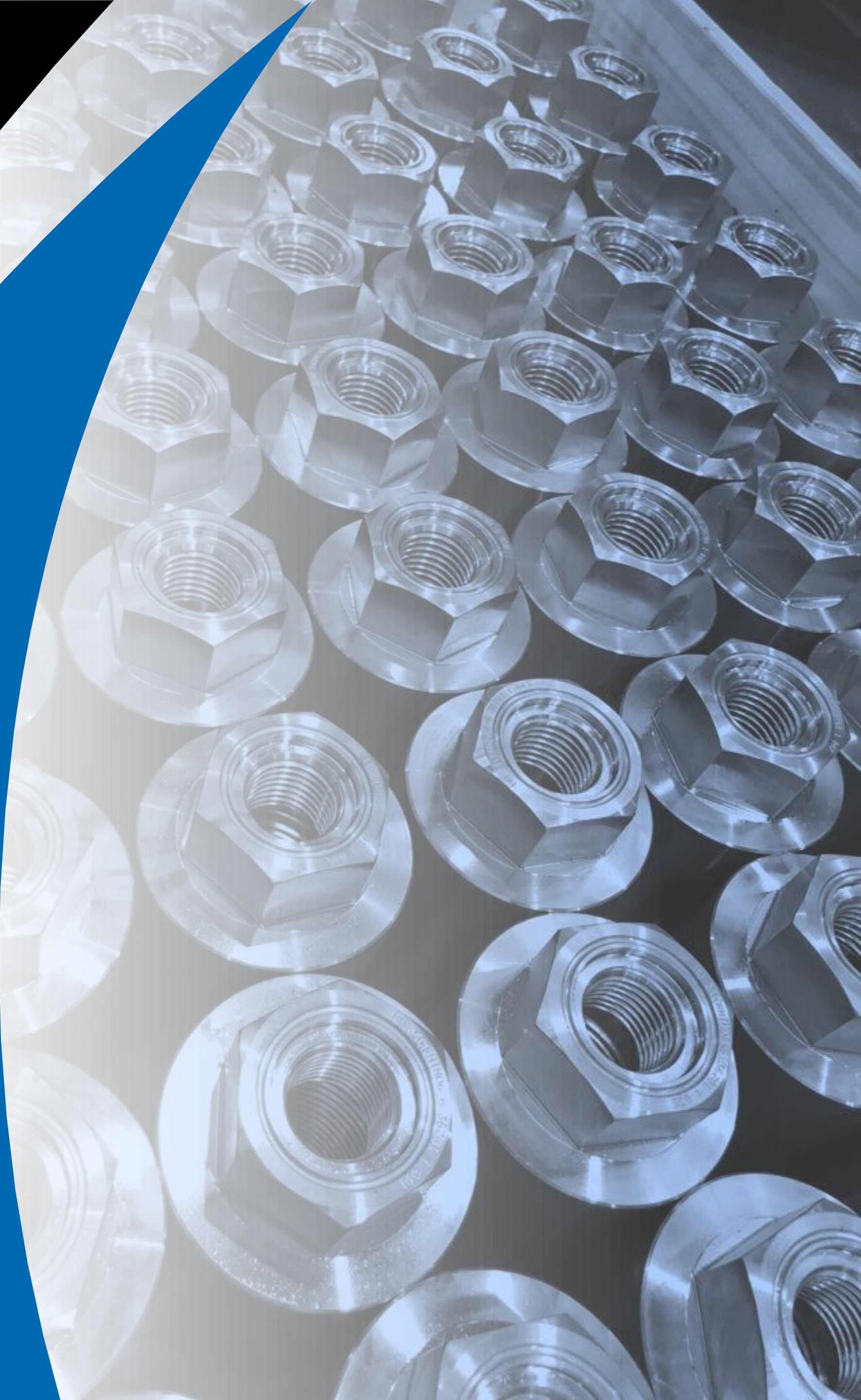
LoneStar
Group

Q2 2023 UNAUDITED FINANCIAL REPORT

USD 40m Senior secured bond issue

30 August, 2023

www.lonestargroup.com



SUMMARY

- Whitworth Midco Limited acquired the LoneStar Group on the 8th March 2023. Financial information for Q2 2023 and financial position at 30 June 2023 is presented on a consolidated basis at the level of Whitworth Midco Limited. Comparatives including certain pre-acquisition financial information are presented on a pro forma basis.

- All financial data is unaudited, unless otherwise stated. Accounting for the acquisition is ongoing, including the purchase price allocation and transaction related costs. This could lead to further adjustments to the FY23 financial information. This accounting process will be completed as part of the year-end process.

- Q2 trading
  - Q2 2023 revenue of c.£47.0m, an increase of c.9.4% on Q2 2022, at a gross margin of c.34.5%.
  - Q2 EBITDA of c.£7.0m and YTD EBITDA of c.£15.5m up c.27.4% and c.52.7% respectively on prior year.
  - Reported LTM sales and EBITDA on a pro forma basis of c.£185.4m and c.£25.8m respectively as at June 2023.

Disclaimer

We, Whitworth MidCo (UK) Ltd. (the "Issuer"), have prepared this information material, together with its enclosures and appendices (collectively, the "Information Material"), in order to provide information with regards to the Issuer's Q2 results. This Information Material does not constitute an offer, invitation or solicitation of an offer to buy any securities.

The Issuer does not make any undertaking, representation or warranty (express or implied) as to the accuracy or completeness of the information (whether written or oral and whether included in this Information Material or elsewhere) concerning the Issuer or other matters described herein. Neither the Issuer nor any of its parent or subsidiary undertakings or any such person's affiliates, officer, employees or advisers accept any liability whatsoever arising directly or indirectly from the use of this Information Material or otherwise in connection with the matters described herein.

The distribution of this Information Material in certain jurisdiction is restricted by law. This Information Material is not for distribution or release, directly or indirectly, in or into any jurisdiction in which the distribution or release would be unlawful.

- Balance sheet
  - Net assets at 30 June 2023 amounted to c.£42.2m.
  - As at 30 June 2023, the Group recorded a cash balance of c.£8.3m with financial debt consisting of term loan, revolver and bond of c.£59.0m (including c.£31.6m relating to the bond) and c.£6.0m of deferred consideration relating to the acquisition which is due in September 2023.

- Cash flow
  - Q2 2023 cash flow reflects the issue of the bond and subsequent repayment of shareholder loans in June.
  - Operating cash flow (OCF) generation remained strong in Q2 2023 helped by EBITDA performance.

- Covenant
  - Leverage Ratio at 30 June 2023 of 2.2x with Consolidated Net Debt of c.£57.2m and LTM EBITDA of c.£25.8m.

Notes: Consolidated Net Debt figure excludes c.£0.5m of cash collateral held as Security

PROFIT AND LOSS

Summary P&L

	Q2 2023 Actual £'000	Q2 2023 Prior Year £'000	Q2 2023 Var	YTD 2023 Actual £'000	YTD 2023 Prior Year £'000	YTD 2023 Var	LTM Actual £'000	FY22 Actual £'000
Net Revenue	46,999	42,969	9.4%	97,767	82,061	19.1%	185,370	169,664
Cost of sales	(30,790)	(29,589)	4.1%	(63,741)	(56,783)	12.3%	(124,616)	(117,658)
% of Net revenue	*65.5%*	*68.9%*	*-3.3%*	*65.2%*	*69.2%*	*-4.0%*	*67.2%*	*69.3%*
Gross Profit	16,208	13,380	21.1%	34,026	25,278	34.6%	60,754	52,006
Gross Margin	34.5%	31.1%	3.3%	34.8%	30.8%	4.0%	32.8%	30.7%
Operating Expenses	(9,727)	(8,398)	15.8%	(19,545)	(16,107)	21.3%		
% of Net revenue	20.7%	19.5%	1.2%	20.0%	19.6%	0.4%		
Add: depreciation	518	511	1.5%	1,055	1,005	4.9%		
EBITDA	6,999	5,493	27.4%	15,536	10,176	52.7%	25,819	20,460
% Net Margin	*14.9%*	*12.8%*	*2.1%*	*15.9%*	*12.4%*	*3.5%*	*13.9%*	*12.1%*
Depreciation	(518)	(511)		(1,055)	(1,005)			
EBITA	6,481	4,982	30.1%	14,481	9,171	57.9%		
Loan Amortisation	(24)							
Goodwill Amortisation	(1,295)							
FX gain / (loss)	913							
Management Fees	(37)							
Exceptional Costs	(2,881)							
Net Interest	(677)							
Corporation Taxes	(681)							
Net Income	1,799							
% of Net revenue	*3.8%*							
Interest on shareholders loan notes	(1,240)							
Net Income	559							
% of Net revenue	*1.2%*							

Consolidated P&L

- Whitworth Midco Limited acquired the LoneStar Group on 8th March 2023. YTD, Prior Year, LTM and FY22 figures to EBITDA are presented on a pro forma basis.
- Q2 2023 revenue of c.£47.0m, an increase of c.£4.0m (c.9.4%) on the prior year driven by Europe and MENA-APAC.
- Gross profit margin was c.34.5%, up from c.31.1% in the prior year, helped by increase in revenue.
- Q2 and YTD EBITDA up c.27.4% and c.52.7% respectively on prior year.
- Exceptional costs in the P&L in Q2 includes c.£2.8m acquisition/financing related costs.
- Accounting for the acquisition is ongoing, including the purchase price allocation and transaction related costs. This could lead to further adjustments to the FY23 financial information. This accounting process will be completed as part of the year-end process.

Notes: Prior year and LTM results are prepared on a pro-forma basis. Figures are shown before any FY22 audit adjustments.

BALANCE SHEET

Balance Sheet £'000	Jun-23	Mar-23
Cash	8,327	11,777
Trade Receivables	33,364	34,414
Other Receivables	2,513	2,728
Inventory	51,548	52,904
Total Current Assets	**95,752**	**101,823**
Plant , Property and Equipment	6,133	6,112
Other non current assets	25,808	28,488
Total Assets	**127,694**	**136,423**
Trade Accounts Payable	(14,955)	(15,804)
VAT	720	515
Other Payables	(1,867)	(4,403)
Accrued Expenses	(13,109)	(12,381)
Income tax payable	(615)	(774)
Interest accrual	(367)	(138)
Total Current Liabilities	**(30,193)**	**(32,987)**
Non Current Liabilities		
Deferred tax Asset	8,363	8,515
Other Non Current Liabilities		
Total Non Current Assets / Liabilities	**8,363**	**8,515**
Total Liabilities	**(21,830)**	**(24,472)**
Financial Debt		
Term Loans	(40,588)	(9,000)
Revolver	(18,410)	(17,025)
Capitalised debt fees	1,239	296
Deferred consideration	(5,953)	(9,950)
Total Financial Debt	**(63,713)**	**(35,679)**
Net Assets	**42,151**	**76,272**

Consolidated Balance Sheet

> The adjacent table presents the unaudited consolidated balance sheet on a post-acquisition basis.

> Accounting for the acquisition is ongoing, including the purchase price allocation and transaction related costs. This could lead to further adjustments to the FY23 financial information. This accounting process will be completed as part of the year-end process.

> Jun-23 balance sheet reflects the issue of the bond in June, making up c.£31.6m of the Term Loans in the balance sheet at that date.

Notes: Historic actual figures are shown before any FY22 audit adjustments. Financial Debt excludes bonds/guarantees.

CASH FLOW

	Q2 2023 £'000
EBITDA	**6,999**
Movement in WC	1,357
FX on WC	(821)
Total	**537**
Capex	**(614)**
Operating Cash Flow (pre Exceptionals)	**6,922**
Exceptional Costs	**(115)**
Management Fees	**(37)**
Corporation Taxes	**(760)**
Operating Cash Flow	**6,009**
Net interest payments	(430)
Deferred consideration payments	(3,997)
Long term debt	31,625
Total Debt Service	**27,197**
Acquisitions (exc. debt drawdown)	**(4,366)**
Equity funding	**(32,231)**
FX/Other Movement	**(60)**
Net Cash Flow	**(3,450)**
Opening Cash	11,777
Net Cash Flow	(3,450)
Closing Cash	8,327

Consolidated Cash Flow

> The adjacent table presents the consolidated cash flow for Q2 2023 on a post-acquisition basis following the acquisition of the LoneStar Group by Whitworth Midco Limited on 8th March 2023.

> Accounting for the acquisition is ongoing, including the purchase price allocation and transaction related costs. This could lead to further adjustments to the FY23 financial information. This accounting process will be completed as part of the year-end process.

> Underlying OCF cash generation remains strong in Q2 2023 helped by EBITDA performance. OCF of c.£6.0m represented c.86% conversion of EBITDA.

> Q2 2023 cash flow reflects the issue of the bond and subsequent repayment of shareholder loans in June.

> Long term debt includes net inflow from bond proceeds of c.£30.5m along with net drawdowns from the existing ABL facility, in part to finance the 1st deferred consideration payment made in April 2023.

Notes: Post-acquisition cash flow presented only following the acquisition of the LoneStar Group by Whitworth Midco Limited on 8th March 2023.

THANK YOU

CONTACT US

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CFO
jon.ainsworth@lonestargroup.com

Income statement - pro forma reconciliation

	2020	2021	2022	Q3'23 LTM
	LSP Investco	LSP Investco	LSP Investco	Whitworth Midco
	Audited	Audited	Audited	Pro forma Unaudited
	Statutory accounts	Statutory accounts	Statutory accounts	Management accounts
Net Revenue	**156.8**	**137.4**	**169.0**	**189.3**
Growth %	*-17.7%*	*-12.3%*	*22.9%*	*4.4%*
Cost of sales	**113.5**	**99.1**	**117.0**	**125.4**
Gross Profit	**43.2**	**38.3**	**52.0**	**63.9**
Gross margin	*27.6%*	*27.9%*	*30.8%*	*33.8%*
Total Overheads	**(35.2)**	**(30.4)**	**(39.7)**	
Operating Profit/PBIT	**8.0**	**7.9**	**12.3**	
Net interest payable and similar charges	**(3.5)**	**(2.2)**	**(0.8)**	
PBT	**4.6**	**5.7**	**11.4**	
Tax charge	**3.3**	**(0.6)**	**(2.3)**	
Net Income	**7.8**	**5.1**	**9.1**	

Memo: Reconciliation to EBITDA per management accounts				
Operating Profit/PBIT	**8.0**	**7.9**	**12.3**	
Depreciation	**2.8**	**2.3**	**2.1**	
Amortisation	**2.1**	**1.9**	**2.1**	
Exceptionals - transaction/refinancing	**0.6**	**0.1**	**2.7**	
Exceptionals - other	**1.8**	**(0.2)**	**0.8**	
Management Fees	**0.4**	**0.4**	**0.5**	
FX gain / (loss)	**(0.0)**	**0.3**	**(0.0)**	
Rounding/Other	**(0.0)**	**-**	**-**	
EBITDA per management accounts	**15.7**	**12.7**	**20.5**	**28.2**
Margin %	*10.0%*	*9.3%*	*12.1%*	*14.9%*

Notes:

Whitworth Midco PLC acquired the LoneStar Group on the 8th March 2023. Financial information for Q3 2023 LTM is presented on a pro-forma consolidated basis at the level of Whitworth Midco PLC

For the periods covered by the last 3 years LSP Investco Limited ("LSPI") statutory accounts provided and through to 8th March 2023 the results of all operating subsidiaries are included in the consolidated results of LSPI. Post 8th March all of these operating subsidiaries are indirectly owned by the issuer, Whitworth Midco PLC, although post the transaction on 8th March 2023 the US operating subsidiaries are no longer indirectly owned by LSPI.

The income statement figures prepared for FY22 and previous LSPI statutory accounts and for the issuer for FY23 onwards would, on a proforma basis, produce the same trading results i.e. down to EBITDA per management accounts (see reconciliation above). Amortisation and other items below operating profit such as interest will vary in the issuer's accounts going forward due to the acquisition accounting, accounting for share based payments and changes in the financing structure of the group.

Accounting for the acquisition is ongoing, including the purchase price allocation, transaction related costs and accounting for share based payments. This could lead to further adjustments to the FY23 financial information. This accounting process will be completed as part of the year-end process.

LSP Investco Limited

Annual report and consolidated financial statements

Registered number 10290956

31 December 2022

Contents

Directors and advisers

Directors	TR Pickles JM Ainsworth
Secretary and registered office	PJ Lawton Universal Point Steelmans Road Wednesbury West Midlands WS10 9UZ
Independent auditor	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

Strategic report
for the year ended 31 December 2022

The directors present their strategic report of the company and its subsidiaries (together the "Group" or "LoneStar") for the year ended 31 December 2022.

Principal activities

LSP Investco Limited is a holding company for a group of companies whose principal activities are the manufacture, distribution and sale of fasteners, gaskets, flow control components and other ancillary products. The Group operates in the UK and across continental Europe, the Middle East, North America and the Far East and is a market leader in many of the geographies in which it trades.

Business review and future developments

The Group is a leading provider of standardised and custom high-performance fasteners, gaskets, flow control components and other ancillary products primarily for energy related industries including the oil and gas and power generation industries.

The Group saw a significant improvement in performance with revenues up c.£31.5m (c.23%) on the prior year and operating profit up c.£4.4m (c.55%) on the prior year.

The Group delivered an operating profit of £12,274,000 *(2021: £7,905,000)* in the year. The business made an operating profit before depreciation, amortisation and exceptional costs of £18,007,000 *(2021: £12,102,000)* in the year. The Group generated £8,362,000 of cash from operating activities with a year-end cash balance of £22,465,000, further demonstrating the cash generative nature of the Group.

The directors are optimistic about the prospects in the group's markets and believe the businesses are well positioned for future growth.

Post Balance Sheet events

On the 8 March 2023, LSP Investco Limited saw a change in its ultimate controlling party to Epiris GP III Limited. As part of this transaction, LSP Investco Limited disposed of certain subsidiaries which were acquired by another entity within the new group under the ultimate control of Epiris GP III Limited. The acquisition of the group was funded through a combination of equity, preference shares, shareholder loan notes and new third-party debt, further details are set out in the notes 1.2 and 16 to the accounts.

Key performance indicators

The various businesses within the Group operate across a diverse range of geographies and markets supplying a range of fasteners, gaskets, flow control components and related ancillary products. Each business has its own key performance indicators ("KPI") with which to manage its operations.

The Group's key financial performance indicators, assessed within its operating companies, are turnover, operating profit before depreciation, amortisation and exceptional costs and cash generation. Various non-financial KPIs are currently monitored at an individual business unit level.

Principal risks and uncertainties

The Group operates globally in varied markets and manages the risks inherent in its activities. The Group seeks to mitigate exposure to all forms of risk, both external and internal and, where practical, mitigate the risk by using insurers where this is cost effective.

Strategic report
for the year ended 31 December 2022 (continued)

Financial risks

Foreign exchange

The Group is exposed to foreign currency transaction risk (where products are sourced in one currency and sold in another). Transaction risks are mitigated by dealing in the same currency (sourcing components in the same currency as the sale) where possible.

Group policy is to hedge a proportion of the overseas earnings exposure with foreign currency borrowings.

Credit

The Group is exposed to credit risk in relation to customers, banks, and insurers. Credit control procedures take into account the identified risks relating to customers, which includes credit checks and limits for customers. Where appropriate, the company insures business risks with insurers of good standing. Credit risk in relation to banks is mitigated by the Group's policy to deal only with major financial institutions.

Interest rate

The Group has interest bearing liabilities. Interest bearing liabilities consist of bank loans. The Group has a policy of maintaining short term deposits, cash balances and loan and overdraft facilities at a level sufficient to fund its operations including the servicing of interest-bearing liabilities.

Business risks

Competitors

The Group operates in competitive markets. The global footprint, diversity of operations and continued investment in improved capabilities within the Group reduces the effect from any single competitor.

Product failure

The reliability of the Group's products is key to the business. Product failure may have an effect on the business in terms of reputation and potential claims. To mitigate this risk, the Group has accredited quality control processes.

Raw material price movements

The Group's products contain various raw materials (mainly consisting of metals). Any increases or volatility in prices (including as a result of changes in tariff rates) and shortages in supply can affect the Group's performance. The diversity of products across the Group and the purchasing policies of the Group reduce the dependence of the company to any single item or supplier.

The Group has well established internal procedures to both minimise the cost impact of price movements and to manage changes to external selling prices accordingly.

Oil price movements

The global price of oil can influence the investment decisions of end-users in a number of the markets the business serves which in turn can impact demand for the Group's products. The Group's exposure to a number of geographies and other segments such as power generation helps to mitigate this risk.

Results

The profit for the financial year was £9,077,000 *(2021: £5,130,000).*

Section 172 statement

The directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, to be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year.

This includes considering the interests of our customers, suppliers, and employees, maintaining high standards of business ethics and conduct, and considering our impacts on local communities and the environment.

Employees

Our employees are seen as an important component and asset of our business. We are committed to eliminating discrimination and encouraging diversity and endeavour to deal with our employees fairly and with respect. Our employees are expected to act with integrity, fairly, impartially, and in an ethical and proper manner in conducting the Group's business.

Our employees are encouraged to take an active role in health, safety and environmental issues. The Board receive regular health, safety and environmental reports.

Business relationships

We value the important relationships we have with our customers. We regularly engage with our customers to understand their requirements and to develop our product and service propositions to meet their needs. The Group also works closely with its suppliers to provide cost-effective goods, services and solutions through the supply chain in compliance with relevant laws and regulations.

Impact on community and environment

The Group continues to be committed to operating its business in an environmentally responsible way, and in compliance with relevant laws and regulations. The Group recognises that businesses have a critical role to play in the transition to a low-carbon future and is continuing to develop its own plan for this transition and to make other changes that will have positive impacts on the environment. In accordance with streamlined energy and carbon reporting requirements, during the year ended 31 December 2022, additional usage disclosure was not required.

Reputation for high standards of business conduct

The Group is committed to having a high standard of business ethics and expects all our employees, customers, suppliers and contractors to share the same commitment. The Group operates a Global Code of Conduct which outlines expected behaviours for all its employees with other policies in place in support of that Code of Conduct such as the Group's Anti-bribery and Corruption Policy. Each year the Board considers and approves the Group's modern slavery statement that reaffirms our commitment to combatting slavery and human trafficking.

By order of the board

JM Ainsworth
Director

28 September 2023

Directors' report

for the year ended 31 December 2022

The directors present their report and audited financial statements of the company for the year ended 31 December 2022.

Future developments

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

Dividends

A dividend of £nil *(2021: £nil)* was paid in the year.

Financial risk management

Financial risks affecting the company are detailed further in the Strategic report on page 3.

Going concern

The directors have prepared the financial statements on the going concern basis. See note 1.2 for further details.

Directors

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

TR Pickles	(appointed 8 March 2023)
JM Ainsworth	
AJW Hoffman	(resigned 8 March 2023)
JT Levengood	(resigned 8 March 2023)
SJ Diamond	(resigned 8 March 2023)

Two *(2021: two)* of the directors who held office at the end of the financial year had interests in the ordinary shares of LSP Investco Limited. Two (*2021: two*) of the directors who held office at the end of the financial year had interests in its ultimate parent company, LSP Holding Sarl.

Directors' indemnity provision

Pursuant to the company's Articles of Association, the company has given an 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 company purchases a third-party insurance indemnity provision. This was in force throughout the last financial year and is currently in force.

Copies of the insurance indemnity and of the company's Articles of Association are available for inspection at the company's registered office during normal business hours.

Political contributions

Neither the company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year *(2021: £nil)*.

Directors' report *(continued)*

Employees

The group is conscious that its employees are key contributors to its success. The group therefore encourages good communications and employee relations across all of its operations by utilising practices developed in each of the operating subsidiaries which are compatible with local circumstances and individual national legislation.

Operating subsidiaries' senior management are kept abreast of group developments in financial, commercial, strategic and human resource matters and are thereby able to inform and consult with employees as appropriate.

The group also recognises its responsibilities to ensure the fair treatment of all of its employees in accordance with national legislation applicable to the territories within which it operates. Equal opportunities for appropriate training, career development and promotion are available to all employees regardless of any physical disability or their gender, religion, race or nationality. In particular, having regard to their aptitudes and abilities, the group gives full and fair consideration to applications for employment received from disabled persons. If members of staff become disabled the group continues employment, either in the same or an alternative position, with the appropriate retraining being given if necessary.

Pension arrangements in each of the countries in which the group operates are maintained in accordance with legislative requirements, custom and practice and group policy as appropriate.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

P. J. Lawton

PJ Lawton
Company Secretary

Registered address:

Universal Point
Steelmans Road
Wednesbury
West Midlands
WS10 9UZ

28 September 2023

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial year. Under that law they have elected to prepare the Group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company 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 departure disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

KPMG

Independent auditor's report to the members of LSP Investco Limited

Opinion

We have audited the financial statements of LSP Investco Limited ("the Company") for the year ended 31 December 2022 which comprise the Consolidated profit and loss account and other comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the group's high-level policies and procedures to prevent and detect fraud, and whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

KPMG

Independent auditor's report to the members of LSP Investco Limited *(continued)*

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These relate to unexpected revenue, costs and bank account combinations during the financial year.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

KPMG

Independent auditor's report to the members of LSP Investco Limited *(continued)*

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

John Leech (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

Dated: 29 September 2023

Consolidated profit and loss account and other comprehensive income
for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	2	**168,972**	137,437
Cost of sales		**(116,966)**	(99,143)
Gross profit		**52,006**	38,294
Distribution costs		**(6,809)**	(5,052)
Goodwill and other intangible amortisation		**(2,145)**	(1,929)
Exceptional administrative expenses	3	**(1,507)**	-
Other administrative expenses		**(29,271)**	(23,408)
Total administrative expenses		**(32,923)**	(25,337)
Operating profit	3	**12,274**	7,905
Other interest receivable and similar income	6	**1,171**	130
Interest payable and similar expenses	7	**(2,019)**	(2,288)
Profit before taxation		**11,426**	5,747
Tax on profit	8	**(2,349)**	(617)
Profit for the financial year		**9,077**	5,130
Other comprehensive income			
Foreign exchange differences on translation of foreign operations		**4,718**	322
Other comprehensive income for the year, net of income tax		**4,718**	322
Total comprehensive income for the year		**13,795**	5,452

All activities relate to continuing operations.

The accompanying notes form part of these financial statements.

Consolidated balance sheet
at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Intangible assets	*9*		**4,292**		5,807
Tangible assets	*10*		**6,400**		6,104
			10,692		11,911
Current assets					
Stocks	*12*	**55,570**		41,753	
Debtors	*13*	**39,239**		36,056	
Cash at bank and in hand		**22,465**		37,802	
		117,274		115,611	
Creditors: amounts falling due within one year	*14*	**(43,863)**		(57,214)	
Net current assets			**73,411**		58,397
Total assets less current liabilities			**84,103**		70,308
Creditors: amounts falling due after more than one year	*15*		**-**		-
Net assets			**84,103**		70,308
Capital and reserves					
Called up share capital	*19*		**46**		46
Share premium account			**13,686**		43,686
Capital reduction reserve			**30,000**		-
Profit and loss account			**44,168**		30,373
Merger reserve			**(3,797)**		(3,797)
Shareholders' funds			**84,103**		70,308

These financial statements were approved by the board of directors on 28 September 2023 and were signed on its behalf by:

JM Ainsworth
Director

Company registered number: 10290956

The accompanying notes form part of these financial statements.

Company balance sheet
at 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	*10*		**2**		3
Investments	*11*		**29,383**		29,383
			29,385		29,386
Current assets					
Debtors (of which £42,811,000 *(2021: £40,347,000)* due in more than one year)	*13*	**71,796**		67,465	
Cash at bank and in hand		**13,073**		4,823	
		84,869		72,288	
Creditors: amounts falling due within one year	*14*	**(71,224)**		(41,975)	
Net current assets			**13,645**		30,313
Total assets less current liabilities			**43,030**		59,699
Creditors: amounts falling due after more than one year	*15*		**-**		(14,993)
Net assets			**43,030**		44,706
Capital and reserves					
Called up share capital	*19*		**46**		46
Share premium account			**13,686**		43,686
Capital reduction reserve			**30,000**		-
Profit and loss account			**(702)**		974
Shareholders' funds			**43,030**		44,706

The loss of the company for the financial year was £1,676,000 *(2021: profit of £261,000).*

These financial statements were approved by the board of directors on 28 September 2023 and were signed on its behalf by:

JM Ainsworth
Director

Company registered number: 10290956

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Merger reserve £000	Total equity £000
Balance at 1 January 2021	46	43,686	24,921	(3,797)	64,856
Total comprehensive income for the year					
Profit for the financial year	-	-	5,130	-	5,130
Other comprehensive income	-	-	322	-	322
Total comprehensive income for the year	-	-	5,452	-	5,452
Balance at 31 December 2021	**46**	**43,686**	**30,373**	**(3,797)**	**70,308**

	Called up share capital £000	Share premium account £000	Capital Reduction Reserve £000	Profit and loss account £000	Merger reserve £000	Total equity £000
Balance at 1 January 2022	46	43,686	-	30,373	(3,797)	70,308
Movement in the year	-	(30,000)	30,000	-	-	-
Total comprehensive income for the year						
Profit for the financial year	-	-	-	9,077	-	9,077
Other comprehensive income	-	-	-	4,718	-	4,718
Total comprehensive income for the year	-	-	-	13,795	-	13,795
Balance at 31 December 2022	**46**	**13,686**	**30,000**	**44,168**	**(3,797)**	**84,103**

Company statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total Equity £000
Balance at 1 January 2021	46	43,686	713	44,445
Total comprehensive income for the year				
Profit for the financial year	-	-	261	261
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	261	261
Balance at 31 December 2021	**46**	**43,686**	**974**	**44,706**

	Called up share capital £000	Share premium account £000	Capital reduction Reserve £000	Profit and loss account £000	Total Equity £000
Balance at 1 January 2022	46	43,686	-	974	44,706
Movement in the year	-	(30,000)	30,000	-	-
Total comprehensive income for the year					
Loss for the financial year	-	-	-	(1,676)	(1,676)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,676)	(1,676)
Balance at 31 December 2022	**46**	**13,686**	**30,000**	**(702)**	**43,030**

Consolidated cash flow statement
for year ended 31 December 2022

	Note	2022 £000	2021 £000
Net cash inflow from operating activities	21	**8,362**	13,367
Net cash outflow used in investing activities	22	**(2,097)**	(1,318)
Net cash outflow used in financing activities	22	**(24,802)**	(3,227)
Net (decrease)/increase in cash and cash equivalents		**(18,537)**	8,822
Cash and cash equivalents at 1 January	23	**37,802**	29,052
Exchange adjustments	23	**3,200**	(72)
Cash and cash equivalents at 31 December	23	**22,465**	37,802

Notes
(forming part of the financial statements)

1 Accounting policies

LSP Investco Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 10290956 and the registered address is Universal Point, Steelmans Road, Wednesbury, West Midlands, WS10 9UZ.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As the Company is a parent of a group of companies (the "Group") the going concern assessment considers the going concern for the Group as a whole. As part of the change in control of the Group on 8th March 2023, the Group replaced its previous senior secured facilities with new facilities provided by Wells Fargo. These new facilities have an overall limit of £50m and include asset based lending ("ABL") and term loan elements. The ABL element is subject to limitations based on certain inventory and accounts receivables parameters and its maturity is March 2028. The term loan is repayable monthly between September 2023 and August 2025. The acquisition of the Group was funded through a combination of equity, preference shares, shareholder loan notes and the new Wells Fargo facility referenced above. In June 2023 the shareholder loan notes were repaid in full utilising the proceeds from the issue of $40m of bonds by an intermediate parent company.

Management have prepared cash flow forecasts and accompanying covenant compliance calculations for the period to December 2024, including a severe, but plausible downside scenario. These cash flow forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due for the going concern assessment period being the 12 months from the date these financial statements were approved by the Board.

Therefore, the directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the Group, on page 2, that the Group has adequate resources to continue in operation as a going concern and that Group will be able to meet its obligations linked to the borrowings in place for the period covered by the Group's cash flow forecasts. Accordingly, the directors continue to adopt the going concern basis in preparing these consolidated and parent company financial statements.

Notes (continued)

1 Accounting policies *(continued)*

1.3. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The consolidated financial information of the LSP Investco Limited group is prepared on a merger accounting basis.

These consolidated financial statements include the results of the Company as well as the results of the consolidated LSP Investco Limited group of companies.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

1.4. Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

All borrowings are initially stated at the cost of the consideration received after the deduction of loan finance costs. These costs are charged to the profit and loss account over the estimated life of the relevant borrowings, on a constant rate basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Revolving credit facilities form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. Lease payments are accounted for as described at 1.12 below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Leasehold property improvements	Life of the lease
Plant and machinery	between 2-10 years
Motor vehicles	between 2-4 years
Fixtures, fittings and equipment	between 2-10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.7. Intangible assets, goodwill and amortisation

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or a group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of the intangible assets and goodwill. Neither the intangible assets nor the goodwill has any residual value. The finite useful life of goodwill has, from the 1 January 2016, been estimated as 10 years, following a review to bring all amortisation in line with FRS 102 requirements.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and any other intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of Assets when there is an indication that goodwill or an intangible asset may be impaired.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8. Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost is based on the average weighted principle. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

1.9. Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units (or "CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10. Contingent liabilities

Where the parent company or a subsidiary enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11. Turnover

Turnover is recognised at the value of the consideration received or receivable for sale of goods and services in the ordinary course of the business net of sales taxes, rebates and discounts and after eliminating sales within the group. Turnover is recognised at the point of despatch or acceptance of goods by the customer.

1.12. Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.13. Pension costs

The Group operates a number of defined contribution pension plans. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.14. Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Notes *(continued)*

1 Accounting policies *(continued)*

1.15. Accounting estimates and judgements

In the process of applying the Group's accounting policies, management has made a number of estimates and judgements. The key estimates and judgements concerning the future and other sources of estimation uncertainty that have the most significant effect on the financial statements at the reporting date are described below.

Significant

Stock provision

The Group provides against obsolete and slow-moving stock based on usage levels and management judgement, including an assessment of estimated future usage and saleability.

Other

Goodwill

Goodwill is tested for impairment in accordance with FRS 102 Section 27 Impairment of Assets when there is an indication that goodwill or an intangible asset may be impaired, which require estimates and judgements to be made of the value in use of its cash generating units ("CGU"). This calculation requires the Group to estimate the future cash flows and growth rates expected to arise from its trading companies, and use a suitable discount rate in order to calculate the present value of those cash flows.

Investments

The Company has investments that are subject to impairment testing on an annual basis, which require estimates and judgements to be made of the value in use of its cash generating units ("CGU"). This calculation requires the Group to estimate the future cash flows and growth rates expected to arise from its trading companies, and use a suitable discount rate in order to calculate the present value of those cash flows.

Trade debtors provision

The Group makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, regional payment practices and historical experience.

1.16. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are only recognised to the extent that it is probable that they are realisable.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

2 Turnover

	2022 £000	2021 £000
By geographical market:		
UK	**20,648**	18,319
Rest of Europe	**27,865**	21,109
North America	**84,572**	67,291
Rest of World	**35,887**	30,718
	168,972	137,437

The above analysis is based on destination.

	2022 £000	2021 £000
By geographical location:		
Americas	**89,512**	74,407
Europe	**57,276**	46,065
MENA-APAC	**22,184**	16,965
	168,972	137,437

The above analysis is based on origin.

3 Expenses and auditor's remuneration

Included in operating profit are the following:

	2022 £000	2021 £000
Exceptional administrative expenses	**1,507**	-
Auditor's remuneration:		
Audit of these financial statements	**55**	**50**
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	**264**	**240**
Other tax advisory services	**10**	**9**

Exceptional administrative expenses of £1,507,000 relate to transaction related expenses. See note 27 for further information.

Auditor's remuneration in respect of the Company was £13,750 *(2021: £12,500).*

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2022	2021
Direct	**592**	573
Indirect	**183**	184
Management and administration	**313**	312
	1,088	1,069

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£000	£000
Wages and salaries	**40,595**	32,524
Social security costs	**2,840**	2,308
Contributions to defined contribution plans	**1,088**	936
	44,523	35,768

5 Directors' remuneration

	2022	2021
	£000	£000
Directors' remuneration	**1,140**	712
Company contributions to money purchase pension plans	**20**	20

The aggregate remuneration of the highest paid director was £794,000 *(2021: £457,000)*, and company pension contributions of £5,000 *(2021: £5,000)* were made to a money purchase scheme on his behalf.

The number of directors at year end who accrued benefits under company pension schemes in the year was two *(2021: two)*.

6 Other interest receivable and similar income

	2022	2021
	£000	£000
Net foreign exchange gain	**1,171**	130

7 Interest payable and similar expenses

	2022	2021
	£000	£000
Interest payable on bank overdrafts and bank loans	**1,872**	2,110
Amortisation of finance issue costs	**147**	178
Total interest payable and similar expenses	**2,019**	2,288

Notes *(continued)*

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2022		2021	
	£000	**£000**	£000	£000
Current tax				
Current tax on income for the period		**846**		501
Adjustments in respect of prior periods		**(117)**		(113)
Foreign tax				
Current tax on income for the period		**1,183**		153
Adjustments in respect of prior periods		**-**		(772)
Total current tax charge/(credit)		**1,912**		(231)
Deferred tax (see note 18)				
Origination and reversal of timing differences	**438**		(82)	
Adjustments in respect of prior periods	**(1)**		930	
Total deferred tax charge		**437**		848
Total tax charge on profit		**2,349**		617

Reconciliation of effective tax rate

	2022	2021
	£000	£000
Profit for the year	**9,077**	5,130
Total tax charge	**2,349**	617
Profit before taxation	**11,426**	5,747
Tax using the UK corporation tax rate of 19% *(2021: 19%)*	**2,171**	1,092
Effect on tax charge of:		
Expenses not deductible for tax purposes	**770**	113
Goodwill amortisation	**(408)**	(367)
Adjustment in respect of foreign tax rates	**(48)**	(24)
Adjustment in respect of previous years	**(118)**	45
Utilisation of losses bought forward	**(18)**	-
Derecognition/(recognition) of previously unrecognised deferred tax	**-**	231
Change in UK deferred tax rates	**-**	(473)
Total tax charge included in profit or loss	**2,349**	617

A 1% reduction in the main rate of UK corporation tax rate from 20% to 19% took effect from 1 April 2018. An increase in the rate from 19% to 25% due to take effect from 1 April 2023 was announced as part of the 2021 Budget. If this increase is subsequently enacted this will increase the Company's future tax charge accordingly.

Notes *(continued)*

9 Intangible assets and goodwill

Group	Intangible assets £000	Goodwill £000	Total £000
Cost			
Balance at 1 January 2022	3,652	19,644	23,296
Effect of movements in foreign exchange	427	2,298	2,725
Balance at 31 December 2022	4,079	21,942	26,021
Amortisation and impairment			
Balance at 1 January 2022	3,652	13,837	17,489
Amortisation for the year	-	2,145	2,145
Effect of movements in foreign exchange	427	1,668	2,095
Balance at 31 December 2022	4,079	17,650	21,729
Net book value			
At 31 December 2022	**-**	**4,292**	**4,292**
At 31 December 2021	-	**5,807**	**5,807**

Intangible assets relate to customer relationships acquired through business combinations.

Notes *(continued)*

10 Tangible fixed assets

Group	Leasehold property improvements £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost					
Balance at 1 January 2022	2,835	20,962	384	4,251	28,432
Additions	52	1,552	22	488	2,114
Disposals	-	(243)	(40)	(69)	(352)
Effect of movements in foreign exchange	158	1,662	83	430	2,333
Balance at 31 December 2022	3,045	23,933	449	5,100	32,527
Depreciation and impairment					
Balance at 1 January 2022	1,875	17,082	83	3,288	22,328
Depreciation charge for the year	211	1,456	96	318	2,081
Disposals	-	(235)	(40)	(62)	(337)
Effect of movements in foreign exchange	128	1,471	68	388	2,055
Balance at 31 December 2022	2,214	19,774	207	3,932	26,127
Net book value					
At 31 December 2022	**831**	**4,159**	**242**	**1,168**	**6,400**
At 31 December 2021	960	3,880	301	963	6,104

Leased plant and machinery

At 31 December 2022, the net carrying amount of plant and machinery leased under a finance lease was £nil *(2021: £nil)*.

Company	Fixtures, fittings and office equipment £000	Total £000
Cost		
Balance at 1 January 2022	68	68
Additions	2	2
Balance at 31 December 2022	70	70
Depreciation and impairment		
Balance at 1 January 2022	65	65
Depreciation charge for the year	3	3
Balance at 31 December 2022	68	68
Net book value		
At 31 December 2022	**2**	**2**
At 31 December 2021	3	3

Notes *(continued)*

11 Fixed asset investments

Company	Subsidiary undertaking shares £000
Cost and Net book value:	
At 1 January and 31 December 2022	**29,383**

As at 31 December 2022, the Company owns 100% of the issued ordinary share capital of the following companies:

Name	Nature of business	Registered office
LSP Acquisition (UK) Ltd *	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
LSP Acquisition Corporation * ^	Intermediate holding and financing company	c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE 19801, USA
LSP Acquisition LLC *	Financing company	c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE 19801, USA
Lone Star Holdings UK Limited	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Lone Star SRL (Romania)	Distribution of fasteners and gaskets	DN72, Ploiesti – Targoviste Road, KM No. 8, Ploiesti Industrial Park, Romania
Lone Star PRD Group Limited	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Lone Star Triplefast Private Ltd	Distribution of fasteners and gaskets	19, Kian Teck Crescent, Singapore 628885
Oil Field Sealing Techno Systems Private Limited	Manufacture and distribution of gaskets	56-C, 7th Street, Ambattur Industrial Estate, Chennai, Tamil Nadu 600098, India
Lone Star Fasteners LLC ^	Manufacture and distribution of fasteners and fittings	24131 West Hardy Road, Spring, Texas 77373, USA
Lone Star Sealing Technologies LLC ^	Manufacture and distribution of gaskets	835 Greens Parkway #200, Houston, TX 77067, USA
Lone Star Leeds Limited	Manufacture and distribution of precision components and gaskets	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Lone Star Grange Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Triplefast Middle East Limited	Manufacture and distribution of fasteners and gaskets	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Eurofast Petrochemical Supplies Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
LoneStar Fasteners Europe Limited	Manufacture and distribution of fasteners	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
P.R.D. Fasteners Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Triplefast International Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
PH Industrial Trading (Ningbo) Limited	Distribution of fasteners	Nisseki Building, No. 438 Zhujiang Road, Beilun District, 315800 Ningbo, PR China
Ningbo Panxiang Import & Export Limited	Export distribution of fasteners	Nisseki Building, No. 438 Zhujiang Road, Beilun District, 315800 Ningbo, PR China
Energy Hardware Holdings LLC ^	Distribution of fasteners and other products	2730 East Phillips Rd., Greer, SC 29650, USA
Lone Star Australia Pty Limited	Distribution of fasteners and gaskets	Level 29, 221 St. Georges Terrace, Perth, Western Australia 6000, Australia
Hydrobolt Group Holdings Limited *	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt Limited	Manufacture and distribution of fasteners	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt Group Limited	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt (Holdings) Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Studbolt Manufacturing Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Birmingham Coldform & Special Fasteners Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Pipeline Package Solutions Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt EBT Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
AmeriBolt, Inc. ^	Manufacture and distribution of fasteners	18060 AL-21, Sycamore, AL 35149, USA

* owned directly by the company
^ disposed of by the company and acquired by another entity within the new group under the ultimate control of Epiris GP III Limited on 8 March 2023. See note 27 for further details.

All of the above subsidiaries are included in the group consolidation. The directors believe that the carrying value of the investments is supported by either their underlying net assets or trade and future cash flows.

Notes *(continued)*

12 Stocks

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Raw materials and consumables	**13,186**	10,542	-	-
Work in progress	**7,555**	3,316	-	-
Finished goods	**34,829**	27,895	-	-
	55,570	41,753	-	-

13 Debtors

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Trade debtors	**28,651**	23,875	-	-
Amounts owed by group undertakings	-	-	**71,326**	66,518
Corporation tax	-	730	**115**	476
Deferred tax assets (see note 18)	**8,222**	7,962	-	-
VAT receivable	**436**	600	**18**	71
Prepayments and accrued income	**1,930**	2,889	**337**	400
	39,239	36,056	**71,796**	67,465

Included in the company debtors is £42,811,000 *(2021: £40,347,000)* related to amounts owed by group undertakings due after more than one year. These amounts were subject to interest between 5.5% and 8.0%.

14 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Bank loans (net of issue costs) (note 16)	**12,176**	32,630	-	-
Trade creditors	**17,427**	14,034	**111**	2
Amounts owed to group undertakings	-	-	**67,908**	40,735
Corporation tax	**359**	-	-	-
Other taxation and social security	**367**	359	**38**	33
Accruals and deferred income	**13,534**	10,191	**3,167**	1,205
	43,863	57,214	**71,224**	41,975

Notes *(continued)*

15 Creditors: amounts falling after more than one year

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Bank loans (net of issue costs) (note 16)	-	-	-	-
Amounts owed to group undertakings	-	-	-	14,993
	-	-	-	14,993

Amounts owed by the Company to group undertakings are subject to interest between 6.1% and 6.5%. Certain amounts owed by the Company to group undertakings were listed on the Cayman Islands Stock Exchange.

16 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's external interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Creditors falling due more than one year				
Bank loan (net of issue costs)	-	-	-	-
	-	-	-	-
Creditors falling due within less than one year				
Bank loan (net of issue costs)	**12,176**	32,630	-	-
	12,176	32,630	-	-

In 2014, the Group secured $90m of new bank loans and a $20m revolving credit facility, subject to the conditions of the credit agreement signed on 31 March 2014 and subsequent amendments, which repaid the previous loans and funded the acquisition made in 2014. In April 2018 the final maturity date of the facilities was extended to 31 March 2022 on similar terms but with the revolving credit facility reduced to $12.5m. On 25 May 2022, the final maturity date of the senior secured loans and revolving credit facility was extended to 30 September 2023 and this extension was accompanied by a repayment of c.£8.5m of the term loans. A number of Group companies have entered into security arrangements in support of these facilities. Post year end the senior secured loans were repaid in full and subsequent to this new financing arrangements were entered into. See note 27 for further information.

Terms and debt repayment schedule

Group	**Nominal interest rate**	**Year of maturity**	**Original loan value**	**2022**	2021
				£000	£000
Pound term loan	5.50%	2023	£24,018,126	**4,492**	12,860
Dollar term loan	5.50%	2023	$50,238,473	**7,772**	19,907
				12,264	32,767
Revolving credit facility	5.50%	n/a	n/a	-	-

Notes *(continued)*

16 Interest bearing loans and borrowings *(continued)*

Repayments are due under both the Pound Term Loan and the Dollar Term Loan via quarterly instalments with a final payment due 30 September 2023. Subsequent to the year end both loans were repaid in full.

The drawn down amounts were subject to interest at a rate (previously LIBOR but subsequently amended to rates based on Sterling Overnight Index Average for sterling amounts and Secured Overnight Financing Rate for US dollar amounts) plus a margin for sterling and US dollar denominated bank loans.

Total costs of £2,419,000 have been incurred in obtaining the facility. These costs are being amortised over the expected economic life of the borrowings. Total amortisation cost of £147,000 *(2021: £178,000)* has been charged to the profit and loss account in the current year. The amount of issue costs not yet amortised at 31 December 2022 is £88,000 *(2021: £137,000)* and is offset against the borrowing. Issue costs were fully amortised following the repayment of the loans post year end.

The ageing of interest-bearing loans and borrowings is as follows:

2022	**Bank loans £000**	**Issue costs £000**	**Net £000**
Less than one year	12,264	(88)	**12,176**
More than one year but not more than two years	-	-	-
More than two years but not more than five years	-	-	-
More than five years	-	-	-
	12,264	**(88)**	**12,176**

2021	**Bank loans £000**	**Issue costs £000**	**Net £000**
Less than one year	32,767	(137)	**32,630**
More than one year but not more than two years	-	-	-
More than two years but not more than five years	-	-	-
More than five years	-	-	-
	32,767	**(137)**	**32,630**

17 Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2022 £000	2021 £000
Assets measured at amortised cost	**51,116**	61,678
Liabilities measured at amortised cost	**(29,603)**	(46,664)

Notes *(continued)*

18 Deferred tax

Deferred tax (assets)/liabilities are attributable to the following:

Group	**Assets**		**Liabilities**		**Net**	
	2022	2021	**2022**	2021	**2022**	2021
	£000	£000	**£000**	£000	**£000**	£000
Accelerated capital allowances	**(829)**	(900)	**-**	-	**(829)**	(900)
Other	**(7,772)**	(7,352)	**379**	290	**(7,393)**	(7,062)
Net tax (assets)/liabilities	**(8,601)**	(8,252)	**379**	290	**(8,222)**	(7,962)

Other includes deferred tax assets on intangibles and inventory provisions in the US and losses in the UK.

Company

The Company has no deferred tax asset or liability.

19 Share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid:		
25,346,000 A ordinary shares of £0.0001 each	**3**	3
37,493,000 B ordinary shares of £0.001 each	**37**	37
5,000,000 C ordinary shares of £0.0001 each	**1**	1
5,000,000 D ordinary shares of £0.001 each	**5**	5
	46	46

The holders of A ordinary shares and B ordinary shares are entitled to receive dividends as declared from time to time. The holders of B ordinary shares and D ordinary shares are entitled to one vote per share at meetings of the company.

20 Employee benefits

Group

The group operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £1,088,000 *(2021: £936,000)*.

Notes *(continued)*

21 Cash flow from operating activities

	2022 £000	2021 £000
Profit for the financial year	**9,077**	5,130
Taxation	**2,349**	617
Interest payable and similar expenses	**2,019**	2,289
Other interest receivable and similar income	**(1,171)**	(130)
Depreciation and amortisation	**4,226**	4,197
(Increase) / decrease in stocks	**(11,254)**	152
(Increase) / decrease in debtors	**(1,968)**	2,165
Increase / (decrease) in creditors	**5,958**	(746)
Tax paid	**(874)**	(307)
Net cash inflow from operating activities	**8,362**	13,367

22 Analysis of cash flows

Group	2022 £000	2021 £000
Capital expenditure and financial investment:		
Purchase of tangible fixed assets	**(2,114)**	(1,360)
Proceeds from sale of tangible fixed assets	**17**	42
Net cash outflow used in investing activities	**(2,097)**	(1,318)
Financing:		
Interest paid	**(2,225)**	(1,714)
Repayment of bank loans	**(22,577)**	(1,513)
Net cash outflow used in financing activities	**(24,802)**	(3,227)

23 Analysis of cash and cash equivalents

Group	Opening balance £000	Cash flow £000	Exchange Movements £000	**Closing balance £000**
Cash at bank and in hand	37,802	(18,537)	3,200	**22,465**
Cash and cash equivalents	37,802	(18,537)	3,200	**22,465**

Notes *(continued)*

24 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Less than one year	**4,280**	3,439	-	-
Between one and five years	**9,963**	10,767	-	-
More than five years	**1,422**	1,185	-	-
	15,665	15,391	-	-

During the year £4,441,000 was recognised as an expense in the profit and loss account in respect of operating leases *(2021: £4,467,000)*.

25 Commitments

Contractual commitments to purchase tangible fixed assets at the year-end were £nil *(2021: £nil)*. Company: £nil *(2021: £nil)*.

26 Contingent liabilities

As at 31 December 2022 the Company was party to a group debt facility agreement agented by Antares Capital, whereby the majority of companies within the LSP Holding (UK) Ltd group guaranteed the financial obligations under the group debt facility of other companies within the group. The LSP Holding (UK) Ltd group's banking facilities were supported by legal charges on the assets of the group. At 31 December 2022, the Company had contingent liabilities of £14,278,000 *(2021: £34,709,000)* under security arrangements. The directors do not anticipate that the security provided by the Company will be called upon.

As part of the change in control of the Group on 8th March 2023, certain subsidiaries of the Company became party to the new facilities provided by Wells Fargo.

27 Post Balance Sheet Events

On the 8 March 2023, LSP Investco Limited and its subsidiaries (together the "Group" or "LoneStar") saw a change in its ultimate controlling party to Epiris GP III Limited. Prior to completion of the transaction, the existing senior secured loans were repaid in full and subsequent to this new long term financing arrangements were entered into (see note 1.2). As part of this transaction, LSP Investco Limited disposed of certain subsidiaries which were acquired by another entity within the new group under the ultimate control of Epiris GP III Limited

Following completion of the transaction, the ultimate controlling party of LSP Investco Limited is Epiris GP III Limited (Reg No 138253) which has its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey JE4 0QH. Epiris GP III Limited is the ultimate parent undertaking as general partner of Epiris Fund III LP (Reg No 3685) and Epiris Fund III (B) LP (Reg No 3684) each of whom has their registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey JE4 0QH.

28 Related parties

Identity of related parties with which the Group and the Company has transacted

The Company has taken advantage of the exemption offered to subsidiary companies under FRS 102, paragraph 33.1A ('Related Party Transactions') for the non-disclosure of transactions between wholly owned companies in the same group.

Trinity Hunt, a minority shareholder, accrued fee income and expenses of £40,000 *(2021: £36,000)* for providing the Company with consultancy services. AEA Investors LP, who managed the investment on behalf of the ultimate controlling party, accrued a fee income and expenses of £412,000 *(2021: £381,000)* for providing the Company with consultancy services. Rent was payable totalling £323,000 *(2021: £290,000)* relating to properties owned by certain minority shareholders.

Two directors at year end have interests in the ultimate parent company, LSP Holding Sarl, as at 31 December 2022. Two of the directors at year end had given undertakings to pay the Company amounts totalling £69,250 at 31 December 2022 *(2021: £67,500)* relating to shares issued to them.

Key management personnel

During the year, key management personnel were remunerated £3,021,000 *(2021: £1,993,000)*. The amount outstanding at 31 December 2022 was £1,224,000 *(2021: £369,000)*. As at 31 December 2022, certain key management personnel owned C and D Ordinary shares in LSP Investco Limited.

29 Ultimate parent company and parent company of larger group

As at 31 December 2022 the Company was a subsidiary of LSP Holding (UK) Ltd, a company registered in England and Wales with the registered office address of Universal Point, Steelmans Road, Wednesbury, West Midlands, WS10 9UZ.

The ultimate parent company was LSP Holding Sarl, a company registered in Luxembourg. These financial statements can be obtained from the registered office of LSP Holding Sarl, 6D, EBBC, Route de Treves, L-2633, Senningerberg, Luxembourg. As at 31 December 2022 the ultimate controlling party of LSP Holding Sarl was AEA Europe Fund LP, being the major shareholder.

LSP Investco Limited

Annual report and consolidated financial statements

Registered number 10290956

31 December 2021

Contents

Directors and advisers

Directors	AJW Hoffman JT Levengood SJ Diamond JM Ainsworth
Secretary and registered office	PJ Lawton Universal Point Steelmans Road Wednesbury West Midlands WS10 9UZ
Independent auditor	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

Strategic report
for the year ended 31 December 2021

The directors present their strategic report of the company and its subsidiaries (together the "Group" or "LoneStar") for the year ended 31 December 2021.

Principal activities

LSP Investco Limited is a holding company for a group of companies whose principal activities are the manufacture, distribution and sale of fasteners, gaskets, flow control components and other ancillary products. The Group operates in the UK and across continental Europe, the Middle East, North America and the Far East and is a market leader in many of the geographies in which it trades.

Business review and future developments

The Group is a leading provider of standardised and custom high-performance fasteners, gaskets, flow control components and other ancillary products primarily for energy related industries including the oil and gas and power generation industries.

Whilst the 2021 year saw some gradual improvement in the COVID-19 pandemic situation in a number of our geographies, in part due to the rollout of vaccine programmes, in common with many businesses the Group saw the pandemic contribute to a number of supply chain challenges to be navigated including availability of human resources, raw materials and freight. The Group's strong liquidity and inventory position as well as significant supply chain experience helped to mitigate these challenges.

The year did see a recovery in the oil price, the benefits of which started to be seen in some of the Group's businesses in the latter part of the year. From a revenue perspective, certain of the North American oil and gas focused businesses saw revenues increase year on year although those businesses with more offshore oil and gas exposure including in the North America and Europe did continue to see year on year revenue declines with a full year impact of the pandemic compared to 2020. The Group's Middle East oil and gas focused fastener business and principal power generation business also saw revenues decline.

The Group delivered an operating profit of £7,905,000 *(2020: £8,037,000)* in the year. The business made an operating profit before depreciation, amortisation and exceptional costs of £12,102,000 *(2020: £12,880,000)* in the year. The Group generated £13,367,000 of cash from operating activities with a year-end cash balance of £37,802,000, further demonstrating the cash generative nature of the Group.

The directors are cautiously optimistic about the prospects for the Group. 2022 has seen a positive start to the year particularly for North American oil and gas related revenues and with order intake in the rest of the world also seeing improvement. The Group's strategy remains the delivery of growth in both turnover and operating profit organically and through acquisition, potentially including both new and existing markets, geographies and products. Management is confident that the position of the Group's businesses in their markets will continue to contribute to the long-term success of the Group.

Key performance indicators

The various businesses within the Group operate across a diverse range of geographies and markets supplying a range of fasteners, gaskets, flow control components and related ancillary products. Each business has its own key performance indicators ("KPI") with which to manage its operations.

The Group's key financial performance indicators, assessed within its operating companies, are turnover, operating profit and cash generation. Various non-financial KPIs are currently monitored at an individual business unit level.

Principal risks and uncertainties

The Group operates globally in varied markets and manages the risks inherent in its activities. The Group seeks to mitigate exposure to all forms of risk, both external and internal and, where practical, mitigate the risk by using insurers where this is cost effective.

Financial risks

Foreign exchange

The Group is exposed to foreign currency transaction risk (where products are sourced in one currency and sold in another). Transaction risks are mitigated by dealing in the same currency (sourcing components in the same currency as the sale) where possible.

Group policy is to hedge a proportion of the overseas earnings exposure with foreign currency borrowings.

Credit

The Group is exposed to credit risk in relation to customers, banks, and insurers. Credit control procedures take into account the identified risks relating to customers, which includes credit checks and limits for customers. Where appropriate, the company insures business risks with insurers of good standing. Credit risk in relation to banks is mitigated by the Group's policy to deal only with major financial institutions.

Interest rate

The Group has interest bearing liabilities. Interest bearing liabilities consist of bank loans. The Group has a policy of maintaining short term deposits, cash balances and loan and overdraft facilities at a level sufficient to fund its operations including the servicing of interest-bearing liabilities.

Business risks

Competitors

The Group operates in competitive markets. The global footprint, diversity of operations and continued investment in improved capabilities within the Group reduces the effect from any single competitor.

Product failure

The reliability of the Group's products is key to the business. Product failure may have an effect on the business in terms of reputation and potential claims. To mitigate this risk, the Group has accredited quality control processes.

Raw material price movements

The Group's products contain various raw materials (mainly consisting of metals). Any increases or volatility in prices (including as a result of changes in tariff rates) and shortages in supply can affect the Group's performance. The diversity of products across the Group and the purchasing policies of the Group reduce the dependence of the company to any single item or supplier.

The Group has well established internal procedures to both minimise the cost impact of price movements and to manage changes to external selling prices accordingly.

Oil price movements

The global price of oil can influence the investment decisions of end-users in a number of the markets the business serves which in turn can impact demand for the Group's products. The Group's exposure to a number of geographies and other segments such as power generation helps to mitigate this risk.

Results

The profit for the financial year was £5,130,000 *(2020: £7,839,000)*.

Section 172 statement

The directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, to be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year.

This includes considering the interests of our customers, suppliers, and employees, maintaining high standards of business ethics and conduct, and considering our impacts on local communities and the environment.

Employees

Our employees are seen as an important component and asset of our business. We are committed to eliminating discrimination and encouraging diversity and endeavour to deal with our employees fairly and with respect. Our employees are expected to act with integrity, fairly, impartially, and in an ethical and proper manner in conducting the Group's business.

Our employees are encouraged to take an active role in health, safety and environmental issues. The Board receive regular health, safety and environmental reports.

Business relationships

We value the important relationships we have with our customers. We regularly engage with our customers to understand their requirements and to develop our product and service propositions to meet their needs. The Group also works closely with its suppliers to provide cost-effective goods, services and solutions through the supply chain in compliance with relevant laws and regulations.

Impact on community and environment

The Group continues to be committed to operating its business in an environmentally responsible way, and in compliance with relevant laws and regulations. The Group conducts an Environmental, Social and Governance ("ESG") review annually which is reported to the Board. The Group recognises that businesses have a critical role to play in the transition to a low-carbon future and is continuing to develop its own plan for this transition and to make other changes that will have positive impacts on the environment. In accordance with streamlined energy and carbon reporting requirements, during the year ended 31 December 2021, additional usage disclosure was not required.

Reputation for high standards of business conduct

The Group is committed to having a high standard of business ethics and expects all our employees, customers, suppliers and contractors to share the same commitment. The Group operates a Global Code of Conduct which outlines expected behaviours for all its employees with other policies in place in support of that Code of Conduct such as the Group's Anti-bribery and Corruption Policy. Each year the Board considers and approves the Group's modern slavery statement that reaffirms our commitment to combatting slavery and human trafficking.

By order of the board

J Ainsworth

JM Ainsworth
Director

27 May 2022

The directors present their report and audited financial statements of the company for the year ended 31 December 2021.

Future developments

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

Dividends

A dividend of £nil *(2020: £nil)* was paid in the year.

Financial risk management

Financial risks affecting the company are detailed further in the Strategic report on page 3.

Going concern

The directors have prepared the financial statements on the going concern basis. See note 1.2 for further details.

Directors

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

AJW Hoffman	
JT Levengood	
SJ Diamond	
S Mathilakath	(resigned 7 April 2021)
JM Ainsworth	(appointed 27 April 2021)

Two *(2020: two)* of the directors who held office at the end of the financial year had interests in the ordinary shares of LSP Investco Limited. Two *(2020: two)* of the directors who held office at the end of the financial year had interests in its ultimate parent company, LSP Holding Sarl.

Directors' indemnity provision

Pursuant to the company's Articles of Association, the company has given an 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 company purchases a third-party insurance indemnity provision. This was in force throughout the last financial year and is currently in force.

Copies of the insurance indemnity and of the company's Articles of Association are available for inspection at the company's registered office during normal business hours.

Political contributions

Neither the company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year *(2020: £nil)*.

Employees

The group is conscious that its employees are key contributors to its success. The group therefore encourages good communications and employee relations across all of its operations by utilising practices developed in each of the operating subsidiaries which are compatible with local circumstances and individual national legislation.

Operating subsidiaries' senior management are kept abreast of group developments in financial, commercial, strategic and human resource matters and are thereby able to inform and consult with employees as appropriate.

The group also recognises its responsibilities to ensure the fair treatment of all of its employees in accordance with national legislation applicable to the territories within which it operates. Equal opportunities for appropriate training, career development and promotion are available to all employees regardless of any physical disability or their gender, religion, race or nationality. In particular, having regard to their aptitudes and abilities, the group gives full and fair consideration to applications for employment received from disabled persons. If members of staff become disabled the group continues employment, either in the same or an alternative position, with the appropriate retraining being given if necessary.

Pension arrangements in each of the countries in which the group operates are maintained in accordance with legislative requirements, custom and practice and group policy as appropriate.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

P.J. Lawton

PJ Lawton
Company Secretary

Registered address:

Universal Point
Steelmans Road
Wednesbury
West Midlands
WS10 9UZ

27 May 2022

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial year. They have elected to prepare the Group financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and have elected to prepare the parent Company financial statements on the same basis.

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 parent Company and of their profit or loss for that period. In preparing each of the Group and Parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- state whether they have been prepared in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

KPMG

Independent auditor's report to the members of LSP Investco Limited

Opinion

We have audited the financial statements of LSP Investco Limited ("the Company") for the year ended 31 December 2021 which comprise the Consolidated profit and loss account and other comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the group's high-level policies and procedures to prevent and detect fraud, and whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

KPMG

Independent auditor's report to the members of LSP Investco Limited *(continued)*

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These unexpected revenue, costs and bank account combinations during the financial year.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

KPMG

Independent auditor's report to the members of LSP Investco Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Stephen Ward

Stephen Ward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

Dated: 27 May 2022

Consolidated profit and loss account and other comprehensive income
for the year ended 31 December 2021

	Note	**2021 £000**	2020 £000
Turnover	2	**137,437**	156,760
Cost of sales		**(99,143)**	(113,535)
Gross profit		**38,294**	43,225
Distribution costs		**(5,052)**	(6,238)
Goodwill and other intangible amortisation		**(1,929)**	(2,068)
Other administrative expenses		**(23,408)**	(26,882)
Total administrative expenses		**(25,337)**	(28,950)
Operating profit	3	**7,905**	8,037
Other interest receivable and similar income	6	**130**	-
Interest payable and similar expenses	7	**(2,288)**	(3,462)
Profit before taxation		**5,747**	4,575
Tax on profit	8	**(617)**	3,264
Profit for the financial year		**5,130**	7,839
Other comprehensive income			
Foreign exchange differences on translation of foreign operations		**322**	(1,082)
Other comprehensive income for the year, net of income tax		**322**	(1,082)
Total comprehensive income for the year		**5,452**	6,757

All activities relate to continuing operations.

The accompanying notes form part of these financial statements.

Consolidated balance sheet
at 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	*9*		**5,807**		7,693
Tangible assets	*10*		**6,104**		7,024
			11,911		14,717
Current assets					
Stocks	*12*	**41,753**		42,247	
Debtors	*13*	**36,056**		38,952	
Cash at bank and in hand		**37,802**		29,052	
		115,611		110,251	
Creditors: amounts falling due within one year	*14*	**(57,214)**		(27,681)	
Net current assets			**58,397**		82,570
Total assets less current liabilities			**70,308**		97,287
Creditors: amounts falling due after more than one year	*15*		**-**		(32,431)
Net assets			**70,308**		64,856
Capital and reserves					
Called up share capital	*19*		**46**		46
Share premium account			**43,686**		43,686
Profit and loss account			**30,373**		24,921
Merger reserve			**(3,797)**		(3,797)
Shareholders' funds			**70,308**		64,856

These financial statements were approved by the board of directors on 27 May 2022 and were signed on its behalf by:

J Ainsworth

JM Ainsworth
Director

Company registered number: 10290956

The accompanying notes form part of these financial statements.

Company balance sheet
at 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	*10*		3		9
Investments	*11*		29,383		29,383
			29,386		29,392
Current assets					
Debtors (of which £40,347,000 *(2020: £38,927,000)* due in more than one year)	*13*	67,465		64,794	
Cash at bank and in hand		4,823		5,118	
		72,288		69,912	
Creditors: amounts falling due within one year	*14*	(41,975)		(39,466)	
Net current assets			30,313		30,446
Total assets less current liabilities			59,699		59,838
Creditors: amounts falling due after more than one year	*15*		(14,993)		(15,393)
Net assets			44,706		44,445
Capital and reserves					
Called up share capital	*19*		46		46
Share premium account			43,686		43,686
Profit and loss account			974		713
Shareholders' funds			44,706		44,445

The profit of the company for the financial year was £261,000 *(2020: loss of £717,000)*.

These financial statements were approved by the board of directors on 27 May 2022 and were signed on its behalf by:

J Ainsworth

JM Ainsworth
Director

Company registered number: 10290956

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Merger reserve £000	Total equity £000
Balance at 1 January 2020	46	43,686	18,164	(3,797)	58,099
Total comprehensive income for the year					
Profit for the financial year	-	-	7,839	-	7,839
Other comprehensive income	-	-	(1,082)	-	(1,082)
Total comprehensive income for the year	-	-	6,757	-	6,757
Balance at 31 December 2020	**46**	**43,686**	**24,921**	**(3,797)**	**64,856**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Merger reserve £000	Total equity £000
Balance at 1 January 2021	46	43,686	24,921	(3,797)	64,856
Total comprehensive income for the year					
Profit for the financial year	-	-	5,130	-	5,130
Other comprehensive income	-	-	322	-	322
Total comprehensive income for the year	-	-	5,452	-	5,452
Balance at 31 December 2021	**46**	**43,686**	**30,373**	**(3,797)**	**70,308**

Company statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total Equity £000
Balance at 1 January 2020	46	43,686	1,430	45,162
Total comprehensive income for the year				
Profit for the financial year	-	-	(717)	(717)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(717)	(717)
Balance at 31 December 2020	**46**	**43,686**	**713**	**44,445**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total Equity £000
Balance at 1 January 2021	46	43,686	713	44,445
Total comprehensive income for the year				
Profit for the financial year	-	-	261	261
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	261	261
Balance at 31 December 2021	**46**	**43,686**	**974**	**44,706**

Consolidated cash flow statement
for year ended 31 December 2021

	Note	2021 £000	2020 £000
Net cash inflow from operating activities	*21*	**13,367**	21,661
Net cash outflow from investing activities	*22*	**(1,318)**	(1,457)
Net cash outflow from financing activities	*22*	**(3,227)**	(20,188)
Net increase in cash and cash equivalents		**8,822**	16
Cash and cash equivalents at 1 January	*23*	**29,052**	29,621
Exchange adjustments	*23*	**(72)**	(585)
Cash and cash equivalents at 31 December	*23*	**37,802**	29,052

Notes
(forming part of the financial statements)

1 Accounting policies

LSP Investco Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 10290956 and the registered address is Universal Point, Steelmans Road, Wednesbury, West Midlands, WS10 9UZ.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

LSP Investco Limited Group is primarily funded through a combination of senior secured loans and cash generated through operating profits. The loans comprised £32.8 million of senior secured term loans, with a final maturity date of 30 September 2022, and a revolving credit facility of $12.5 million, with a final maturity date of 30 September 2022, of which approximately $2.2 million was utilised at 31 December 2021. On 25 May 2022, the final maturity date of the senior secured loans and revolving credit facility was extended to 30 September 2023 and this extension was accompanied by a repayment of £8.5m of the term loans. The Directors are mindful of the due date of the external financing arrangements and recognise the need to review refinancing or capital structure options at an appropriate time. Having recently arranged the refinancing of facilities, the directors believe that they will be able to refinance the senior secured loans under normal, commercial terms ahead of September 2023.

Management have prepared cash flow forecasts and accompanying covenant compliance calculations for the period to 31 December 2023, including what they consider to be reasonably possible downside scenarios. These cash flow forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period. Whilst the economic outlook resulting from the global COVID-19 pandemic remains uncertain, the Directors have considered the impact to the Group by conducting scenario analysis on the Group's profitability, the availability of cash to meet liabilities as they fall due and its compliance with debt covenants. Additionally, the Directors continue to assess the ability to refinance in each scenario.

Therefore, the directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the Group, on page 2, that the Group has adequate resources to continue in operation as a going concern and that Group will be able to meet its obligations linked to the borrowings in place for the period covered by the Group's cash flow forecasts. Accordingly, the directors continue to adopt the going concern basis in preparing these consolidated and parent company financial statements.

Notes (continued)

1 Accounting policies *(continued)*

1.3. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2021. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The consolidated financial information of the LSP Investco Limited group is prepared on a merger accounting basis.

These consolidated financial statements include the results of the Company as well as the results of the consolidated LSP Investco Limited group of companies.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

1.4. Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

All borrowings are initially stated at the cost of the consideration received after the deduction of loan finance costs. These costs are charged to the profit and loss account over the estimated life of the relevant borrowings, on a constant rate basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Revolving credit facilities form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. Lease payments are accounted for as described at 1.12 below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Leasehold improvements	Life of the lease
Plant and machinery	between 2-10 years
Motor vehicles	between 2-4 years
Fixtures, fittings and office equipment	between 2-10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.7. Intangible assets, goodwill and amortisation

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or a group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of the intangible assets and goodwill. Neither the intangible assets nor the goodwill has any residual value. The finite useful life of goodwill has, from the 1 January 2016, been estimated as 10 years, following a review to bring all amortisation in line with FRS 102 requirements. The finite useful life of the intangible asset, relating to customer relationships, has been estimated as 2 years.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and any other intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of Assets when there is an indication that goodwill or an intangible asset may be impaired.

1 Accounting policies *(continued)*

1.8. Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost is based on the average weighted principle. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

1.9. Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units (or "CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10. Contingent liabilities

Where the parent company or a subsidiary enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1 Accounting policies *(continued)*

1.11. Turnover

Turnover is recognised at the value of the consideration received or receivable for sale of goods and services in the ordinary course of the business net of sales taxes, rebates and discounts and after eliminating sales within the group. Turnover is recognised at the point of despatch or acceptance of goods by the customer.

1.12. Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.13. Pension costs

The Group operates a number of defined contribution pension plans. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.14. Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Notes *(continued)*

1 Accounting policies *(continued)*

1.15. Accounting estimates and judgements

In the process of applying the Group's accounting policies, management has made a number of estimates and judgements. The key estimates and judgements concerning the future and other sources of estimation uncertainty that have the most significant effect on the financial statements at the reporting date are described below.

Significant

Stock provision

The Group provides against obsolete and slow-moving stock based on usage levels and management judgement, including an assessment of estimated future usage and saleability.

Other

Goodwill

Goodwill is tested for impairment in accordance with FRS 102 Section 27 Impairment of Assets when there is an indication that goodwill or an intangible asset may be impaired, which require estimates and judgements to be made of the value in use of its cash generating units ("CGU"). This calculation requires the Group to estimate the future cash flows and growth rates expected to arise from its trading companies, and use a suitable discount rate in order to calculate the present value of those cash flows.

Investments

The Company has investments that are subject to impairment testing on an annual basis, which require estimates and judgements to be made of the value in use of its cash generating units ("CGU"). This calculation requires the Group to estimate the future cash flows and growth rates expected to arise from its trading companies, and use a suitable discount rate in order to calculate the present value of those cash flows.

Trade debtors provision

The Group makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, regional payment practices and historical experience.

1.16. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are only recognised to the extent that it is probable that they are realisable.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

2 Turnover

	2021 £000	2020 £000
By geographical market:		
UK	**18,319**	20,830
Rest of Europe	**21,109**	26,205
North America	**67,291**	71,050
Rest of World	**30,718**	38,675
	137,437	156,760

The above analysis is based on destination.

	2021 £000	2020 £000
By geographical location:		
Americas	**74,407**	78,477
Europe	**46,065**	55,762
MENA-APAC	**16,965**	22,521
	137,437	156,760

The above analysis is based on origin.

3 Expenses and auditor's remuneration

Included in operating profit are the following:

	2021 £000	2020 £000
Auditor's remuneration:		
Audit of these financial statements	50	50
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	240	230
Other tax advisory services	9	7

Auditor's remuneration in respect of the Company was £12,500 *(2020: £12,500)*.

4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees 2021	2020
Direct	**573**	641
Indirect	**184**	212
Management and administration	**312**	334
	1,069	1,187

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Wages and salaries	**32,524**	36,493
Social security costs	**2,308**	2,595
Contributions to defined contribution plans	**936**	976
	35,768	40,064

5 Directors' remuneration

	2021 £000	2020 £000
Directors' remuneration	**712**	657
Company contributions to money purchase pension plans	**20**	29

The aggregate remuneration of the highest paid director was £457,000 *(2020: £354,000)*, and company pension contributions of £5,000 *(2020: £8,000)* were made to a money purchase scheme on his behalf.

The number of directors at year end who accrued benefits under company pension schemes in the year was two *(2020: two)*.

6 Other interest receivable and similar income

	2021 £000	2020 £000
Net foreign exchange gain	**130**	-

7 Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable on bank overdrafts and bank loans	**2,110**	2,925
Amortisation of finance issue costs	**178**	239
Net foreign exchange loss	-	298
Total interest payable and similar expenses	**2,288**	3,462

Notes *(continued)*

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2021		2020	
	£000	£000	£000	£000
Current tax				
Current tax on income for the period		501		723
Adjustments in respect of prior periods		(113)		(111)
Foreign tax				
Current tax on income for the period		153		170
Adjustments in respect of prior periods		(772)		(190)
Total current tax (credit)/charge		(231)		592
Deferred tax (see note 17)				
Origination and reversal of timing differences	(82)		(3,719)	
Adjustments in respect of prior periods	930		(137)	
Total deferred tax charge/(credit)		848		(3,856)
Total tax charge/(credit) on profit		617		(3,264)

Reconciliation of effective tax rate

	2021	2020
	£000	£000
Profit for the year	5,130	7,839
Total tax charge/(credit)	617	(3,264)
Profit before taxation	5,747	4,575
Tax using the UK corporation tax rate of 19% *(2020: 19%)*	1,092	869
Effect on tax charge of:		
Expenses not deductible for tax purposes	113	(949)
Goodwill amortisation	(367)	393
Adjustment in respect of foreign tax rates	(24)	(485)
Adjustment in respect of previous years	45	(438)
Derecognition/(recognition) of previously unrecognised deferred tax	231	(2,578)
Change in UK deferred tax rates	(473)	(76)
Total tax credit included in profit or loss	617	(3,264)

A 1% reduction in the main rate of UK corporation tax rate from 20% to 19% took effect from 1 April 2018. An increase in the rate from 19% to 25% due to take effect from 1 April 2023 was announced as part of the 2021 Budget. If this increase is subsequently enacted this will increase the Company's future tax charge accordingly.

Notes *(continued)*

9 Intangible assets and goodwill

Group	Intangible assets £000	Goodwill £000	Total £000
Cost			
Balance at 1 January 2021	3,615	19,445	23,060
Effect of movements in foreign exchange	37	199	236
Balance at 31 December 2021	3,652	19,644	23,296
Amortisation and impairment			
Balance at 1 January 2021	3,615	11,752	15,367
Amortisation for the year	-	1,929	1,929
Effect of movements in foreign exchange	37	156	193
Balance at 31 December 2021	3,652	13,837	17,489
Net book value			
At 31 December 2021	**-**	**5,807**	**5,807**
At 31 December 2020	-	7,693	7,693

Intangible assets relate to customer relationships acquired through business combinations.

10 Tangible fixed assets

Group	Leasehold property improvements £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost					
Balance at 1 January 2021	2,854	20,419	410	4,319	28,002
Additions	34	895	8	423	1,360
Disposals	(67)	(493)	(40)	(537)	(1,137)
Effect of movements in foreign exchange	14	141	6	46	207
Balance at 31 December 2021	2,835	20,962	384	4,251	28,432
Depreciation and impairment					
Balance at 1 January 2021	1,704	15,726	34	3,514	20,978
Depreciation charge for the year	211	1,706	84	267	2,268
Disposals	(52)	(490)	(40)	(537)	(1,119)
Effect of movements in foreign exchange	12	140	5	44	201
Balance at 31 December 2021	1,875	17,082	83	3,288	22,328
Net book value					
At 31 December 2021	**960**	**3,880**	**301**	**963**	**6,104**
At 31 December 2020	1,150	4,693	376	805	7,024

Leased plant and machinery

At 31 December 2021, the net carrying amount of plant and machinery leased under a finance lease was £nil *(2020: £nil)*.

Company	Fixtures, fittings and office equipment £000	Total £000
Cost		
Balance at 1 January 2021	68	68
Additions	-	-
Balance at 31 December 2021	68	68
Depreciation and impairment		
Balance at 1 January 2021	59	59
Depreciation charge for the year	6	6
Balance at 31 December 2021	65	65
Net book value		
At 31 December 2021	**3**	**3**
At 31 December 2020	9	9

11 Fixed asset investments

Company	Subsidiary undertaking shares £000
Cost and Net book value:	
At 1 January and 31 December 2021	**29,383**

The Company owns 100% of the issued ordinary share capital of the following companies:

Name	Nature of business	Registered office
LSP Acquisition (UK) Ltd *	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
LSP Acquisition Corporation *	Intermediate holding and financing company	c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE 19801, USA
LSP Acquisition LLC *	Financing company	c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE 19801, USA
Lone Star Holdings UK Limited	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Lone Star SRL (Romania)	Distribution of fasteners and gaskets	DN72, Ploiesti – Targoviste Road, KM No. 8, Ploiesti Industrial Park, Romania
Lone Star PRD Group Limited	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Lone Star Triplefast Private Ltd	Distribution of fasteners and gaskets	19, Kian Teck Crescent, Singapore 628885
Oil Field Sealing Techno Systems Private Limited	Manufacture and distribution of gaskets	56-C, 7th Street, Ambattur Industrial Estate, Chennai, Tamil Nadu 600098, India
Lone Star Fasteners LLC	Manufacture and distribution of fasteners and fittings	24131 West Hardy Road, Spring, Texas 77373, USA
Lone Star Sealing Technologies LLC	Manufacture and distribution of gaskets	835 Greens Parkway #200, Houston, TX 77067, USA
Lone Star Leeds Limited	Manufacture and distribution of precision components and gaskets	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Lone Star Grange Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Triplefast Middle East Limited	Manufacture and distribution of fasteners and gaskets	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Eurofast Petrochemical Supplies Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
LoneStar Fasteners Europe Limited	Manufacture and distribution of fasteners	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
P.R.D. Fasteners Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Triplefast International Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
PH Industrial Trading (Ningbo) Limited	Distribution of fasteners	Nissei Building, No. 438 Zhujiang Road, Beilun District, 315800 Ningbo, PR China
Ningbo Panxiang Import & Export Limited	Export distribution of fasteners	Nissei Building, No. 438 Zhujiang Road, Beilun District, 315800 Ningbo, PR China
Energy Hardware Holdings LLC	Distribution of fasteners and other products	2730 East Phillips Rd., Greer, SC 29650, USA
Lone Star Australia Pty Limited	Distribution of fasteners and gaskets	Level 29, 221 St. Georges Terrace, Perth, Western Australia 6000, Australia
Hydrobolt Group Holdings Limited *	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt Limited	Manufacture and distribution of fasteners	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt Group Limited	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt (Holdings) Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Studbolt Manufacturing Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Birmingham Coldform & Special Fasteners Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Pipeline Package Solutions Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt EBT Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
AmeriBolt, Inc.	Manufacture and distribution of fasteners	18060 AL-21, Sycamore, AL 35149, USA

* owned directly by the company

All of the above subsidiaries are included in the group consolidation. The directors believe that the carrying value of the investments is supported by either their underlying net assets or trade and future cash flows.

Notes *(continued)*

12 Stocks

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Raw materials and consumables	**10,542**	9,587	**-**	-
Work in progress	**3,316**	3,490	**-**	-
Finished goods	**27,895**	29,170	**-**	-
	41,753	42,247	**-**	-

13 Debtors

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Trade debtors	**23,875**	26,868	**-**	-
Amounts owed by group undertakings	**-**	-	**66,518**	63,618
Corporation tax	**730**	197	**476**	340
Deferred tax assets (see note 18)	**7,962**	8,736	**-**	-
VAT receivable	**600**	359	**71**	-
Prepayments and accrued income	**2,889**	2,792	**400**	836
	36,056	38,952	**67,465**	64,794

Included in the company debtors is £40,347,000 *(2020: £38,927,000)* related to amounts owed by group undertakings due after more than one year. These amounts were subject to interest between 5.5% and 8.0%.

14 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Bank loans (net of issue costs) (note 16)	**32,630**	1,340	**-**	-
Trade creditors	**14,034**	14,767	**2**	19
Amounts owed to group undertakings	**-**	-	**40,735**	38,339
VAT payable	**-**	-	**-**	17
Other taxation and social security	**359**	344	**33**	24
Accruals and deferred income	**10,191**	11,230	**1,205**	1,067
	57,214	27,681	**41,975**	39,466

15 Creditors: amounts falling after more than one year

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Bank loans (net of issue costs) (note 16)	-	32,431	-	-
Amounts owed to group undertakings	-	-	**14,993**	15,393
	-	32,431	**14,993**	15,393

Amounts owed by the Company to group undertakings are subject to interest between 6.1% and 6.5%. Certain amounts owed by the Company to group undertakings were listed on the Cayman Islands Stock Exchange.

16 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's external interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Creditors falling due more than one year				
Bank loan (net of issue costs)	-	32,431	-	-
	-	32,431	-	-
Creditors falling due within less than one year				
Bank loan (net of issue costs)	32,630	1,340	-	-
	32,630	1,340	-	-

In 2014, the Group secured \$90m of new bank loans and a \$20m revolving credit facility, subject to the conditions of the credit agreement signed on 31 March 2014 and subsequent amendments, which repaid the previous loans and funded the acquisition made in 2014. In April 2018 the final maturity date of the facilities was extended to 31 March 2021 on similar terms but with the revolving credit facility reduced to \$12.5m. On the 30 October 2020 the final maturity date was extended to 30 September 2022 and this extension was accompanied by a repayment of £15m of the term loans. On 25 May 2022, the final maturity date of the senior secured loans and revolving credit facility was extended to 30 September 2023 and this extension was accompanied by a repayment of c.£8.5m of the term loans. A number of Group companies have entered into security arrangements in support of these facilities.

Terms and debt repayment schedule

Group	Nominal interest rate	Year of maturity	Original loan value	2021	2020
				£000	£000
Pound term loan	5.50%	2022	£24,018,126	**12,860**	13,460
Dollar term loan	5.50%	2022	\$50,238,473	**19,907**	20,626
				32,767	34,086
Revolving credit facility	5.50%	n/a	n/a	-	-

16 Interest bearing loans and borrowings *(continued)*

Repayments are due under both the Pound Term Loan and the Dollar Term Loan via quarterly instalments with a final payment due 30 September 2022. Subsequent to the year end the final payment was extended to 30 September 2023.

The drawn down amounts are subject to interest at a rate (previously LIBOR but subsequently amended to rates based on Sterling Overnight Index Average for sterling amounts and Secured Overnight Financing Rate for US dollar amounts) plus a margin for sterling and US dollar denominated bank loans.

Total costs of £2,419,000 have been incurred in obtaining the facility. These costs are being amortised over the expected economic life of the borrowings. Total amortisation cost of £178,000 *(2020: £239,000)* has been charged to the profit and loss account in the current year. The amount of issue costs not yet amortised at 31 December 2021 is £137,000 *(2020: £315,000)* and is offset against the borrowings.

The ageing of interest-bearing loans and borrowings is as follows:

2021	**Bank loans £000**	**Issue costs £000**	**Net £000**
Less than one year	32,767	(137)	**32,630**
More than one year but not more than two years	-	-	-
More than two years but not more than five years	-	-	-
More than five years	-	-	-
	32,767	**(137)**	**32,630**

2020	**Bank loans £000**	**Issue costs £000**	**Net £000**
Less than one year	1,520	(180)	1,340
More than one year but not more than two years	32,566	(135)	32,431
More than two years but not more than five years	-	-	-
More than five years	-	-	-
	34,086	(315)	33,771

17 Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2021 £000	2020 £000
Assets measured at amortised cost	**61,678**	55,919
Liabilities measured at amortised cost	**(46,664)**	(48,538)

Notes *(continued)*

18 Deferred tax

Deferred tax (assets)/liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2021	2020	**2021**	2020	**2021**	2020
	£000	£000	**£000**	£000	**£000**	£000
Accelerated capital allowances	**(900)**	(731)	**-**	-	**(900)**	(731)
Other	**(7,352)**	(8,319)	**290**	314	**(7,062)**	(8,005)
Net tax (assets)/liabilities	**(8,252)**	(9,050)	**290**	314	**(7,962)**	(8,736)

Other includes deferred tax assets on intangibles and inventory provisions in the US and losses in the UK.

Company

The Company has no deferred tax asset or liability.

19 Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid:		
25,346,000 A ordinary shares of £0.0001 each	**3**	3
37,493,000 B ordinary shares of £0.001 each	**37**	37
5,000,000 C ordinary shares of £0.0001 each	**1**	1
5,000,000 D ordinary shares of £0.001 each	**5**	5
	46	46

The holders of A ordinary shares and B ordinary shares are entitled to receive dividends as declared from time to time. The holders of B ordinary shares and D ordinary shares are entitled to one vote per share at meetings of the company.

20 Employee benefits

Group

The group operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £936,000 *(2020: £976,000)*.

21 Cash flow from operating activities

	2021 £000	2020 £000
Profit for the financial year	**5,130**	7,839
Taxation	**617**	(3,264)
Interest payable and similar expenses	**2,289**	3,462
Other interest receivable and similar income	**(130)**	-
Depreciation and amortisation	**4,197**	4,842
Decrease in stocks	**152**	7,288
Decrease in debtors	**2,165**	4,622
Decrease in creditors	**(746)**	(1,880)
Tax paid	**(307)**	(1,248)
Net cash inflow from operating activities	**13,367**	21,661

22 Analysis of cash flows

Group	2021 £000	2020 £000
Capital expenditure and financial investment:		
Purchase of tangible fixed assets	(1,360)	(1,543)
Proceeds from sale of tangible fixed assets	42	86
Net cash outflow from investing activities	(1,318)	(1,457)
Financing:		
Interest paid	(1,714)	(3,591)
Repayment of bank loans	(1,513)	(16,575)
Finance lease principal payments	-	(22)
Net cash outflow from financing activities	(3,227)	(20,188)

23 Analysis of cash and cash equivalents

Group	Opening balance £000	Cash flow £000	Exchange Movements £000	**Closing balance £000**
Cash at bank and in hand	29,052	8,822	(72)	**37,802**
Cash and cash equivalents	29,052	8,822	(72)	**37,802**

Notes *(continued)*

24 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Less than one year	**3,439**	3,602	-	-
Between one and five years	**10,767**	8,504	-	-
More than five years	**1,185**	2,173	-	-
	15,391	14,279	-	-

During the year £4,467,000 was recognised as an expense in the profit and loss account in respect of operating leases *(2020: £4,588,000)*.

25 Commitments

Contractual commitments to purchase tangible fixed assets at the year-end were £nil *(2020: £16,000)*. Company: £nil *(2020: £nil)*.

26 Contingent liabilities

The Company is party to a group debt facility agreement agented by Antares Capital, whereby the majority of companies within the LSP Holding (UK) Ltd group guarantee the financial obligations under the group debt facility of other companies within the group. The LSP Holding (UK) Ltd group's banking facilities are supported by legal charges on the assets of the group. At 31 December 2021, the Company had contingent liabilities of £34,709,000 *(2020: £35,970,000)* under security arrangements. The directors do not anticipate that the security provided by the Company will be called upon.

27 Related parties

Identity of related parties with which the Group and the Company has transacted

The Company has taken advantage of the exemption offered to subsidiary companies under FRS 102, paragraph 33.1A ('Related Party Transactions') for the non-disclosure of transactions between wholly owned companies in the same group.

Trinity Hunt, a minority shareholder, accrued fee income and expenses of £36,000 *(2020: £39,000)* for providing the Company with consultancy services. AEA Investors LP, who manage the investment on behalf of the ultimate controlling party, accrued a fee income and expenses of £381,000 *(2020: £403,000)* for providing the Company with consultancy services. Rent was payable totalling £290,000 *(2020: £311,000)* relating to properties owned by certain minority shareholders.

Two directors at year end have interests in the ultimate parent company, LSP Holding Sarl, as at 31 December 2021. Two of the directors at year end had given undertakings to pay the Company amounts totalling £67,500 at 31 December 2021 *(2020: £100,000)* relating to shares issued to them.

Key management personnel

During the year, key management personnel were remunerated £1,993,000 *(2020: £2,017,000)*. The amount outstanding at 31 December 2021 was £369,000 *(2020: £450,000)*.

28 Ultimate parent company and parent company of larger group

The Company is a subsidiary of LSP Holding (UK) Ltd, a company registered in England and Wales with the registered office address of Universal Point, Steelmans Road, Wednesbury, West Midlands, WS10 9UZ. The largest and smallest group in which the Company is consolidated is that of LSP Holding (UK) Ltd. The consolidated financial statements can be obtained from the registered office address.

The ultimate parent company is LSP Holding Sarl, a company registered in Luxembourg. These financial statements can be obtained from the 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 Europe Fund LP, being the major shareholder.

LSP Investco Limited

Annual report and consolidated financial statements

Registered number 10290956

31 December 2020

Contents

Directors and advisers

Directors	AJW Hoffman JT Levengood SJ Diamond JM Ainsworth
Secretary and registered office	PJ Lawton Universal Point Steelmans Road Wednesbury West Midlands WS10 9UZ
Independent auditor	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

Strategic report
for the year ended 31 December 2020

The directors present their strategic report of the company and its subsidiaries (together the "Group" or "LoneStar") for the year ended 31 December 2020.

Principal activities

LSP Investco Limited is a holding company for a group of companies whose principal activities are the manufacture, distribution and sale of fasteners, gaskets, flow control components and other ancillary products. The Group operates in the UK and across continental Europe, the Middle East, North America and the Far East and is a market leader in many of the geographies in which it trades.

Business review and future developments

The Group is a leading provider of standardised and custom high-performance fasteners, gaskets, flow control components and other ancillary products primarily for energy related industries including the oil and gas and power generation industries.

The 2020 year was highly unusual and in common with many businesses around the world the Group faced a number of challenges. In March 2020 the COVID-19 situation was declared a pandemic by the World Health Organization. The COVID-19 pandemic has had a significant impact on the global supply/demand equation for oil, resulting in oil price instability.

The Group is an integral part of the energy supply chain and as such continued to operate as an essential service. However, both the consequences of COVID-19 and the resultant oil price instability had a negative impact on revenue and earnings in 2020 and as a result the Group implemented a number of cost reduction initiatives including headcount rationalisation and accessing government schemes such as the UK's Coronavirus Job Retention Scheme.

From a revenue perspective, the North American oil and gas focused businesses saw the largest year on year revenue declines with smaller, but still meaningful, declines in the European and Middle East oil and gas focused fastener businesses. The Group's principal power generation business saw revenue decline by c.5%. Overall though the Group showed strong resilience in the circumstances.

The Group delivered an operating profit of £8,037,000 *(2019: £11,222,000)* in the year. The business made an operating profit before depreciation, amortisation and exceptional costs of £12,880,000 *(2019: £19,615,000)* in the year. The Group generated £21,661,000 of cash from operating activities with a year end cash balance of £29,052,000.

The directors remain cautious about the prospects in the Group's oil and gas markets given the current environment, although the group does benefit from some diversification through its exposure to power generation markets and there are early signs of recovery in certain of the markets in which the Group operates. The Group's strategy remains the delivery of growth in both turnover and operating profit organically and through acquisition, potentially including both new and existing markets, geographies and products. Management is confident that the measures it has taken and will continue to take, together with the Group's sound financial strength and cash resources, will ensure the long term success of the Group.

Key performance indicators

The various businesses within the Group operate across a diverse range of geographies and markets supplying a range of fasteners, gaskets, flow control components and related ancillary products. Each business has its own key performance indicators ("KPI") with which to manage its operations.

The Group's key financial performance indicators, assessed within its operating companies, are turnover, operating profit and cash generation. Various non-financial KPIs are currently monitored at an individual business unit level.

Principal risks and uncertainties

The Group operates globally in varied markets and manages the risks inherent in its activities. The Group seeks to mitigate exposure to all forms of risk, both external and internal and, where practical, mitigate the risk by using insurers where this is cost effective.

Financial risks

Foreign exchange

The Group is exposed to foreign currency transaction risk (where products are sourced in one currency and sold in another). Transaction risks are mitigated by dealing in the same currency (sourcing components in the same currency as the sale) where possible.

Group policy is to hedge a proportion of the overseas earnings exposure with foreign currency borrowings.

Credit

The Group is exposed to credit risk in relation to customers, banks, and insurers. Credit control procedures take into account the identified risks relating to customers, which includes credit checks and limits for customers. Where appropriate, the company insures business risks with insurers of good standing. Credit risk in relation to banks is mitigated by the Group's policy to deal only with major financial institutions.

Interest rate

The Group has interest bearing liabilities. Interest bearing liabilities consist of bank loans. The Group has a policy of maintaining short term deposits, cash balances and loan and overdraft facilities at a level sufficient to fund its operations including the servicing of interest-bearing liabilities.

Business risks

Competitors

The Group operates in competitive markets. The global footprint, diversity of operations and continued investment in improved capabilities within the Group reduces the effect from any single competitor.

Product failure

The reliability of the Group's products is key to the business. Product failure may have an effect on the business in terms of reputation and potential claims. To mitigate this risk, the Group has accredited quality control processes.

Raw material price movements

The Group's products contain various raw materials (mainly consisting of metals). Any increases or volatility in prices (including as a result of changes in tariff rates) and shortages in supply can affect the Group's performance. The diversity of products across the Group and the purchasing policies of the Group reduce the dependence of the company to any single item or supplier.

The Group has well established internal procedures to both minimise the cost impact of price movements and to manage changes to external selling prices accordingly.

Oil price movements

The global price of oil can influence the investment decisions of end-users in a number of the markets the business serves which in turn can impact demand for the Group's products. The Group's exposure to a number of geographies and other segments such as power generation helps to mitigate this risk.

Results

The profit for the financial year was £7,839,000 *(2019: £9,690,000).*

Section 172 statement

The directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, to be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year.

This includes considering the interests of our customers, suppliers, and employees, maintaining high standards of business ethics and conduct, and considering our impacts on local communities and the environment.

Employees

Our employees are seen as an important component and asset of our business. We are committed to eliminating discrimination and encouraging diversity and endeavour to deal with our employees fairly and with respect. Our employees are expected to act with integrity, fairly, impartially, and in an ethical and proper manner in conducting the Group's business.

Our employees are encouraged to take an active role in health, safety and environmental issues. The Board receive regular health, safety and environmental reports.

Business relationships

We value the important relationships we have with our customers. We regularly engage with our customers to understand their requirements and to develop our product and service propositions to meet their needs. The Group also works closely with its suppliers to provide cost-effective goods, services and solutions through the supply chain in compliance with relevant laws and regulations.

Impact on community and environment

The Group continues to be committed to operating its business in an environmentally responsible way, and in compliance with relevant laws and regulations. The Group conducts an Environmental, Social and Governance ("ESG") review annually which is reported to the Board. The Group recognises that businesses have a critical role to play in the transition to a low-carbon future and is developing its own plan for this transition and to make other changes that will have positive impacts on the environment. In accordance with streamlined energy and carbon reporting requirements, during the year ended 31 December 2020, additional usage disclosure was not required.

Reputation for high standards of business conduct

The Group is committed to having a high standard of business ethics and expects all our employees, customers, suppliers and contractors to share the same commitment. The Group operates a Global Code of Conduct which outlines expected behaviours for all its employees with other policies in place in support of that Code of Conduct such as the Group's Anti-bribery and Corruption Policy. Each year the Board considers and approves the Group's modern slavery statement that reaffirms our commitment to combatting slavery and human trafficking.

By order of the board

SJ Diamond
Director

29 April 2021

Directors' report
for the year ended 31 December 2020

The directors present their report and audited financial statements of the company for the year ended 31 December 2020.

Future developments

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

Dividends

A dividend of £nil *(2019: £nil)* was paid in the year.

Financial risk management

Financial risks affecting the company are detailed further in the Strategic report on page 2.

Going concern

The directors have prepared the financial statements on the going concern basis. See note 1.2 for further details.

Directors

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

AJW Hoffman	
JT Levengood	
SJ Diamond	
S Mathilakath	(resigned 7 April 2021)
JM Ainsworth	(appointed 27 April 2021)

Two *(2019: two)* of the directors who held office at the end of the financial year had interests in the ordinary shares of LSP Investco Limited. Two (*2019: two*) of the directors who held office at the end of the financial year had interests in its ultimate parent company, LSP Holding Sarl.

Directors' indemnity provision

Pursuant to the company's Articles of Association, the company has given an 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 company purchases a third-party insurance indemnity provision. This was in force throughout the last financial year and is currently in force.

Copies of the insurance indemnity and of the company's Articles of Association are available for inspection at the company's registered office during normal business hours.

Political contributions

Neither the company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (*2019: £nil)*.

Directors' report *(continued)*

Employees

The group is conscious that its employees are key contributors to its success. The group therefore encourages good communications and employee relations across all of its operations by utilising practices developed in each of the operating subsidiaries which are compatible with local circumstances and individual national legislation.

Operating subsidiaries' senior management are kept abreast of group developments in financial, commercial, strategic and human resource matters and are thereby able to inform and consult with employees as appropriate.

The group also recognises its responsibilities to ensure the fair treatment of all of its employees in accordance with national legislation applicable to the territories within which it operates. Equal opportunities for appropriate training, career development and promotion are available to all employees regardless of any physical disability or their gender, religion, race or nationality. In particular, having regard to their aptitudes and abilities, the group gives full and fair consideration to applications for employment received from disabled persons. If members of staff become disabled the group continues employment, either in the same or an alternative position, with the appropriate retraining being given if necessary.

Pension arrangements in each of the countries in which the group operates are maintained in accordance with legislative requirements, custom and practice and group policy as appropriate.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

P. J. Lawton

PJ Lawton
Company Secretary

Registered address:

Universal Point
Steelmans Road
Wednesbury
West Midlands
WS10 9UZ

29 April 2021

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. They have elected to prepare the Group financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and have elected to prepare the parent Company financial statements on the same basis.

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 parent Company and of their profit or loss for that period. In preparing each of the Group and Parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- state whether they have been prepared in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

KPMG

Independent auditor's report to the members of LSP Investco Limited

Opinion

We have audited the financial statements of LSP Investco Limited ("the company") for the year ended 31 December 2020 which comprise the Consolidated profit and loss account and other comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

KPMG

Independent auditor's report to the members of LSP Investco Limited *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the group's high-level policies and procedures to prevent and detect fraud, and whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and unexpected revenue account combinations during the financial year.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

KPMG

Independent auditor's report to the members of LSP Investco Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Stephen Ward

Stephen Ward *(Senior Statutory Auditor)*

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

Dated: 29 April 2021

Consolidated profit and loss account and other comprehensive income
for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	2	**156,760**	190,399
Cost of sales		**(113,535)**	(136,420)
Gross profit		**43,225**	53,979
Distribution costs		**(6,238)**	(7,687)
Goodwill and other intangible amortisation		**(2,068)**	(5,353)
Other administrative expenses		**(26,882)**	(29,717)
Total administrative expenses		**(28,950)**	(35,070)
Operating profit	*3*	**8,037**	11,222
Interest payable and similar expenses	*6*	**(3,462)**	(4,306)
Profit before taxation		**4,575**	6,916
Tax on profit	*7*	**3,264**	2,774
Profit for the financial year		**7,839**	9,690
Other comprehensive income			
Foreign exchange differences on translation of foreign operations		**(1,082)**	(1,444)
Other comprehensive income for the year, net of income tax		(1,082)	(1,444)
Total comprehensive income for the year		6,757	8,246

All activities relate to continuing operations.

The accompanying notes form part of these financial statements.

Consolidated balance sheet
at 31 December 2020

	Note	2020		2019	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	*8*		7,693		9,976
Tangible assets	*9*		7,024		8,394
			14,717		18,370
Current assets					
Stocks	*11*	42,247		50,393	
Debtors	*12*	38,952		40,769	
Cash at bank and in hand		29,052		29,621	
		110,251		120,783	
Creditors: amounts falling due within one year	*13*	(27,681)		(31,453)	
Net current assets			82,570		89,330
Total assets less current liabilities			97,287		107,700
Creditors: amounts falling due after more than one year	*14*		(32,431)		(49,601)
Net assets			64,856		58,099
Capital and reserves					
Called up share capital	*18*		46		46
Share premium account			43,686		43,686
Profit and loss account			24,921		18,164
Merger reserve			(3,797)		(3,797)
Shareholders' funds			64,856		58,099

These financial statements were approved by the board of directors on 29 April 2021 and were signed on its behalf by:

SJ Diamond
Director

Company registered number: 10290956

The accompanying notes form part of these financial statements.

Company balance sheet
at 31 December 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	9		9		15
Investments	10		29,383		29,383
			29,392		29,398
Current assets					
Debtors (of which £38,927,000 *(2019: £38,034,000)* due in more than one year)	12	64,794		62,608	
Cash at bank and in hand		5,118		3,377	
		69,912		65,985	
Creditors: amounts falling due within one year	13	(39,466)		(28,763)	
Net current assets			30,446		37,222
Total assets less current liabilities			59,838		66,620
Creditors: amounts falling due after more than one year	14		(15,393)		(21,458)
Net assets			44,445		45,162
Capital and reserves					
Called up share capital	18		46		46
Share premium account			43,686		43,686
Profit and loss account			713		1,430
Shareholders' funds			44,445		45,162

The loss of the company for the financial year was £717,000 *(2019: £715,000)*.

These financial statements were approved by the board of directors on 29 April 2021 and were signed on its behalf by:

SJ Diamond
Director

Company registered number: 10290956

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Merger reserve £000	Total equity £000
Balance at 1 January 2019	46	43,686	9,918	(3,797)	49,853
Total comprehensive income for the year					
Profit for the financial year	-	-	9,690	-	9,690
Other comprehensive income	-	-	(1,444)	-	(1,444)
Total comprehensive income for the year	-	-	8,246	-	8,246
Balance at 31 December 2019	**46**	**43,686**	**18,164**	**(3,797)**	**58,099**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Merger reserve £000	Total equity £000
Balance at 1 January 2020	46	43,686	18,164	(3,797)	58,099
Total comprehensive income for the year					
Profit for the financial year	-	-	7,839	-	7,839
Other comprehensive income	-	-	(1,082)	-	(1,082)
Total comprehensive income for the year	-	-	6,757	-	6,757
Balance at 31 December 2020	**46**	**43,686**	**24,921**	**(3,797)**	**64,856**

Company statement of changes in equity

	Called up share capital £000	**Share premium account £000**	**Profit and loss account £000**	**Total Equity £000**
Balance at 1 January 2019	46	43,686	2,145	45,877
Total comprehensive income for the year				
Profit for the financial year	-	-	(715)	(715)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(715)	(715)
Balance at 31 December 2019	**46**	**43,686**	**1,430**	**45,162**

	Called up share capital £000	**Share premium account £000**	**Profit and loss account £000**	**Total Equity £000**
Balance at 1 January 2020	46	43,686	1,430	45,162
Total comprehensive income for the year				
Profit for the financial year	-	-	(717)	(717)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(717)	(717)
Balance at 31 December 2020	**46**	**43,686**	**713**	**44,445**

Consolidated cash flow statement
for year ended 31 December 2020

	Note	**2020 £000**	2019 £000
Net cash inflow from operating activities	*20*	**21,661**	20,097
Net cash outflow from investing activities	*21*	**(1,457)**	(2,376)
Net cash outflow from financing activities	*21*	**(20,188)**	(4,419)
Net increase in cash and cash equivalents		**16**	13,302
Cash and cash equivalents at 1 January	*22*	**29,621**	17,587
Exchange adjustments	*22*	**(585)**	(1,268)
Cash and cash equivalents at 31 December	*22*	**29,052**	29,621

Notes
(forming part of the financial statements)

1 Accounting policies

LSP Investco Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered number is 10290956 and the registered address is Universal Point, Steelmans Road, Wednesbury, West Midlands, WS10 9UZ.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

LSP Investco Limited Group is primarily funded through a combination of senior secured loans and cash generated through operating profits. The loans comprised £34.1 million of senior secured term loans, with a final maturity date of 30 September 2022, and a revolving credit facility of $12.5 million, with a final maturity date of 30 September 2022, of which approximately $2.1 million was utilised at 31 December 2020. On the 30 October 2020, the final maturity date of the senior secured term loans and revolving credit facility was extended to 30 September 2022 and this extension was accompanied by a repayment of £15m of the term loans. The Directors are mindful of the due date of the external financing arrangements and recognise the need to review refinancing or capital structure options at an appropriate time. Having arranged the refinancing of facilities during the Covid-19 pandemic and associated recession, the directors believe that they will be able to refinance the senior secured loans under normal, commercial terms ahead of September 2022.

Management have prepared cash flow forecasts and accompanying covenant compliance calculations for the period to 30 September 2022, including what they consider to be reasonably possible downside scenarios. These cash flow forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period. Whilst the economic outlook resulting from the global COVID-19 pandemic remains uncertain, the Directors have considered the impact to the Group by conducting scenario analysis on the Group's profitability, the availability of cash to meet liabilities as they fall due and its compliance with debt covenants. Additionally, the Directors continue to assess the ability to refinance in each scenario.

Therefore, the directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the Group, on page 2, that the Group has adequate resources to continue in operation as a going concern and that Group will be able to meet its obligations linked to the borrowings in place for the period covered by the Group's cash flow forecasts. Accordingly, the directors continue to adopt the going concern basis in preparing these consolidated and parent company financial statements.

Notes (continued)

1 Accounting policies *(continued)*

1.3. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2020. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The consolidated financial information of the LSP Investco Limited group is prepared on a merger accounting basis.

These consolidated financial statements include the results of the Company as well as the results of the consolidated LSP Investco Limited group of companies.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

1.4. Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

All borrowings are initially stated at the cost of the consideration received after the deduction of loan finance costs. These costs are charged to the profit and loss account over the estimated life of the relevant borrowings, on a constant rate basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Revolving credit facilities form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. Lease payments are accounted for as described at 1.12 below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Leasehold improvements	Life of the lease
Plant and machinery	between 2-10 years
Motor vehicles	between 2-4 years
Fixtures, fittings and office equipment	between 2-10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.7. Intangible assets, goodwill and amortisation

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or a group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of the intangible assets and goodwill. Neither the intangible assets nor the goodwill has any residual value. The finite useful life of goodwill has, from the 1 January 2016, been estimated as 10 years, following a review to bring all amortisation in line with FRS 102 requirements. The finite useful life of the intangible asset, relating to customer relationships, has been estimated as 2 years.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and any other intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of Assets when there is an indication that goodwill or an intangible asset may be impaired.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8. Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost is based on the average weighted principle. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

1.9. Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units (or "CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10. Contingent liabilities

Where the parent company or a subsidiary enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11. Turnover

Turnover is recognised at the value of the consideration received or receivable for sale of goods and services in the ordinary course of the business net of sales taxes, rebates and discounts and after eliminating sales within the group. Turnover is recognised at the point of despatch or acceptance of goods by the customer.

1.12. Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.13. Pension costs

The Group operates a number of defined contribution pension plans. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.14. Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Notes *(continued)*

1 Accounting policies *(continued)*

1.15. Accounting estimates and judgements

In the process of applying the Group's accounting policies, management has made a number of estimates and judgements. The key estimates and judgements concerning the future and other sources of estimation uncertainty that have the most significant effect on the financial statements at the reporting date are described below.

Significant

Stock provision

The Group provides against obsolete and slow-moving stock based on usage levels and management judgement, including an assessment of estimated future usage and saleability.

Other

Goodwill

The Group has goodwill that is subject to impairment testing on an annual basis, which require estimates and judgements to be made of the value in use of its cash generating units ("CGU"). This calculation requires the Group to estimate the future cash flows and growth rates expected to arise from its trading companies, and use a suitable discount rate in order to calculate the present value of those cash flows.

Investments

The Company has investments that are subject to impairment testing on an annual basis, which require estimates and judgements to be made of the value in use of its cash generating units ("CGU"). This calculation requires the Group to estimate the future cash flows and growth rates expected to arise from its trading companies, and use a suitable discount rate in order to calculate the present value of those cash flows.

Trade debtors provision

The Group makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, regional payment practices and historical experience.

1.16. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are only recognised to the extent that it is probable that they are realisable.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

2 Turnover

	2020	2019
	£000	£000
By geographical market:		
UK	**20,830**	22,463
Rest of Europe	**26,205**	30,017
North America	**71,050**	91,827
Rest of World	**38,675**	46,092
	156,760	190,399

The above analysis is based on destination.

	2020	2019
	£000	£000
By geographical location:		
Americas	**78,477**	101,330
Europe	**55,762**	62,324
MENA-APAC	**22,521**	26,745
	156,760	190,399

The above analysis is based on origin.

3 Expenses and auditor's remuneration

Included in operating profit are the following:

	2020	2019
	£000	£000
Auditor's remuneration:		
Audit of these financial statements	**50**	50
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	**230**	250
Other tax advisory services	**7**	18

Auditor's remuneration in respect of the Company was £12,500 *(2019: £12,500)*.

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2020	2019
Direct	**641**	694
Indirect	**212**	256
Management and administration	**334**	349
	1,187	1,299

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£000	£000
Wages and salaries	**36,493**	43,559
Social security costs	**2,595**	3,055
Contributions to defined contribution plans	**976**	971
	40,064	47,585

5 Directors' remuneration

	2020	2019
	£000	£000
Directors' remuneration	**657**	1,088
Company contributions to money purchase pension plans	**29**	25

The aggregate remuneration of the highest paid director was £354,000 *(2019: £599,000)*, and company pension contributions of £8,000 *(2019: £4,000)* were made to a money purchase scheme on his behalf.

The number of directors at year end who accrued benefits under company pension schemes in the year was two *(2019: two)*.

6 Interest payable and similar expenses

	2020	2019
	£000	£000
Interest payable on bank overdrafts and bank loans	**2,925**	3,508
Interest payable on finance leases	**-**	1
Amortisation of finance issue costs	**239**	332
Net foreign exchange loss	**298**	465
Total interest payable and similar expenses	**3,462**	4,306

Notes *(continued)*

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2020		2019	
	£000	£000	£000	£000
Current tax				
Current tax on income for the period		723		679
Adjustments in respect of prior periods		(111)		(183)
Foreign tax				
Current tax on income for the period		170		837
Adjustments in respect of prior periods		(190)		-
Total current tax charge		592		1,333
Deferred tax (see note 17)				
Origination and reversal of timing differences	(3,719)		(4,267)	
Adjustments in respect of prior periods	(137)		160	
Total deferred tax credit		(3,856)		(4,107)
Total tax (credit)/charge on profit		(3,264)		(2,774)

Reconciliation of effective tax rate

	2020	2019
	£000	£000
Profit for the year	7,839	9,690
Total tax credit	(3,264)	(2,774)
Profit before taxation	4,575	6,916
Tax using the UK corporation tax rate of 19% *(2019: 19%)*	869	1,314
Effect on tax charge of:		
Expenses not deductible for tax purposes	(949)	334
Goodwill amortisation	393	622
Adjustment in respect of foreign tax rates	(485)	(689)
Adjustment in respect of previous years	(438)	(23)
Recognition of previously unrecognised deferred tax	(2,578)	(4,267)
Change in UK deferred tax rates	(76)	-
Utilisation/excess losses carried forward	-	(65)
Total tax credit included in profit or loss	(3,264)	(2,774)

A 1% reduction in the main rate of UK corporation tax rate from 20% to 19% took effect from 1 April 2018. An increase in the rate from 19% to 25% due to take effect from 1 April 2023 was announced as part of the 2021 Budget. If this increase is subsequently enacted this will increase the Company's future tax charge accordingly.

Notes *(continued)*

8 Intangible assets and goodwill

Group	Intangible assets £000	Goodwill £000	Total £000
Cost			
Balance at 1 January 2020	3,742	20,128	23,870
Effect of movements in foreign exchange	(127)	(683)	(810)
Balance at 31 December 2020	3,615	19,445	23,060
Amortisation and impairment			
Balance at 1 January 2020	3,742	10,152	13,894
Amortisation for the year	-	2,068	2,068
Effect of movements in foreign exchange	(127)	(468)	(595)
Balance at 31 December 2020	3,615	11,752	15,367
Net book value			
At 31 December 2020	**-**	**7,693**	**7,693**
At 31 December 2019	-	9,976	9,976

Intangible assets relate to customer relationships acquired through business combinations.

Notes *(continued)*

9 Tangible fixed assets

Group	Leasehold property improvements £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Total £000
Cost					
Balance at 1 January 2020	2,848	19,863	794	4,413	27,918
Additions	89	1,053	31	370	1,543
Disposals	(33)	(25)	(380)	(329)	(767)
Effect of movements in foreign exchange	(50)	(472)	(35)	(135)	(692)
Balance at 31 December 2020	2,854	20,419	410	4,319	28,002
Depreciation and impairment					
Balance at 1 January 2020	1,593	14,069	211	3,651	19,524
Depreciation charge for the year	189	2,109	168	309	2,775
Disposals	(33)	(24)	(314)	(311)	(682)
Effect of movements in foreign exchange	(45)	(428)	(31)	(135)	(639)
Balance at 31 December 2020	1,704	15,726	34	3,514	20,978
Net book value					
At 31 December 2020	**1,150**	**4,693**	**376**	**805**	**7,024**
At 31 December 2019	1,255	5,794	583	762	8,394

Leased plant and machinery

At 31 December 2020, the net carrying amount of plant and machinery leased under a finance lease was £nil *(2019: £94,000)*. The leased equipment secures lease obligations (note 15).

Company	Fixtures, fittings and office equipment £000	Total £000
Cost		
Balance at 1 January 2020	68	68
Additions	-	-
Balance at 31 December 2020	68	68
Depreciation and impairment		
Balance at 1 January 2020	53	53
Depreciation charge for the year	6	6
Balance at 31 December 2020	59	59
Net book value		
At 31 December 2020	**9**	**9**
At 31 December 2019	15	15

Notes *(continued)*

10 Fixed asset investments

Company	Subsidiary undertaking shares £000
Cost and Net book value:	
At 1 January and 31 December 2020	**29,383**

The Company owns 100% of the issued ordinary share capital of the following companies:

Name	Nature of business	Registered office
LSP Acquisition (UK) Ltd *	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
LSP Acquisition Corporation *	Intermediate holding and financing company	c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE 19801, USA
LSP Acquisition LLC *	Financing company	c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE 19801, USA
Lone Star Holdings UK Limited	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Lone Star SRL (Romania)	Distribution of fasteners and gaskets	DN72, Ploiesti – Targoviste Road, KM No. 8, Ploiesti Industrial Park, Romania
Lone Star PRD Group Limited	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Lone Star Triplefast Private Ltd	Distribution of fasteners and gaskets	19, Kian Teck Crescent, Singapore 628885
Oil Field Sealing Techno Systems Private Limited	Manufacture and distribution of gaskets	56-C, 7th Street, Ambattur Industrial Estate, Chennai, Tamil Nadu 600098, India
Lone Star Fasteners LLC	Manufacture and distribution of fasteners and fittings	24131 West Hardy Road, Spring, Texas 77373, USA
Lone Star Sealing Technologies LLC	Manufacture and distribution of gaskets	835 Greens Parkway #200, Houston, TX 77067, USA
Lone Star Leeds Limited	Manufacture and distribution of precision components and gaskets	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Lone Star Grange Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Triplefast Middle East Limited	Manufacture and distribution of fasteners and gaskets	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Eurofast Petrochemical Supplies Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
LoneStar Fasteners Europe Limited	Manufacture and distribution of fasteners	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
P.R.D. Fasteners Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Triplefast International Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
PH Industrial Trading (Ningbo) Limited	Distribution of fasteners	Nisseki Building, No. 438 Zhujiang Road, Beilun District, 315800 Ningbo, PR China
Ningbo Panxiang Import & Export Limited	Export distribution of fasteners	Nisseki Building, No. 438 Zhujiang Road, Beilun District, 315800 Ningbo, PR China
Energy Hardware Holdings LLC	Distribution of fasteners and other products	2730 East Phillips Rd., Greer, SC 29650, USA
Lone Star Australia Pty Limited	Distribution of fasteners and gaskets	Level 29, 221 St. Georges Terrace, Perth, Western Australia 6000, Australia
Hydrobolt Group Holdings Limited *	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt Limited	Manufacture and distribution of fasteners	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt Group Limited	Intermediate holding company	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt (Holdings) Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Studbolt Manufacturing Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Birmingham Coldform & Special Fasteners Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Pipeline Package Solutions Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
Hydrobolt EBT Limited	Dormant	Universal Point, Steelmans Road, Wednesbury, WS10 9UZ
AmeriBolt, Inc.	Manufacture and distribution of fasteners	18060 AL-21, Sycamore, AL 35149, USA

* owned directly by the company

All of the above subsidiaries are included in the group consolidation. The directors believe that the carrying value of the investments is supported by either their underlying net assets or trade and future cash flows.

Notes *(continued)*

11 Stocks

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Raw materials and consumables	**9,587**	10,665	**-**	-
Work in progress	**3,490**	4,380	**-**	-
Finished goods	**29,170**	35,348	**-**	-
	42,247	50,393	**-**	-

12 Debtors

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Trade debtors	**26,868**	32,215	**-**	-
Amounts owed by group undertakings	**-**	-	**63,618**	61,921
Corporation tax	**197**	-	**340**	-
Deferred tax assets (see note 17)	**8,736**	5,016	**-**	-
VAT receivable	**359**	390	**-**	19
Prepayments and accrued income	**2,792**	3,148	**836**	668
	38,952	40,769	**64,794**	62,608

Included in the company debtors is £38,927,000 *(2019: £38,034,000)* related to amounts owed by group undertakings due after more than one year. These amounts were subject to interest between 6.5% and 8.0%.

13 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Bank loans (net of issue costs) (note 15)	**1,340**	1,283	**-**	-
Obligations under finance leases	**-**	22	**-**	-
Trade creditors	**14,767**	15,760	**19**	3
Amounts owed to group undertakings	**-**	-	**38,339**	27,548
Corporation tax	**-**	460	**-**	14
VAT payable	**-**	-	**17**	-
Other taxation and social security	**344**	363	**24**	23
Accruals and deferred income	**11,230**	13,565	**1,067**	1,175
	27,681	31.453	**39,466**	28,763

Notes *(continued)*

14 Creditors: amounts falling after more than one year

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Bank loans (net of issue costs) (note 15)	**32,431**	49,601	**-**	-
Amounts owed to group undertakings	**-**	-	**15,393**	21,458
	32,431	49,601	**15,393**	21,458

Amounts owed by the Company to group undertakings are subject to interest between 6.1% and 6.5%. Certain amounts owed by the Company to group undertakings were listed on the Cayman Islands Stock Exchange.

15 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's external interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Creditors falling due more than one year				
Bank loan (net of issue costs)	**32,431**	49,601	**-**	-
	32,431	49,601	**-**	-
Creditors falling due within less than one year				
Bank loan (net of issue costs)	**1,340**	1,283	**-**	-
Finance lease liabilities	**-**	22	**-**	-
	1,340	1,305	**-**	-

In 2014, the Group secured $90m of new bank loans and a $20m revolving credit facility, subject to the conditions of the credit agreement signed on 31 March 2014 and subsequent amendments, which repaid the previous loans and funded the acquisition made in 2014. During 2018 the outstanding cash drawn revolving credit facility was paid down in full. In April 2018 the final maturity date of the facilities was extended to 31 March 2021 on similar terms but with the revolving credit facility reduced to $12.5m. On the 30 October 2020 the final maturity date was extended to 30 September 2022 and this extension was accompanied by a repayment of £15m of the term loans. A number of Group companies have entered into security arrangements in support of these facilities.

Terms and debt repayment schedule

Group	**Nominal interest rate**	**Year of maturity**	**Original loan value**	**2020**	2019
				£000	£000
Pound term loan	5.50%	2022	£24,018,126	**13,460**	19,805
Dollar term loan	5.50%	2022	$50,238,473	**20,626**	31,416
				34,086	51,221
Revolving credit facility	5.50%	n/a	n/a	**-**	-

Notes *(continued)*

15 Interest bearing loans and borrowings *(continued)*

Repayments are due under both the Pound Term Loan and the Dollar Term Loan via quarterly instalments with a final payment due 30 September 2022.

The drawn down amounts are subject to interest at a rate based on LIBOR plus a margin for sterling and US dollar denominated bank loans.

Total costs of £2,419,000 have been incurred in obtaining the facility. These costs are being amortised over the expected economic life of the borrowings. Total amortisation cost of £239,000 *(2019: £332,000)* has been charged to the profit and loss account in the current year. The amount of issue costs not yet amortised at 31 December 2020 is £315,000 *(2019: £337,000)* and is offset against the borrowings.

The ageing of interest-bearing loans and borrowings is as follows:

2020	**Bank loans £000**	**Issue costs £000**	**Net £000**	**Finance leases £000**	**Total £000**
Less than one year	1,520	(180)	**1,340**	-	**1,340**
More than one year but not more than two years	32,566	(135)	**32,431**	-	**32,431**
More than two years but not more than five years	-	-	-	-	-
More than five years	-	-	-	-	-
	34,086	**(315)**	**33,771**	-	**33,771**

2019	**Bank loans £000**	**Issue costs £000**	**Net £000**	**Finance leases £000**	**Total £000**
Less than one year	1,553	(270)	1,283	22	1,305
More than one year but not more than two years	49,668	(67)	49,601	-	49,601
More than two years but not more than five years	-	-	-	-	-
More than five years	-	-	-	-	-
	51,221	(337)	50,884	22	50,906

16 Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2020 £000	2019 £000
Assets measured at amortised cost	**55,919**	61,835
Liabilities measured at amortised cost	**(48,538)**	(66,644)

Notes *(continued)*

17 Deferred tax

Deferred tax (assets)/liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2020	2019	**2020**	2019	**2020**	2019
	£000	£000	**£000**	£000	**£000**	£000
Accelerated capital allowances	**(731)**	(572)	**-**	-	**(731)**	(572)
Other	**(8,319)**	(4,774)	**314**	330	**(8,005)**	(4,444)
Net tax (assets)/liabilities	**(9,050)**	(5,346)	**314**	330	**(8,736)**	(5,016)

Company

The Company has no deferred tax asset or liability.

18 Share capital

	2020	2019
	£000	£000
Allotted, called up and fully paid:		
25,346,000 A ordinary shares of £0.0001 each	**3**	3
37,493,000 B ordinary shares of £0.001 each	**37**	37
5,000,000 C ordinary shares of £0.0001 each	**1**	1
5,000,000 D ordinary shares of £0.001 each	**5**	5
	46	46

The holders of A ordinary shares and B ordinary shares are entitled to receive dividends as declared from time to time. The holders of B ordinary shares and D ordinary shares are entitled to one vote per share at meetings of the company.

19 Employee benefits

Group

The group operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £976,000 *(2019: £971,000).*

Notes *(continued)*

20 Cash flow from operating activities

	2020 £000	2019 £000
Profit for the financial year	**7,839**	9,690
Taxation	**(3,264)**	(2,774)
Interest payable and similar expenses	**3,462**	4,306
Depreciation and amortisation	**4,842**	8,393
Decrease in stocks	**7,288**	573
Decrease in debtors	**4,622**	1,070
Decrease in creditors	**(1,880)**	(193)
Tax paid	**(1,248)**	(968)
Net cash inflow from operating activities	**21,661**	20,097

21 Analysis of cash flows

Group	2020 £000	2019 £000
Capital expenditure and financial investment:		
Purchase of tangible fixed assets	**(1,543)**	(2,447)
Proceeds from sale of tangible fixed assets	**86**	71
Net cash outflow from investing activities	**(1,457)**	(2,376)
Financing:		
Interest paid	**(3,591)**	(3,578)
Repayment of bank loans	**(16,575)**	(801)
Finance lease principal payments	**(22)**	(40)
Net cash outflow from financing activities	**(20,188)**	(4,419)

22 Analysis of cash and cash equivalents

Group	Opening balance £000	Cash flow £000	Exchange Movements £000	**Closing balance £000**
Cash at bank and in hand	29,621	16	(585)	**29,052**
Cash and cash equivalents	29,621	16	(585)	**29,052**

Notes *(continued)*

23 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Less than one year	**3,602**	3,705	-	-
Between one and five years	**8,504**	10,503	-	-
More than five years	**2,173**	2,800	-	-
	14,279	17,008	-	-

During the year £4,588,000 was recognised as an expense in the profit and loss account in respect of operating leases *(2019: £4,728,000)*.

24 Commitments

Contractual commitments to purchase tangible fixed assets at the year-end were £16,000 *(2019: £83,000)*. Company: £nil *(2019: £nil)*.

25 Contingent liabilities

The Company is party to a group debt facility agreement agented by Antares Capital, whereby the majority of companies within the LSP Holding (UK) Ltd group guarantee the financial obligations under the group debt facility of other companies within the group. The LSP Holding (UK) Ltd group's banking facilities are supported by legal charges on the assets of the group. At 31 December 2020, the Company had contingent liabilities of £35,970,000 *(2019: £53,030,000)* under security arrangements. The directors do not anticipate that the security provided by the Company will be called upon.

26 Related parties

Identity of related parties with which the Group and the Company has transacted

The Company has taken advantage of the exemption offered to subsidiary companies under FRS 102, paragraph 33.1A ('Related Party Transactions') for the non-disclosure of transactions between wholly owned companies in the same group.

Trinity Hunt, a minority shareholder, accrued fee income and expenses of £39,000 *(2019: £40,000)* for providing the Company with consultancy services. AEA Investors LP, who manage the investment on behalf of the ultimate controlling party, accrued a fee income and expenses of £403,000 *(2019: £445,000)* for providing the Company with consultancy services. Rent was payable totalling £311,000 *(2019: £313,000)* relating to properties owned by certain minority shareholders.

Two directors who served in the year have interests in the ultimate parent company, LSP Holding Sarl, as at 31 December 2020. Two of the directors during the year had given undertakings to pay the Company amounts totalling £50,000 each at 31 December 2020 *(2019: £50,000 each)* relating to shares issued during 2016.

Key management personnel

During the year, key management personnel were remunerated £2,017,000 *(2019: £2,672,000)*. The amount outstanding at 31 December 2020 was £450,000 *(2019: £960,000)*.

27 Ultimate parent company and parent company of larger group

The Company is a subsidiary of LSP Holding (UK) Ltd, a company registered in England and Wales with the registered office address of Universal Point, Steelmans Road, Wednesbury, West Midlands, WS10 9UZ. The largest and smallest group in which the Company is consolidated is that of LSP Holding (UK) Ltd. The consolidated financial statements can be obtained from the registered office address.

The ultimate parent company is LSP Holding Sarl, a company registered in Luxembourg. These financial statements can be obtained from the 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 Europe Fund LP, being the major shareholder.