

KESTON HOLDINGS LIMITED
(Registered Number 795957)

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2013

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COMPANIES HOUSE

KESTON HOLDINGS LIMITED

DIRECTORS

T T Harvey
G J Letham

SECRETARY

L Wilcox

AUDITORS

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

SOLICITORS

Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE99 1SB

REGISTERED OFFICE

69-75 Side
Newcastle upon Tyne
NE1 3JE

KESTON HOLDINGS LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

The directors present the strategic report for the year ended 31 December 2013

PRINCIPAL ACTIVITY

Keston Holdings Limited is part of the Ideal Stelrad (ISG Holdings 1 Limited) group of companies

The company was a holding company whose subsidiaries' principal areas of activity are the manufacture and distribution of boilers

During the year the company transferred its investment in Keston Boilers Limited to its immediate parent company ISG Boiler Holdings Limited

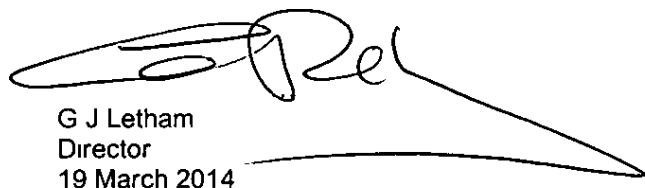
The company is now dormant

REVIEW OF THE BUSINESS

The loss for the year after taxation amounted to £625,000 (2012 £nil)

The directors have made the decision in the year to put the company into voluntary liquidation

On behalf of the Board



G J Letham
Director
19 March 2014

KESTON HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their annual report together with the audited financial statements for the year ended 31 December 2013

DIRECTORS

The composition of the Board of directors during the year, and to the date of this report, was as follows

T T Harvey
G J Letham

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving the reports is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board



G J Letham
Director
19 March 2014

KESTON HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report and the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Keston Holdings Limited

We have audited the financial statements of Keston Holdings Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- Give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

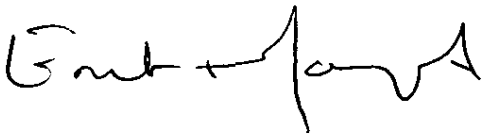
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report
to the members of Keston Holdings Limited (cont)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- The financial statements are not in agreement with the accounting records and returns, or
- Certain disclosures of directors' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit



Mark Hatton (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne

19 March 2014

KESTON HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

| | <i>Notes</i> | <i>2013 £'000</i> | <i>2012 £'000</i> |
|--|--------------|-----------------------|-----------------------|
| Exceptional operating costs | 3 | (625) | - |
| Loss on ordinary activities before taxation | | (625) | - |
| Tax charge on loss on ordinary activities | 4 | - | - |
| Loss for the financial year | | (625) | - |

There are no recognised gains and losses in either period other than those included above, accordingly, a statement of total recognised gains and losses has not been prepared

KESTON HOLDINGS LIMITED

(Registered Number 795957)

BALANCE SHEET AS AT 31 DECEMBER 2013

| | Notes | 2013 £'000 | 2012 £'000 |
|--|-------|---------------|---------------|
| Fixed assets | | | |
| Investments | 5 | - | 129 |
| Current assets | | | |
| Debtors amounts falling due after more than one year | 6 | - | 503 |
| Creditors amounts falling due within one year | 7 | - | (7) |
| Net current assets | | - | 496 |
| Total assets less current liabilities | | - | 625 |
| Capital and reserves | | | |
| Called up share capital | 8 | 2 | 2 |
| Profit and Loss account | 9 | (2) | 623 |
| Total shareholders' funds | 9 | - | 625 |

The financial statements of Keston Holdings Limited were approved for issue by the Board of Directors on 19 March 2014 and signed on their behalf by,


G J Letham
Director

KESTON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Investments

Fixed asset investments are stated at cost less provision for impairment.

2 DIRECTORS' EMOLUMENTS

The directors of the company are also directors of the ultimate UK parent undertaking and fellow subsidiaries. The directors received remuneration which was paid by a fellow subsidiary undertaking and not recharged to the company. These emoluments are disclosed in the financial statements of ISG Holdings 1 Limited. The directors of the company do not believe it is practicable to apportion this amount between services as directors of the ultimate UK parent undertaking and their services as directors of fellow subsidiary undertakings.

3 EXCEPTIONAL OPERATING COSTS

| | 2013 £'000 | 2012 £'000 |
|--|---------------|---------------|
| Waiver of amounts owed by subsidiary undertaking | 496 | - |
| Loss on transfer of investment | 129 | - |
| | <u>625</u> | <u>-</u> |

KESTON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 TAX ON LOSS ON ORDINARY ACTIVITIES

| | 2013 £'000 | 2012 £'000 |
|---|---------------|---------------|
| A Analysis of charge in the year | | |
| <i>Current Tax</i> | | |
| Current tax charge | - | - |
| | <hr/> | <hr/> |
| B. Factors affecting tax charge for the year | | |
| The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below | | |
| | 2013 £'000 | 2012 £'000 |
| Loss on ordinary activities before tax | (625) | - |
| | <hr/> | <hr/> |
| Loss on ordinary activities at standard rate of corporation tax in the UK of 23.25% (2012: 24.5%) | (145) | - |
| Effects of | | |
| Waiver of amounts owed by subsidiary company | 115 | - |
| Loss on transfer of investment | 30 | - |
| | <hr/> | <hr/> |
| Current tax charge for the year | - | - |
| | <hr/> | <hr/> |

C Change in the Corporate Income Tax rate

The UK government has announced its intention to reduce the UK corporation tax rate to 20% by 1 April 2015. The reduction from 24% to 23% was substantively enacted on 3 July 2012 and came into effect on 1 April 2013. A hybrid rate of 23.25% therefore applies to current tax liabilities arising during the period. A reduction from 23% to 21% was substantively enacted on 2 July 2013 and will come into effect on 1 April 2014.

A further reduction from 21% to 20% was also substantially enacted on 2 July 2013 and will come into effect on 1 April 2015.

5 INVESTMENTS

| | Subsidiary Undertakings £'000 |
|----------------------------|-------------------------------------|
| Cost and net book value | |
| At 1 January 2013 | 129 |
| Transfer to parent company | (129) |
| | <hr/> |
| At 31 December 2013 | - |
| | <hr/> |

During the year the company transferred its investment in Keston Boilers Limited to its immediate parent company ISG Boiler Holdings Limited.

KESTON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 DEBTORS

| | 2013 £'000 | 2012 £'000 |
|--|-------------------|-------------------|
| Amounts falling due after more than one year | | |
| Amounts owed by fellow subsidiary undertakings | - | 503 |
| | <u> </u> | <u> </u> |

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2013 £'000 | 2012 £'000 |
|--|-------------------|-------------------|
| Amounts owed to fellow subsidiary undertakings | - | 7 |
| | <u> </u> | <u> </u> |

8 SHARE CAPITAL

| | Number | 2013 £'000 | Number | 2012 £'000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Authorised Ordinary Shares of £1 each | 2,000 | 2 | 2,000 | 2 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Allotted, issued and fully paid Ordinary Shares of £1 each | 2,000 | 2 | 2,000 | 2 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

9 RECONCILIATION OF SHAREHOLDERS' FUNDS

| | Share Capital £'000 | Profit and Loss Account £'000 | Total £'000 |
|--|------------------------|-------------------------------------|-------------------|
| At 1 January 2012 and 31 December 2012 | 2 | 623 | 625 |
| Loss for the financial year | - | (625) | (625) |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 December 2013 | 2 | (2) | - |
| | <u> </u> | <u> </u> | <u> </u> |

10 CONTINGENT LIABILITIES

Under an unlimited multilateral guarantee, the company, in common with certain fellow subsidiary undertakings, has jointly and severally guaranteed the obligations falling due under one of the group's net overdraft facilities and long term borrowings. No loss is expected to arise from these arrangements.

KESTON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 CASH FLOW STATEMENT

A consolidated cash flow statement has been included in the financial statements of the parent company, which include the financial statements of Keston Holdings Limited. Accordingly, as permitted by FRS1, no cash flow statement is presented with these financial statements.

12 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS8 Related Party Disclosures, not to disclose related party transactions with other wholly owned group undertakings.

13 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is ISG Boiler Holdings Limited, a company registered in England and Wales. Copies of ISG Boiler Holdings Limited's financial statements can be obtained from Companies House, Cardiff.

The ultimate parent undertaking and controlling party is Woolamai Holdings Jersey Limited, a company registered in Jersey.

The parent of the largest group to consolidate these financial statements is ISG Holdings 1 Limited, a company registered in England and Wales. Copies of ISG Holdings 1 Limited's financial statements can be obtained from Companies House, Cardiff.