

**COMPANY REGISTRATION NUMBER: 04911159**

**Kingspan Timber Solutions Limited**  
**Financial Statements**  
**31 December 2019**



# **Kingspan Timber Solutions Limited**

## **Financial Statements**

**Year ended 31 December 2019**

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# **Kingspan Timber Solutions Limited**

## **Officers and Professional Advisers**

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<b>The board of directors</b>	Peter Wilson Mark Stevenson
<b>Company secretary</b>	Kingspan Group Limited
<b>Registered office</b>	Eltisley Road Great Gransden Sandy Bedfordshire England SG19 3AR
<b>Auditor</b>	KPMG Chartered Accountants & Statutory Auditor 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
<b>Bankers</b>	National Westminster Bank Plc
<b>Solicitors</b>	Allen & Overy LLP One Bishops Square London E1 6AD England
<b>Registered number</b>	04911159

# Kingspan Timber Solutions Limited

## Strategic Report

Year ended 31 December 2019

The directors present their strategic report and the financial statements of the company for the year ended 31 December 2019.

Kingspan Timber Solutions Ltd is a manufacturer of engineered timber building systems primarily used for house building.

### Business review and principal activity

The principal activity of the company during the year was the manufacture of timber framed housing components and self-build homes.

The core strategy of the business is to continue to improve financial performance by leveraging its 'high performance' expertise and focusing upon niche markets which value such products and services.

In executing this strategy, Kingspan Timber Solutions Ltd continues to innovate by developing unique and differentiated building systems to maintain a competitive advantage.

The delivery of these objectives, within the scope of a conservatively managed balance sheet which has served the Company and wider Kingspan Group well, will remain the focus of our execution for the foreseeable future.

Some of the company's key financial performance indicators are set out in the table below:

	2019	2018
Return on capital employed	2.27%	1.66%
Return on Equity	1.92%	1.75%
Gross margin	34.07%	35.38%
Trading margin	1.48%	0.89%

Some other non-financial key performance indicators for the company are set out below:

	2019	2018
Employee numbers	92	90
Days lost due to accidents	-	51
Total waste in tonnes	210	224
Percentage of waste recycled/reused	73%	79%

### Future developments

Against a back drop of not building sufficient houses to meet demand, activity within the house building industry is buoyant and demand for offsite manufactured building kits is strong. Demand within the self-build market has also been stimulated by the implementation of the 'right to build' legislation which is part of the Housing and Planning Act 2018. The emerging Custom Build market offers the business the opportunity to diversify its route to market whilst maintaining its core business and operational efficiency.

The business is well placed to meet the growing demand by continuing to offer market leading and innovative off site technologies with high performance properties along with service based solutions required by our customers within a resource constrained market place.

# Kingspan Timber Solutions Limited

## Strategic Report *(continued)*

Year ended 31 December 2019

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### Principal risks and uncertainties

The directors confirm that the company's on-going process for identifying, evaluating and managing its significant risks is in accordance with best practice guidance. The process has been in place throughout the accounting period and up to the date of approval of the financial statements, and is regularly reviewed by the Board. In particular the principal risks include:

- Volatility in the macro environment;
- Failure to innovate;
- Product failure;
- Business interruption (including IT continuity);
- Credit risks and credit control;
- Employee development and retention; and
- Fraud and cybercrime.

As set out in our subsequent events disclosure, the Company cannot reasonably estimate the impact that Covid-19 will have on the Company's financial position, results of operations or cash flows in the future. While the impact is still uncertain, the Company has considerable financial resources available to it and has implemented necessary public health measures to safeguard the health of its workforce.

As part of the annual risk assessment, the Board reviewed the company's internal assessment of the risks to the business under a wide range of headings that included: business strategy; financial including transactional and translation foreign exchange risks; compliance; human resources; operational; inventory; sales and purchasing; product development; R&D and quality control; fixed assets; IT; and others including macro-economic issues. The Board identified and reported on the principal risks facing the business, and whilst recognising that these risks cannot be wholly eliminated, the Board is of the view that the risks are being appropriately addressed by the company's internal financial and management controls.

This report was approved by the board of directors on 5 June 2020 and signed on behalf of the board by:

*Peter Wilson*

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Peter Wilson  
Director

# **KINGSPAN INSULATION LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2019**

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The directors present their directors' report and the financial statements of the company for the year ended 31 December 2019.

### **Directors**

The directors who served the company during the year were as follows:

Peter Wilson  
Mark Stevenson

None of the directors at the end of the period had any interest in the shares of the Company, or of other group companies in the United Kingdom. The directors are not required to notify the Company of any interest in the shares of group companies outside the United Kingdom.

### **Directors' indemnity**

The company is a wholly owned subsidiary of the ultimate parent company Kingspan Group Plc, being a company incorporated in the Republic of Ireland. The company, or the Group of which the company forms part, maintains Directors and Officers Liability Insurance and (where applicable) Trustee Liability Insurance as at the date hereof and throughout the financial year ended 31 December 2019, in respect of the above named directors.

### **Dividends**

The directors do not recommend the payment of a dividend for the year ended 31 December 2019.

### **Subsequent events**

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty coupled with more volatile asset prices and currency exchange rates.

For the Company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future. The Company has considerable financial resources available to it and the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The company has implemented necessary public health measures to safeguard the health of its workforce. To date there has been no material impact on the operation or output of the company.

There have been no other significant events subsequent to 31 December 2019 which would require disclosure in this report.

# **Kingspan Timber Solutions Limited**

## **Directors' Report**

**Year ended 31 December 2019**

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### **Branches**

The company has no branches outside of the United Kingdom.

### **Political contributions**

The company did not make any contributions for political purposes or to any political organisation during the year.

### **Financial instruments**

The company does not hold any financial instruments.

### **Research and development**

Ensuring a continuous flow of new product developments has always been a core theme of the Company, and a key element of the Company's continued differentiation strategy in an increasingly commoditised environment. These projects are primarily focused on leading the field in low energy building envelope solutions. The Company will continue to invest in research & development through 2020.

### **Disclosure of information in the strategic report**

The directors confirm that they have prepared a Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

## Kingspan Timber Solutions Limited

### Directors' Report *(continued)*

Year ended 31 December 2019

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#### Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the strategic report, 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 they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the 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 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 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 responsible for such internal controls 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 Company and to prevent and detect fraud and other irregularities.

#### 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 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.

#### Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

#### Auditor

Pursuant to Section 516 of the Companies Act 2006, KPMG will resign from office as auditor.

This report was approved by the board of directors on 5 June 2020 and signed on behalf of the board by:

*Peter Wilson*

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Peter Wilson  
Director





KPMG  
Audit  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## Independent Auditor's Report to the Members of Kingspan Timber Solutions Limited

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### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of Kingspan Timber Solutions Limited ('the Company') for the year ended 31 December 2019 as set out on pages 9 to 26, which comprise the Profit and Loss Account and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework* and
- have been properly 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 under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *We have nothing to report on going concern*

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that 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 its 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 Company will continue in operation.

#### *Other information*

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.



## **Independent Auditor's Report to the Members of Kingspan Timber Solutions Limited (continued)**

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### **Report on the audit of the financial statements (continued)**

#### ***Other information (continued)***

Our responsibility is to read the other information 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 other information.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report 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, 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.

We have nothing to report in these respects.

### **Respective responsibilities and restrictions on use**

#### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including 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 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 Company or to cease operations, or have no realistic alternative but to do so.

#### ***Auditor's responsibilities for the audit of the financial statements***

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)



**Independent Auditor's Report to the Members of Kingspan Timber Solutions Limited (continued)**

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**Respective responsibilities and restrictions on use (continued)**

***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

**Conall O'Halloran (Senior Statutory Auditor)**  
**for and behalf of KPMG, Statutory Auditor**  
*1 Stokes Place*  
*St Stephen's Green*  
*Dublin 2*  
*Ireland*

5 June 2020

# Kingspan Timber Solutions Limited

## Profit and Loss Account and Other Comprehensive Income

Year ended 31 December 2019

	Note	2019 £	2018 £
<b>Revenue</b>	<b>3</b>	<b>14,807,587</b>	17,548,274
Cost of sales		(9,762,603)	(11,339,191)
<b>Gross profit</b>		<b>5,044,984</b>	6,209,083
Distribution costs		(434,047)	(484,718)
Administrative expenses		(4,404,688)	(5,578,664)
Other operating income		12,359	9,767
<b>Operating profit</b>	<b>4</b>	<b>218,608</b>	155,468
Interest	<b>6</b>	2,108	-
<b>Profit before taxation</b>		<b>220,716</b>	155,468
Income tax	<b>7</b>	(45,610)	642
<b>Profit for the financial year</b>		<b>175,106</b>	156,110

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

The company has no other recognised items of income and expenses other than the results for the financial year as set out above. As a result, the Statement of Other Comprehensive Income is not presented.

The notes on pages 13 to 27 form part of these financial statements.

# Kingspan Timber Solutions Limited

## Statement of Financial Position

as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Property, plant and equipment	8	1,719,797	1,772,002
Right of use asset	9	248,168	-
		<u>1,967,965</u>	<u>1,772,002</u>
<b>Current assets</b>			
Inventories	10	2,890,311	2,644,572
Trade and other receivables	11	8,459,727	8,981,958
Cash at bank and in hand		535,639	1,524,557
		<u>11,885,677</u>	<u>13,151,087</u>
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	12	4,120,798	5,545,680
Lease liabilities	9	99,380	-
<b>Net current assets</b>		<u>7,665,499</u>	<u>7,605,407</u>
<b>Total assets less current liabilities</b>		<u>9,633,464</u>	<u>9,377,409</u>
<b>Creditors: amounts falling due after more than one year</b>			
Other provisions	13	361,380	451,021
Lease liabilities	9	129,873	-
<b>Net assets</b>		<u>9,142,211</u>	<u>8,926,388</u>
<b>Capital and reserves</b>			
Called up share capital	17	615,120	615,120
Share premium account	18	16,160,563	16,160,563
Other reserves	18	543,496	502,779
Profit and loss account	18	(8,176,968)	(8,352,074)
<b>Total equity</b>		<u>9,142,211</u>	<u>8,926,388</u>

These financial statements were approved by the board of directors on 5 June 2020, and were signed on behalf of the board by:

*Peter Wilson*

Peter Wilson  
Director

Company registration number: 04911159

The notes on pages 13 to 27 form part of these financial statements.

# Kingspan Timber Solutions Limited

## Statement of Changes in Equity

Year ended 31 December 2019

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total £
<b>At 1 January 2018</b>	615,120	16,160,563	461,515	(8,508,184)	8,729,014
Profit for the year	—	—	—	156,110	156,110
<b>Total comprehensive income for the year</b>	—	—	—	156,110	156,110
Equity-settled share-based payments	—	—	41,264	—	41,264
<b>Total investments by and distributions to owners</b>	—	—	41,264	—	41,264
<b>At 31 December 2018</b>	<b>615,120</b>	<b>16,160,563</b>	<b>502,779</b>	<b>(8,352,074)</b>	<b>8,926,388</b>
Profit for the year	—	—	—	175,106	175,106
<b>Total comprehensive income for the year</b>	—	—	—	175,106	175,106
Equity-settled share-based payments	—	—	40,717	—	40,717
<b>Total investments by and distributions to owners</b>	—	—	40,717	—	40,717
<b>At 31 December 2019</b>	<b>615,120</b>	<b>16,160,563</b>	<b>543,496</b>	<b>(8,176,968)</b>	<b>9,142,211</b>

The notes on pages 13 to 27 form part of these financial statements.

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements

Year ended 31 December 2019

### 1. General information

Kingspan Timber Solutions Limited (the “Company”) is a private company incorporated, domiciled and registered in England and Wales. The registered number is 04911159 and the registered address is Eltisley Road, Great Gransden, Sandy, Bedfordshire, England, SG19 3AR.

These financial statements have been prepared in accordance with Financial Reporting Standard *101 Reduced Disclosure Framework* (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRS”), but makes amendments where necessary in order to comply with the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### 2. Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and on a going concern basis.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 101. Its financial statements are consolidated into the financial statements of Kingspan Group Plc which are prepared under IFRS and can be obtained from [www.kingspan.com](http://www.kingspan.com). As such, advantage has been taken of the following disclosure exemptions available under paragraph 8 of FRS 101:

- No cash flow statement has been presented.
- No comparative period reconciliations for share capital or tangible fixed assets have been presented.
- The effects of new but not yet effective IFRSs have not been disclosed.
- No disclosure has been given for the aggregate remuneration of key management personnel.

As the consolidated financial statements of the ultimate parent, Kingspan Group Plc, include the equivalent disclosures, the Company has also taken exemption under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments.
- IFRS 7 *Financial Instruments: Disclosures*.
- IFRS 13 *Fair Value Measurement*.

#### Disclosure in respect of transactions with wholly owned subsidiaries

The company has availed of the exemptions in relation to disclosure of transactions with wholly owned subsidiaries under FRS101 paragraph 8(k).

#### Changes in accounting policies and disclosures

*New and amended standards and interpretations effective during 2019*  
*IFRS 16 Leases*

IFRS 16 is effective for accounting periods beginning on or after 1 January 2019, and the Company adopted IFRS 16 with effect from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. For lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model whereby all leases are accounted for as finance leases, with some exemptions for short-term and low-value leases. It also includes an election which permits a lessee not to separate non-lease components (e.g. maintenance) from lease components and instead capitalise both the lease cost and associated non-lease cost.

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements

Year ended 31 December 2019

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### 2. Accounting policies (continued)

#### Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations effective during 2019 (continued)

#### IFRS 16 Leases (continued)

The standard primarily affects the accounting for the Company's operating leases. The application of IFRS 16 results in the recognition of additional assets and liabilities in the Statement of Financial Position and in the Profit and Loss Account and Other Comprehensive Income it replaces the straight-line operating lease expense with a depreciation charge for the right of use asset and an interest expense on the lease liabilities. The incremental borrowing rate is the rate of interest that the lessee would expect to incur on funds borrowed over a similar term and security to obtain a comparable value to the right of use asset in the relevant economic environment. The Company's weighted average incremental borrowing rate pertaining to these leases is 2.49%.

#### Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

#### Transition

The Company adopted the new standard by applying the modified retrospective approach. At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the applicable incremental borrowing rate as at 1 January 2019. All right of use assets were measured at the amount of the lease liability on adoption, adjusted by the amount of any prepaid or accrued interest payments.

Previously under IAS 17 operating lease rentals were charged to the Profit and Loss Account and Other Comprehensive Income on a straight-line basis over the term of the lease. The Company availed of the recognition exemption for short-term and low-value leases and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company also elected not to separate non-lease components from lease components and instead capitalise both the lease cost and associated non-lease cost.

The Company has also availed of the practical expedient which allows for a single discount rate to be applied to a portfolio of leases with reasonably similar characteristics.

#### Measurement

The Company recognises right of use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments at the lease commencement date. The right of use assets are initially measured at cost, and subsequently measured at cost less accumulated depreciation and impairment losses. Lease liabilities are measured at the present value of the future lease payments, discounted at the Company's incremental borrowing rate. Subsequent to the initial measurement, the lease liabilities are increased by the interest cost and reduced by lease payments made.



# Kingspan Timber Solutions Limited

## Notes to the Financial Statements

Year ended 31 December 2019

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### 2. Accounting policies (*continued*)

#### **Changes in accounting policies and disclosures (*continued*)**

*New and amended standards and interpretations effective during 2019 (continued)*

*IFRS 16 Leases (continued)*

*Measurement (continued)*

The right of use assets and lease liabilities are remeasured when there are changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised or where there is a change in future lease payments as a result of a change in an index or rate.

The Company has applied judgement to determine the lease term of contracts that include termination and extension options. If the Company is reasonably certain to exercise such options, the relevant amount of right of use assets and lease liabilities are recognised. The Company has also applied judgement in determining the incremental borrowing rate, the basis of which is set out above.

#### *IFRIC 23 Uncertainty over income tax treatment*

IFRIC 23 is effective for accounting periods beginning on or after 1 January 2019, and the Company adopted IFRIC 23 with effect from 1 January 2019. IFRIC 23 sets out how to determine taxable profits and losses, tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12 Income Taxes. Where the Company considers it is probable that an uncertain tax treatment will not be accepted by a tax authority it is measured using either the most likely amount method or the expected value method, as appropriate. The adoption and application of IFRIC 23 did not have a material impact on the Company.

#### **Functional and presentation currency**

The financial statements are presented in British pounds, which is also the Company's functional currency.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Revenue recognition**

The Company uses the five-step model as prescribed under IFRS 15 on the Company's revenue transactions. This includes the identification of the contract, identification of the performance obligations under same, determination of the transaction price, allocation of the transaction price to performance obligations and recognition of revenue. Typically, individual performance obligations are specifically called out in the contract which allows for accurate recognition of revenue as and when performances are fulfilled.

The point of recognition arises when the Company satisfies a performance obligation by transferring control of a promised good or service to the customer, which could occur over time or at a point in time. Invoicing occurs at the point of final delivery of the product or performance obligation, at which point a right is established for unconditional consideration as control passes to the customer.

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 2. Accounting policies *(continued)*

#### **Income tax**

Income tax in the Profit and Loss Account and Other Comprehensive Income represents the sum of current income tax and deferred tax not recognised in other comprehensive income or directly in equity.

#### *Current tax*

Current tax represents the expected tax payable or recoverable on the taxable profit for the year using tax rates and laws that have been enacted or substantively enacted, at the reporting date and taking into account any adjustments from prior years. Liabilities for uncertain tax treatments are recognised in accordance with IFRIC 23 and are measured using either the most likely amount method or the expected value method -whichever better predicts the resolution of the uncertainty.

#### *Deferred tax*

Deferred tax is recognised on all temporary differences at the reporting date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are expected to apply in the period in which the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences (i.e. differences that will result in taxable amounts in future periods when the carrying amount of the asset or liability is recovered or settled).

Deferred tax assets are recognised in respect of all deductible temporary differences (i.e. differences that give rise to amounts which are deductible in determining taxable profits in future periods when the carrying amount of the asset or liability is recovered or settled), carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which to offset these items.

The carrying amounts of deferred tax assets are subject to review at each reporting date and reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

#### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no longer in use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Income Statement in the year the item is derecognised.

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Buildings	- 2% straight line
Plant & Machinery	- 3 to 10 years straight line
Motor Vehicles	- 20% straight line

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

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### 2. Accounting policies *(continued)*

#### **Inventory**

Inventories are measured at the lower of cost and net realisable value on a first-in-first-out basis. In the case of raw materials, cost means purchase price including transport and handling costs, less trade discounts. For work in progress and finished goods, cost consists of direct materials, direct labour and directly attributable production overheads and other costs incurred in bringing them to their existing location and condition. An impairment allowance is made for obsolete, slow-moving and defective items as appropriate.

Net realisable value comprises the actual or estimated selling price in the ordinary course of business (less trade discounts), less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution.

#### **Leases**

Upon adoption of IFRS 16 the accounting policy for the year ended 31 December 2019 is as follows:

The Company recognises right of use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments at the lease commencement date. The right of use assets are initially measured at cost, and subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight line basis over the period of the lease, or useful life if shorter. Lease liabilities are measured at the present value of the future lease payments, discounted at the applicable incremental borrowing rate. Subsequent to the initial measurement, the lease liabilities are increased by the interest cost and reduced by lease payments made. The right of use assets and lease liabilities are remeasured when there are changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised or where there is a change in future lease payments as a result of a change in an index or rate. The Company applies judgement when determining the lease term where renewal and termination options are contained in the lease contract.

Prior to 1 January 2019 the policy was as follows:

Leases are classified as finance leases wherever substantially all of the risk and rewards of ownership of the asset have transferred to the lessee. All other leases are classified as operating leases. Assets held under finance leases are capitalised at the inception of the lease in the Statement of Financial Position at the lower of its fair value and the present value of the minimum lease payments and are depreciated over their useful lives with any impairment being recognised in the Profit and Loss Account and Other Comprehensive Income.

#### **Defined contribution retirement benefit scheme**

The costs arising on the company's defined contribution schemes are recognised in the Income Statement in the period in which the related service is provided. The company has no legal or constructive obligations to pay further contributions in the event that the plan does not hold sufficient assets to provide retirement benefits.

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

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### 2. Accounting policies *(continued)*

#### Provisions

A provision is recognised in the Statement of Financial Position when the Group has a present constructive or legal obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation and the amount of the obligation can be estimated reliably.

A specific provision is created when a claim has actually been made against the company or where there is a known issue at a known customer's site, both relating to a product or service supplied in the past. In addition, a risk-based provision is created where future claims are considered likely. The warranty provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Specific provisions will generally be aged as a current liability, reflecting the assessment that a current liability exists to replace or repair product sold on foot of an accepted valid warranty issue. Only where the liability is reasonably certain not to be settled within the next 12 months, will a specific provision be categorised as a long-term obligation. Risk-based provisions will generally be aged as a non-current liability, reflecting the fact that no warranty claim has yet been made by the customer.

Provisions which are not expected to give rise to a cash outflow within 12 months of the reporting date are, where material, determined by discounting the expected future cash flows. The unwinding of the discount is recognised as a finance cost.

#### Share-based payments

Employees (including executive directors) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The fair value of share entitlements granted is recognised as an employee expense in the Income Statement. The fair value at the grant date is determined using a combination of the Monte Carlo simulation technique and a Black Scholes model.

The Performance Share Plan ("PSP") contains both market and non-market based vesting conditions. Accordingly, the fair value assigned to the related equity instrument on initial application of IFRS 2 *Share-based Payment* is adjusted to reflect the anticipated likelihood at the grant date of achieving the market based vesting conditions. The cumulative non-market based charge to the Income Statement is only reversed where entitlements do not vest because non-market performance conditions have not been met or where an employee in receipt of share entitlements relinquishes service before the end of the vesting period.

The fair value of shares granted is measured at the grant date and is spread over the period during which the employees become unconditionally entitled to the shares and is recognised as an employee benefit cost with a corresponding increase in a capital contribution reserve.

The Company does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

#### Cash and cash equivalents

Cash and cash equivalents principally comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

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### 2. Accounting policies *(continued)*

#### Financial Assets

On initial recognition, a financial asset is classified as measured at amortised cost or fair value with any movement being reflected through other comprehensive income or the Profit and Loss Account and Other Comprehensive Income. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

The Company applies the simplified approach for expected credit losses (ECL) under IFRS 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables. Trade receivables are considered for impairment on a case by case basis, when they are past due or when objective evidence is received that a specific counterparty may default. Trade receivables are written-off when there is no reasonable expectation of recovery. In the event recoveries are made, these are recognised in the Profit and Loss Account and Other Comprehensive Income.

#### Financial Liabilities

Financial liabilities held for trading are measured at fair value through the profit and loss, and all other financial liabilities are measured at amortised cost unless the fair value option is applied.

#### Accounting estimates and judgements

The company directors have made a number of financial estimates and judgements in compiling these financial statements. These estimates and judgements are outlined below:

##### *Guarantees & warranties (Note 13)*

Certain products carry formal guarantees of satisfactory functional and aesthetic performance of varying periods following their purchase. Local management evaluate the constructive or legal obligation arising from customer feedback and assess the requirement to provide for any probable outflow of economic benefit arising from a settlement. This is an area of estimation and judgement.

##### *Valuation of inventory (Note 10)*

Inventories are measured at the lower of cost and net realisable value. The company's policy is to hold inventories at original cost and create an inventory provision where evidence exist that indicates net realisable value is below cost for a particular item of inventory. Damaged, slow-moving or obsolete inventory are typical examples of such evidence. This is an area of estimation.

##### *Recoverability of trade receivables (Note 11)*

The Company provides credit to customers and as a result there is an associated risk that the customer may not be able to pay outstanding balances. Trade receivables are considered for impairment on a case by case basis, when they are past due at the reporting date or when objective evidence is received that a specific counterparty may default.

Under IFRS 9 the Company uses an allowance matrix to measure Expected Credit Loss (ECL) of trade receivables from customers. Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive chains of non-payment to write-off. The rates are calculated at a business unit level which reflects the risks associated with geographic region, age, mix of customer relationship and type of product purchased. This is an area of estimation.

##### *Leases (Note 9)*

The Company has applied judgement to determine the lease term of contracts that include termination and extension options. If the Company is reasonably certain to exercise such options, the relevant amount of right of use assets and lease liabilities are recognised. The Company has also applied judgement in determining the incremental borrowing rates.

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 2. Accounting policies *(continued)*

#### Accounting estimates and judgements *(continued)*

##### Income taxes *(Note 7)*

The Company is subject to income tax in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions for which the ultimate tax determination is uncertain. The Company recognises liabilities based on estimates of whether additional taxes will be due. Once it has been concluded that a liability needs to be recognised, the liability is measured based on the tax laws that have been enacted or substantially enacted at the end of the reporting period. The amount shown for current taxation includes an estimate for uncertain tax treatments where the Company considers it probable that uncertain tax treatments will not be accepted by tax authorities and the estimate is measured using either the most likely amount method or the expected value method as appropriate, prescribed by IFRIC 23. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Company estimates the most probable amount of future taxable profits, using assumptions consistent with those employed in impairment calculations, and taking into consideration applicable tax legislation in the relevant jurisdiction. These calculations also require the use of estimates.

### 3. Revenue

Revenue arises from:

	2019 £	2018 £
Sale of goods	<u>14,807,587</u>	<u>17,548,274</u>
Disaggregation of revenue:		
	2019	2018
	£	£
Point of Time	12,591,549	13,206,388
Over Time	<u>2,216,038</u>	<u>4,341,886</u>
	<u>14,807,587</u>	<u>17,548,274</u>

The directors of the company are of the opinion that it would be seriously prejudicial to the interests of the company to disclose details of revenue either by class or market.

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2019

### 4. Operating profit

Operating profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation	187,646	87,940
Equity-settled share-based payments expense	40,717	41,264
Foreign exchange differences	(184)	1,493
Defined contribution plans expense	152,036	158,807
Fees payable for the audit of the financial statements	<u>11,818</u>	<u>24,882</u>

The cost of any non-audit services provided by the auditor are borne by a related entity.

### 5. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019 No.	2018 No.
Production staff	71	67
Distribution staff	12	15
Administrative staff	9	8
	<u>92</u>	<u>90</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019 £	2018 £
Wages and salaries	2,970,931	3,232,785
Social security costs	291,549	367,079
Other retirement benefit costs	152,036	158,807
	<u>3,414,516</u>	<u>3,758,671</u>

The wages and salaries figure above includes employee share based payments of £40,717 (2018: £41,264). No wages and salaries or related costs were capitalised in the current or prior year.

### 6. Interest

	2019 £	2018 £
Lease interest	4,385	-
Interest receivable	(6,493)	-
	<u>(2,108)</u>	<u>-</u>

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2019

### 7. Income tax

#### Major components of tax expense

	2019 £	2018 £
<b>Current tax:</b>		
Adjustments in respect of prior periods	-	191
<b>Deferred tax:</b>		
Origination and reversal of timing differences	28,702	(833)
Other adjustments	16,908	-
<b>Income tax</b>	<b>45,610</b>	<b>(642)</b>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	220,716	155,468
Profit on ordinary activities by rate of tax	41,936	29,539
Adjustment to tax charge in respect of prior periods	-	191
Effect of expenses not deductible for tax purposes	9,792	36,308
Other adjustments	(6,118)	(50,858)
Group Relief	-	(15,822)
<b>Income tax</b>	<b>45,610</b>	<b>(642)</b>

### 8. Property, plant and equipment

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2019	2,084,795	816,062	9,191	2,910,048
Additions	-	12,032	10,550	22,582
Transfers	-	1,995	-	1,995
<b>At 31 December 2019</b>	<b>2,084,795</b>	<b>830,089</b>	<b>19,741</b>	<b>2,934,625</b>
<b>Depreciation</b>				
At 1 January 2019	470,040	658,815	9,191	1,138,046
Charge for the year	31,716	40,873	2,198	74,787
Transfers	-	1,995	-	1,995
<b>At 31 December 2019</b>	<b>501,756</b>	<b>701,683</b>	<b>11,389</b>	<b>1,214,828</b>
<b>Carrying amount</b>				
<b>At 31 December 2019</b>	<b>1,583,039</b>	<b>128,406</b>	<b>8,352</b>	<b>1,719,797</b>
At 31 December 2018	1,614,755	157,247	-	1,772,002



# Kingspan Timber Solutions Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2019

### 9. Leases

A new accounting standard, IFRS 16 Leases, was adopted with effect from 1 January 2019. The standard requires leases which were previously treated as operating leases to be recognised as a lease liability with the associated asset capitalised and treated as a right of use asset.

#### Right of use asset

	Land and buildings	Plant, machinery and other equipment	Motor vehicles	Total 2019
	£	£	£	£
At 1 January 2019	-	59,770	119,454	179,224
Additions	-	-	187,329	187,329
Terminations	-	-	(5,526)	(5,526)
Depreciation charge for the year	-	(13,615)	(99,244)	(112,859)
<b>At 31 December 2019</b>	<b>-</b>	<b>46,155</b>	<b>202,013</b>	<b>248,168</b>

#### Lease liability

	2019 £
At 1 January 2019	178,915
Additions	176,586
Terminations	(4,751)
Payments	(125,882)
Interest	4,385
<b>At 31 December 2019</b>	<b>229,253</b>

#### Split as follows:

Current liability	99,380
Non-current liability	129,873
<b>At 31 December 2019</b>	<b>229,253</b>

#### Maturity analysis – contractual undiscounted cashflows

	2019 £
Less than one year	105,049
One to five years	132,324
More than 5 years	-
	<b>237,373</b>

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 10. Inventories

	2019 £	2018 £
Raw materials and consumables	736,237	818,579
Work in progress	759,883	428,282
Finished goods and goods for resale	1,394,191	1,397,711
	<u>2,890,311</u>	<u>2,644,572</u>

The above carrying value is shown net of an inventory provision of £46,372 (2018: £6,266).

A total of £8,608,526 (2018: £9,715,990) of inventories was included in the Income Statement as an expense.

### 11. Trade and other receivables

	2019 £	2018 £
Trade debtors	1,717,266	1,426,424
Amounts owed by group undertakings	5,796,971	6,541,531
Deferred tax asset (note 14)	226,223	271,833
Prepayments	115,445	89,432
Other debtors	603,822	652,738
	<u>8,459,727</u>	<u>8,981,958</u>

Amounts owed by group undertakings are unsecured, interest free and are payable on demand.

### 12. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	570,839	687,642
Amounts owed to group undertakings	125,461	112,792
Accruals	2,917,628	3,820,426
Deferred income	422,553	803,799
Social security and other taxes	84,126	120,830
Corporation tax	191	191
	<u>4,120,798</u>	<u>5,545,680</u>

Amounts owed to group companies are unsecured, interest free and fall due on demand.

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2019

### 13. Provisions

	Warranties £
At 1 January 2019	451,021
Additions	-
Charge against provision	(39,641)
Unused amounts reversed	(50,000)
<b>At 31 December 2019</b>	<b><u>361,380</u></b>

The following provisions have been recorded in respect of warranties and guarantees.

	2019 £	2018 £
Specific provision	<u>361,380</u>	<u>451,021</u>

The Company manufactures a wide range of insulation and related products for use primarily in the construction sector. Some products carry formal guarantees of satisfactory performance of varying periods following their purchase by customers and a provision is carried in respect of the expected costs of settling warranty and guarantee claims which arise. Both the number of claims and the cost of settling the claim are sensitive to change but not to such an extent as would cause a material change in the provision. Provisions are reviewed by management on a regular basis and adjusted to reflect the current best estimate of the economic outflow. If it is no longer probable that an outflow of economic benefits will be required, the related provision is reversed.

### 14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019 £	2018 £
Included in debtors (note 11)	<u>226,223</u>	<u>271,833</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019 £	2018 £
Accelerated capital allowances	16,958	20,650
Other timing differences	209,265	251,183
	<u>226,223</u>	<u>271,833</u>

### 15. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £152,036 (2018: £158,807).

# Kingspan Timber Solutions Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2019

### 16. Share-based payments

The Company has claimed exemption from making full disclosures in relation to Share Based Payments under FRS101, and in line with those exemptions, the below shows the options exercised during the year, along with comparatives, and the number of options outstanding at 31 December 2019 and 31 December 2018.

	No.	2019 Weighted Average Exercise Price EUR	No.	2018 Weighted Average Exercise Price EUR
PSP Exercised during the year	1,838	0.13	4,408	0.13
	-----		-----	
Total share options exercised during the year	1,838		4,408	
	====		====	
Outstanding at the end of the year	8,681	0.13	8,895	0.13
	=====	====	=====	====

### 17. Called up share capital

#### Authorised share capital

	2019 £	2018 £
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
	=====	=====

#### Issued, called up and fully paid

	2019 No.	£	2018 No.	£
Ordinary shares of £1 each	615,120	615,120	615,120	615,120
	=====	=====	=====	=====

### 18. Contingencies

There is a contingent liability on the company in respect of guarantees given for borrowings by fellow subsidiaries and parent. These borrowings amounted to EUR753,757 at 31 December 2019 (2018: EUR44,549). The movement in the year relates to the amendment of the terms for borrowings by fellow subsidiaries and parent.

### 19. Controlling party

The ultimate parent company is Kingspan Group plc, a company incorporated in the Republic of Ireland.

The immediate parent company is Kingspan Holdings (Structural & Offsite) Limited, a company incorporated in the United Kingdom.

A copy of the consolidated accounts of Kingspan Group Plc can be obtained at [www.kingspan.com](http://www.kingspan.com).

## **Kingspan Timber Solutions Limited**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2019**

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#### **20. Comparative information**

Comparative information has been represented where necessary, to present the financial statements on a consistent basis.

#### **21. Subsequent events**

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty coupled with more volatile asset prices and currency exchange rates.

For the Company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future. The Company has considerable financial resources available to it and the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The company has implemented necessary public health measures to safeguard the health of its workforce. To date there has been no material impact on the operation or output of the company.

There have been no other significant events subsequent to the year end which require disclosure in the financial statements.

#### **22. Approval of the financial statements**

The financial statements were approved by the directors on 5 June 2020.