

Company Registration No. 06416439 (England and Wales)

ADVANCED INSULATION LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2019



ADVANCED INSULATION LIMITED

COMPANY INFORMATION

Directors

A D Bennion
A M King
S H Shepherd
D A Williams

Company number

06416439

Registered office

Unit E Quedgeley West Business Park
Bristol Road
Gloucester
Bristol
GL2 4PA
United Kingdom

Auditor

RSM UK Audit LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

ADVANCED INSULATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present the strategic report and financial statements for the year ended 30 September 2019.

The principal activity of the company continues to be acting as an intermediate holding company. The principal activity of the subsidiaries of the company is the manufacture, supply and application of fire retardant coatings, sub-sea insulation materials and buoyancy products to the oil, gas and petrochemical industries.

The company is part of the Group headed by Advanced Insulation Holdings Limited whose accounts are publicly available at the registered address.

Review of the business

The company generated an operating loss of £2,103,351 (2018: £1,588,904 loss) with revenue of £1,842,993 (2018: £1,621,046). Management considers these to be the KPI's of the company.

The results in the year was impacted by the decrease in royalties received from group undertakings.

Management has elected to apply IFRS 9: Financial instruments in the year. The impact is non-cash affecting and has been accounted for in the current year as exceptional costs.

Principal risks and uncertainties

Group sales are dependent on capital investment in the energy industry. Demand is still depressed following the protracted period of low oil price. However, there is increasing market activity presenting significant opportunities for the Group. This coupled with the introduction of new products has enabled to the Group to forecast reasonable growth for 2020 and significant growth for 2021.

Margins remain under pressure as our customers look to cut costs and competition intensifies due to the market contraction. However, the Group has been able to maintain margins at good levels due to a very successful cost reduction programme.

Future developments

The Group will continue to invest up to 10% of its revenue to support its extensive Research and Development programmes. These are focused on developing new products as well as enhancing the performance of the existing product portfolio. The Group will begin the roll out of new products developed for the renewable energy sector as well as expand the product range into the wider energy sector.

The policy is fundamental to ensuring the Group will be well placed to take advantage of future growth in the energy industry and keep the Group at the forefront of its technologies.

On behalf of the board



A D Bennion
Director

Date: 12/02/20

ADVANCED INSULATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and financial statements for the year ended 30 September 2019.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A D Bennion
A M King
S H Shepherd
D A Williams

Financial risk management objectives and policies

The management of the Group and the execution of its strategy are subject to a number of risks. The principal risk and uncertainties affecting the Group include the following

Liquidity and interest rate risk

In order to maintain liquidity, and to ensure sufficient funds are available for ongoing operations and future developments, the Group use working capital funding from its bankers.

The company does not undertake any hedging in this area.

Foreign currency risk

The Group deals in multiple currencies which can cause foreign exchange risk. There is a risk that there may be an adverse movement in the exchange rate of the transaction currency in relation to the functional currency before the date when the transaction is completed.

It is company policy that exposures resulting from sales and purchases in foreign currency are matched where possible, and the net exposure may be hedged by the use of forward exchange contracts. The company does not undertake speculative foreign exchange dealings for which there is no underlying exposure. Hedge accounting is not used.

Credit risk

The Group is subject to the risk of financial loss if a customer fails to meet its contractual obligations.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are carried out on all customers requiring credit. The Group minimises this risk by use of credit insurance and trade finance instruments such as letter of credit. At the balance sheet date there were no significant concentrations of credit risk.

Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

ADVANCED INSULATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Other matters included in Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the principal activity and future developments of the company.

On behalf of the board



A D Bennion
Director

Date: ...12/02/20.....

ADVANCED INSULATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED INSULATION LIMITED

Opinion

We have audited the financial statements of Advanced Insulation Limited (the 'company') for the year ended 30 September 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED INSULATION LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors 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 further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Hywel Pegler (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

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ADVANCED INSULATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
Turnover	4	1,842,993	1,621,046
Administrative expenses		(3,971,899)	(3,279,594)
Other operating income		25,555	69,644
Operating loss	6	(2,103,351)	(1,588,904)
Income from shares in group undertakings		2,133,925	2,700,000
Other interest receivable and similar income		1,419	71
Interest payable and similar expenses	7	(83,217)	(94,341)
Exceptional costs		(883,398)	-
(Loss)/profit before taxation		(934,622)	1,016,826
Tax on (loss)/profit	8	106,125	(15,042)
(Loss)/profit and total comprehensive income for the financial year		(828,497)	1,001,784

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

There was no other comprehensive income for 2019 (2018: £Nil).

ADVANCED INSULATION LIMITED**BALANCE SHEET****AS AT 30 SEPTEMBER 2019**

	Notes	2019 £	2018 £
Fixed assets			
Intangible assets	10	5,429,387	3,702,535
Tangible fixed assets	11	4,157,204	4,433,316
Investments	12	2,762,841	2,753,846
		<u>12,349,432</u>	<u>10,889,697</u>
Current assets			
Stocks	14	9,100	38,576
Other debtors	15	17,444,138	17,853,033
Current tax recoverable		-	2,185
Cash at bank and in hand		340,951	560,056
		<u>17,794,189</u>	<u>18,453,850</u>
Creditors: amounts falling due within one year			
Borrowings	17	450,884	525,883
Creditors	16	27,288,663	25,385,915
Obligations under finance leases	18	36,350	46,187
		<u>27,775,897</u>	<u>25,957,985</u>
Net current liabilities		<u>(9,981,708)</u>	<u>(7,504,135)</u>
Total assets less current liabilities		<u>2,367,724</u>	<u>3,385,562</u>
Creditors: amounts falling due after more than one year			
Borrowings	17	1,121,796	1,528,856
Obligations under finance leases	18	-	36,349
		<u>1,121,796</u>	<u>1,565,205</u>
Provisions for liabilities			
Deferred tax liabilities	19	352,113	98,045
Net assets		<u>893,815</u>	<u>1,722,312</u>

ADVANCED INSULATION LIMITED**BALANCE SHEET (CONTINUED)****AS AT 30 SEPTEMBER 2019**

	Notes	2019 £	2018 £
Capital and reserves			
Called up share capital	20	131,096	131,096
Share premium account		795,974	795,974
Profit and loss reserves		(33,255)	795,242
Total equity		<u>893,815</u>	<u>1,722,312</u>

The financial statements were approved by the board of directors and authorised for issue on 12/02/20 and are signed on its behalf by:



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A D Bennion
Director

ADVANCED INSULATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 October 2017		131,096	795,974	293,458	1,220,528
Year ended 30 September 2018:					
Profit and total comprehensive income for the year		-	-	1,001,784	1,001,784
Dividends	9	-	-	(500,000)	(500,000)
Balance at 30 September 2018		131,096	795,974	795,242	1,722,312
Year ended 30 September 2019:					
Loss and total comprehensive income for the year		-	-	(828,497)	(828,497)
Balance at 30 September 2019		131,096	795,974	(33,255)	893,815

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

Advanced Insulation Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit E Quedgeley West Business Park, Bristol Road, Gloucester, Bristol, United Kingdom, GL2 4PA.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

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 and measurement requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), amended where necessary in order to comply with Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- the requirements of IFRS 7 Financial Instruments;
- the requirements of IFRS 15 (disaggregation of revenue);
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- related party disclosures for transactions with the parent or wholly owned members of the group.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. Where required, equivalent disclosures are given in the group accounts of Advanced Insulation Holdings Limited.

Advanced Insulation Limited is a wholly owned subsidiary of Advanced Insulations Holdings Limited. The results of Advanced Insulation Limited are included in the consolidated financial statements of Advanced Insulations Holdings Limited, which are available from Unit E, Quedgeley West Business Park, Bristol Road, Gloucester, Bristol, United Kingdom, GL2 4PA.

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors have been notified that funders remain supportive to the business at the reporting date.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies (Continued)

Turnover

Turnover represents management charges and royalties received from other group companies, excluding value added tax.

The Company's trade debtors are all related to the value of turnover receivable from contracts with customers.

Interest

Interest turnover is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Intangible assets other than goodwill

Initial recognition

Expenditure on the research phase of projects to develop new products or internally developed software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the company intends to and has sufficient resources to complete the project
- the company has the ability to use or sell the developed goods
- the software will generate probable future economic benefit

Directly attributable costs include employee costs incurred along with an appropriate portion of relevant overheads and borrowing costs. Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent measurement

All finite-lived intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. Where an indicator of impairment exists they are subject to impairment testing.

The following useful lives are applied:

Development costs	15 years straight line
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When an intangible asset is disposed of, the gain or loss on disposal determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items and the costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised within administrative expenses in the income statement.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	13 - 50 Years straight line
Fixtures and fittings	10 Years straight line
Plant and equipment	4 - 10 Years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Fixed asset investments

Investment in subsidiary undertakings are stated at cost less any applicable accumulated provision for impairment.

Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Work in progress are stated at the lower of cost measured using the "average cost method" and net realisable value after making due allowance for obsolete and slow-moving inventory.

Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased stock are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade debtors and other debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Other than the financial assets in a qualifying hedging relationship, the company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises only in-the-money derivatives. These are carried in the balance sheet at fair value with changes in fair value recognised in the profit or loss account.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies (Continued)

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest.

This category comprises only of loans and debtors which are non-derivative financial assets with fixed or determinable 'payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the profit or loss account. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

The company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

Fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

The category comprises only out-of-the money derivatives. They are carried in the balance sheet at fair value with changes in fair value recognised in the profit or loss account.

At amortised cost

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. Tax is recognised in the profit or loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2017). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies (Continued)

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

The company does not act as a lessor.

Foreign exchange

Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions (spot exchange), or where a transaction has been hedged, the hedged rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Where a gain or loss on a non-monetary item is recognised in other comprehensive income the foreign exchange component of that gain or loss is also recognised in other comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income' or 'interest payable and similar expenses' respectively. All other foreign exchange gains and losses are presented in the Income statement within 'administrative expenses'.

Finance costs

Finance costs are charged to the profit or loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies (Continued)

Exceptional costs

The directors' have elected to record the adjustment arising on transition to IFRS 9 in the current year. Adjustment arising to recognise the provision of expected credit loss are presented as exceptional costs.

2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

Initial application of IFRS 9 Financial Instruments

The Company has applied IFRS 9 'Financial Instruments' ('IFRS 9') for the first time as in this set of accounts, year ended 30 September 2019. IFRS 9 replaces previous guidance on accounting for financial instruments in IAS 39 'Financial Instruments: Recognition and Measurement' ('IAS 39'). The significant changes are set out below.

As a result of the adoption of IFRS 9, the Company has adopted consequential changes to IAS 1 Presentation of financial statements. In addition, the Company has applied the consequential amendments to IFRS 7 Financial Instruments: Disclosure to all periods presented. Any adjustments arising on transition to IFRS 9 are recognised in opening equity.

The classification of financial assets under IFRS 9 is based on whether the contractual cash flows of the instrument are solely payments of principal and interest, and whether the business model is to collect those contractual cash flows and/or sell the financial assets. The classification and measurement of financial assets under IFRS 9 is set out below.

All the Company's financial assets were previously classified as assets under amortised cost under IAS 39 Financial Instruments and are also classified as assets at amortised cost under IFRS 9.

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

4 Turnover

	2019 £	2018 £
Turnover analysed by class of business		
Rendering of Services	1,842,993	1,621,046

	2019 £	2018 £
Other revenue		
Interest income	1,419	71
Dividends received	2,133,925	2,700,000

	2019 £	2018 £
Turnover analysed by geographical market		
UK	1,537,709	1,388,907
Rest of World	305,284	232,139
	1,842,993	1,621,046

5 Employees

The average monthly number of persons (including directors) employed by the company during the years was nil (2018:nil).

6 Operating loss

	2019 £	2018 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	245	(12,892)
Depreciation of property, plant and equipment	327,857	357,118
Profit on disposal of tangible fixed assets	-	(419,184)
Amortisation of intangible assets	396,872	301,635

Auditor's remuneration is borne by the parent entity where consolidated accounts are being prepared.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

7 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	57,357	75,628
Interest on other loans	22,494	12,447
	<u>79,851</u>	<u>88,075</u>
Interest on other financial liabilities:		
Interest on lease liabilities	3,366	6,266
	<u>3,366</u>	<u>6,266</u>
Total interest expense	<u><u>83,217</u></u>	<u><u>94,341</u></u>

8 Taxation

	2019 £	2018 £
Current tax		
Adjustments in respect of prior periods	840	(64,590)
	<u>840</u>	<u>(64,590)</u>
Deferred tax		
Origination and reversal of temporary differences	(343,020)	(16,286)
Adjustment in respect of prior periods	236,055	95,918
	<u>(106,965)</u>	<u>79,632</u>
Total tax charge/(credit)	<u><u>(106,125)</u></u>	<u><u>15,042</u></u>

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

8 Taxation (Continued)

The total tax (credit)/charge for the year included in the profit and loss account can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
(Loss)/profit before taxation	(934,622)	1,016,826
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2018: 19.00%)	(177,578)	193,197
Effect of expenses not deductible in determining taxable profit	170,110	65,251
Adjustment in respect of prior years	236,055	(64,590)
Effect of overseas tax rates	-	24,132
Deferred tax adjustments in respect of prior years	840	95,918
Fixed asset differences	264,031	-
Adjustment to deferred tax rate to reconciliation rate	(2,118)	-
Deferred tax not recognised	-	222,234
Temporary differences not recognised in the computation	(595,527)	-
Other tax adjustments, relief and transfers	403,508	-
Other differences	(405,446)	(521,100)
Taxation (credit)/charge for the year	(106,125)	15,042

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2017). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9 Dividends	2019 per share	2018 per share	2019 £	2018 £
Amounts recognised as distributions to equity holders:				
Ordinary				
Final dividend paid	-	3.81	-	500,000

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

10 Intangible fixed assets

	Development costs £
Cost	
At 30 September 2018	4,962,733
Additions - purchased	2,123,724
	<hr/>
At 30 September 2019	7,086,457
	<hr/>
Amortisation and impairment	
At 30 September 2018	1,260,198
Charge for the year	396,872
	<hr/>
At 30 September 2019	1,657,070
	<hr/>
Carrying amount	
At 30 September 2019	5,429,387
	<hr/>
At 30 September 2018	3,702,535
	<hr/>

Intangible assets amortisation is recorded in administrative expenses in profit and loss account

11 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Plant and equipment £	Total £
Cost				
At 30 September 2018	4,017,851	657,787	1,215,951	5,891,589
Additions	-	-	51,745	51,745
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2019	4,017,851	657,787	1,267,696	5,943,334
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment				
At 30 September 2018	431,049	170,110	857,114	1,458,273
Charge for the year	98,997	65,779	163,081	327,857
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2019	530,046	235,889	1,020,195	1,786,130
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 30 September 2019	3,487,805	421,898	247,501	4,157,204
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2018	3,586,802	487,677	358,837	4,433,316
	<hr/>	<hr/>	<hr/>	<hr/>

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

11 Tangible fixed assets (Continued)

Tangible fixed assets includes assets held under finance leases or hire purchase contracts, as follows:

Leased assets	2019	2018
	£	£
Net values	189,282	227,672
Depreciation charge for the year	38,389	26,158

12 Investments

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 October 2018	2,753,846
Additions	8,995
At 30 September 2019	2,762,841
Carrying amount	
At 30 September 2019	2,762,841
At 30 September 2018	2,753,846

The movement represents the investment in Contraflex Italy SRL made on 30 September 2019. The whole share capital of 10,000 was acquired shares.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2019 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Nature of business
Advanced Insulation Systems Limited	(a)	100.00	Manufacturing
Advanced Insulation Contracting Limited	(a)	100.00	Manufacturing
AIS Asset Holdings Limited	(d)	100.00	Manufacturing
Manuplas Limited	(a)	100.00	Manufacturing
Covetherm Limited	(a)	90.00	Manufacturing
Advanced PFP Services Limited	(a)	100.00	Manufacturing
C-Ling Limited	(a)	75.00	Manufacturing
Advanced Insulation Systems do Brazil Ltda	(b)	99.50	Manufacturing
Contraflex Kazakhstan LLP	(c)	50.00	Manufacturing
AIS FZE	(d)	100.00	Manufacturing
Advanced Insulation Korea Limited	(e)	75.00	Manufacturing
AI Systems Inc	(f)	100.00	Manufacturing
Advanced Insulation Services Angola Lda	(g)	49.00	Manufacturing
Advanced Insulation Systems Canada Limited	(h)	100.00	Manufacturing
Advanced Insulation Norway AS	(i)	100.00	Manufacturing
Advanced Insulation Malaysia SDN BHD	(j)	100.00	Manufacturing
Contraflex Italy SRL	(k)	100.00	Manufacturing

The registered addresses of the undertaking are noted below:

- (a) Unit E Quedgeley West Business Park, Bristol Road, Gloucester, GL2 4PA
- (b) Rodovia SP 107, km 29 – Borda da Mata, Jaguariúna – SP, Caixa Postal 255, 13919-899, Brasil
- (c) 184/1 Iksanova Street, Aksai, Burlinskiy Region, West Kazakhstan Oblast
- (d) PO Box 18512, Jebel Ali Free Zone, Dubai, UAE
- (e) 255 JangPyeong-Ro, Saha-Gu, Busan, South Korea
- (f) 237 Burgess Drive, Broussard, LA 70518
- (g) Rua Direita do Gamek, N26 Base Kubics, Largo Corimba-Samba, Luanda, Angola
- (h) 121 Germain Street, Saint John, NB, E2L 2E9, Canada
- (i) Postboks 1665 Vika Oslo 0120
- (j) B-11-10, Level 11, Megan Avenue II, Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia
- (k) Via Ettore De Sonnaz, 19, 10121 Torino, Italy

The interest in all subsidiaries arise from ownership of ordinary shares only.

14 Stocks	2019 £	2018 £
Work in progress	9,100	38,576

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

15 Debtors

	2019 £	2018 £
VAT recoverable	54,978	20,392
Amounts owed by fellow group undertakings	17,145,593	17,673,184
Prepayments and accrued income	243,567	159,457
	<u>17,444,138</u>	<u>17,853,033</u>

16 Creditors

	2019 £	2018 £
Trade creditors	445,175	175,066
Amounts owed to fellow group undertakings	26,797,621	25,100,566
Accruals and deferred income	45,867	26,504
Other creditors	-	83,779
	<u>27,288,663</u>	<u>25,385,915</u>

17 Borrowings

	2019 £	2018 £
Unsecured borrowings at amortised cost		
Bank loans	1,572,680	2,054,739
	<u>1,572,680</u>	<u>2,054,739</u>

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2019 £	2018 £
Due within one year liabilities	450,884	525,883
Due after one year liabilities	1,121,796	1,528,856
	<u>1,572,680</u>	<u>2,054,739</u>

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

18 Obligations under finance leases

	Minimum lease payments		Present value	
	2019 £	2018 £	2019 £	2018 £
Within one year	36,350	46,187	36,350	46,187
Over one year but within five years	-	36,349	-	-
	<u>36,350</u>	<u>82,536</u>	<u>36,350</u>	<u>46,187</u>

Finance lease obligations are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2019 £	2018 £
Current liabilities	36,350	46,187
Non-current liabilities	-	36,349
	<u>36,350</u>	<u>82,536</u>
Interest on lease liabilities	3,366	6,266

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Fixed asset temporary differences £	Other timing differences £	Total £
Deferred tax asset/(liability) at 1 October 2018	98,045	-	98,045
Deferred tax movements in current year			
Credit to profit or loss	476,997	(583,962)	(106,965)
Transfer to Advanced Insulation Systems Limited	361,033	-	361,033
Deferred tax liability at 30 September 2019	<u>936,075</u>	<u>(583,962)</u>	<u>352,113</u>

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

19 Deferred taxation (Continued)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2019 £	2018 £
Deferred tax liabilities	352,113	98,045

At the year end the company had an unrecognised deferred tax asset of £nil (2018: £330,621) relating to trading losses of £nil (2018: £296,785) and fixed asset temporary differences of £nil (2018: £33,836).

20 Share capital	2019 £	2018 £
Ordinary share capital		
<i>Issued and fully paid</i>		
13,109,600 Ordinary of 1p each	131,096	131,096
	<u>131,096</u>	<u>131,096</u>

The company's ordinary shares each carry the right to one vote at general meetings of the company and rank equally on distribution of dividends.

21 Reserves

Profit and loss reserve

Cumulative profit and loss net of distribution to owners.

Share premium

Share premium represents the excess of proceeds received over the nominal value of new shares issued.

22 Operating leases

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2019 £	2018 £
Minimum lease payments under operating leases	290,735	265,817

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

22 Operating leases (Continued)

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	257,580	241,560
Between one and five years	920,218	966,240
In over five years	-	188,551
	<u>1,177,798</u>	<u>1,396,351</u>

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

23 Related party transactions

FRS 101 does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group. The company has taken advantage of this exemption from disclosing these transactions. The transactions below are with non wholly owned companies in the group.

During the year, the company received purchase invoices totalling £3,212 (2018 : £2,193) from Caspian Caviar Limited, a company controlled by Mr S Shepherd, a director of Advanced Insulation Limited. No amounts were due to Caspian Caviar Limited at the year end (2018- £Nil).

During the year, the company paid rent and service charges of £353,400 (2017 : £344,301) to SADE properties, a company under the control of Mr S Shepherd, Mr A Bennion, Mr E Weeks and Mr D Williams. At the year end, £93,162 was due to SADE properties (2018- £Nil).

During the year, the company repaid deferred consideration of £83,700 (2018 : £83,780) to Mr P Kendrick, a director of Covertherm Limited. At the year end, £nil (2018 : £83,780) was outstanding to Mr P Kendrick.

As at the year end there were amounts outstanding from Covertherm Limited, to the company, of £473,549 (2018: £198,475). The movements in the Intercompany loan account balances between the years ended 30 September 2018 and 2019, of £198,475 (30 September 2017 to 30 September 2018: £149,496) relate to intercompany invoices and the transfer of funds between Covertherm Limited and the company.

As at the year end there were amounts outstanding from Advanced Insulation Korea Limited, to the company, of £86,658(2018 : £58,265). The movements in the Intercompany loan account balances between the years ended 30 September 2018 and 2019, of £28,393 (30 September 2017 to 30 September 2018: £67,093) relate to intercompany invoices and the transfer of funds between AI Korea Ltd and the company.

As at the year end there were amounts outstanding to the company, from Advanced Insulation Services Angola Lda, of £246,000(2018: £246,000). The movements in the Intercompany loan account balances between the years ended 30 September 2018 and 2019, of £Nil (30 September 2017 to 30 September 2018: £Nil) relate to intercompany invoices and the transfer of funds between AI Services Angola Ltd and the company.

As at the year end there were amounts outstanding to the company, from Contraflex Kazakhstan LLP, of £176,191 (2018: £145,874). The movements in the Intercompany loan account balances between the years ended 30 September 2018 and 2019, of £30,317 (30 September 2017 to 30 September 2018: £77,357) relate to intercompany invoices and the transfer of funds between Contraflex Kazakhstan LLP and the company.

As at the year end there were amounts outstanding to the company, from Advanced Insulation Systems do Brazil Ltda, of £99,845 (2018: £54,321). The movements in the Intercompany loan account balances between the years ended 30 September 2018 and 2019 of £45,524 (30 September 2017 to 30 September 2018: £22,402) relate to intercompany invoices and the transfer of funds between Advanced Insulation Systems do Brazil Ltda and the company.

ADVANCED INSULATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

24 Controlling party

The immediate parent undertaking by virtue of its controlling holding in the share capital of the company is Advanced Insulation Holdings Limited.

The ultimate parent undertaking is considered by the directors to be Advanced Insulation Holdings Limited, which is incorporated in the United Kingdom. Its registered address is Unit E Quedgeley West Business Park, Bristol Road, Gloucester, GL2 4PA.

There is no ultimate controlling party.