

COMPANY REGISTRATION NUMBER: 01872933

**Springvale Insulation Limited**  
**Financial Statements**  
**31 December 2015**

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# Springvale Insulation Limited

## Financial Statements

Year ended 31 December 2015

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# Springvale Insulation Limited

## Officers and Professional Advisers

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<b>The board of directors</b>	Peter Wilson Alan Lawlor Lwana Quarrell Richard Hewitt Burnley
<b>Company secretary</b>	Kingspan Group Limited
<b>Registered office</b>	Pembridge Leominster Herefordshire England HR6 9LA
<b>Auditor</b>	KPMG Chartered Accountants & Statutory Auditor 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
<b>Bankers</b>	Danske Bank International House 3 Harbourmaster Place IFSC Dublin 1 Ireland  Danske Bank PO Box 183 Donegall Square West Belfast BT1 6JS
<b>Solicitors</b>	Ferrys Solicitors Malahide Road Kilmore Road Corner Artane Dublin 5  Wilson Nesbit Citylink Business Park Albert Street Belfast Northern Ireland BT12 4HB

# Springvale Insulation Limited

## Strategic Report

Year ended 31 December 2015

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### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the design and supply of tapered roofing solutions.

The performance in the year has been challenging due to the competitive pressures in the market for roofing products.

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

	2015	2014
Return on capital employed	28.37%	33.07%
Return on equity	28.54%	33.74%
Gross Margin	35.08%	33.83%
Trading Margin	7.95%	6.69%

### OUTLOOK

The positive momentum experienced in 2015 has carried through into the early part of 2016, and is expected to continue for the rest of the year.

### IMPORTANT EVENTS SINCE THE YEAR END

There have been no material events subsequent to 31 December 2015 which would require disclosure in this report.

### 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:

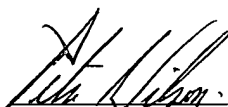
- Market conditions in the construction sector and volatility in the macro-economic environment;
- Research and development and quality control;
- Acquisition and development;
- Human resources;
- Legal and regulatory risk.

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 and acquisition 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.

### BRANCHES

The company has no branches outside of the United Kingdom.

This report was approved by the board of directors on 24 June 2016 and signed on behalf of the board by:



Peter Wilson  
Director

# Springvale Insulation Limited

## Directors' Report

Year ended 31 December 2015

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The directors present their report and the financial statements of the company for the year ended 31 December 2015.

### Directors

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

Peter Wilson	
Alan Lawlor	
Lwana Quarrell	(appointed 2 April 2015)
Richard Hewitt Burnley	(appointed 2 April 2015)

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

The company is a wholly owned subsidiary of the ultimate parent 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 period ended 31 December 2015, in respect of the above-named directors.

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.

### Dividends

The directors do not recommend the payment of a dividend.

### Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

### 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 2015.

### 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.

# Springvale Insulation Limited

## Directors' Report *(continued)*

Year ended 31 December 2015

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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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

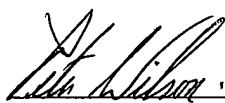
### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 24 June 2016 and signed on behalf of the board by:

  
Peter Wilson  
Director



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

## **Springvale Insulation Limited**

### **Independent Auditor's Report to the Shareholders of Springvale Insulation Limited**

**Year ended 31 December 2015**

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We have audited the financial statements of Springvale Insulation Limited for the year ended 31 December 2015 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 Reduced Disclosure Framework.

#### **Opinions and conclusions arising from our audit**

##### **1 Our opinion on the financial statements is unmodified**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below**

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

##### **3 We have nothing to report in respect of matters on which we are required to report by exception**

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

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 respect of the above responsibilities.



## Springvale Insulation Limited

### Independent Auditor's Report to the Shareholders of Springvale Insulation Limited (continued)

Year ended 31 December 2015

#### Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

David Meagher (Senior Statutory Auditor)

For and on behalf of  
KPMG  
Chartered Accountants & Statutory Auditor  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

24 June 2016



# Springvale Insulation Limited

## Statement of Comprehensive Income

Year ended 31 December 2015

		2015	2014
	Note	£	£
<b>Revenue</b>	<b>3</b>	<b>5,290,108</b>	<b>5,320,363</b>
Cost of sales		(3,434,380)	(3,520,232)
<b>Gross profit</b>		<b>1,855,728</b>	<b>1,800,131</b>
Distribution costs		(367,277)	(347,332)
Administrative expenses		(1,073,002)	(1,096,949)
Other operating income		5,122	–
<b>Operating profit</b>	<b>4</b>	<b>420,571</b>	<b>355,850</b>
<b>Profit on ordinary activities before taxation</b>		<b>420,571</b>	<b>355,850</b>
Income tax	<b>6</b>	(11,000)	(14,000)
<b>Profit for the financial year and total comprehensive income</b>		<b>409,571</b>	<b>341,850</b>

All the activities of the company are from continuing operations.

The notes on pages 10 to 19 form part of these financial statements.

# Springvale Insulation Limited

## Statement of Financial Position

31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Property, plant and equipment	7	394,468	262,163
<b>Current assets</b>			
Inventory	8	622,269	520,345
Trade and other receivables	9	1,903,871	1,600,720
Cash at bank and in hand		86,949	19,293
		<u>2,613,089</u>	<u>2,140,358</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>1,478,229</u>	<u>1,292,333</u>
<b>Net current assets</b>		<b>1,134,860</b>	<b>848,025</b>
<b>Total assets less current liabilities</b>		<b>1,529,328</b>	<b>1,110,188</b>
<b>Provisions</b>			
Other provisions	12	55,635	55,635
<b>Net assets</b>		<u><b>1,473,693</b></u>	<u><b>1,054,553</b></u>
<b>Capital and reserves</b>			
Called up share capital	15	151,000	151,000
Other reserves	16	28,472	18,903
Profit and loss account	16	1,294,221	884,650
<b>Total equity</b>		<u><b>1,473,693</b></u>	<u><b>1,054,553</b></u>

These financial statements were approved by the board of directors and authorised for issue on 24 June 2016, and are signed on behalf of the board by:



Peter Wilson  
Director

Company registration number: 01872933

The notes on pages 10 to 19 form part of these financial statements.

# Springvale Insulation Limited

## Statement of Changes in Equity

Year ended 31 December 2015

	Called up share capital £	Other reserves £	Profit and loss account £	Total £
<b>At 1 January 2014</b>	151,000	7,322	542,800	701,122
Profit for the year			341,850	341,850
<b>Total comprehensive income for the year</b>	—	—	341,850	341,850
Equity-settled share-based payments	—	11,581	—	11,581
<b>Total investments by and distributions to owners</b>	—	11,581	—	11,581
<b>At 31 December 2014</b>	151,000	18,903	884,650	<b>1,054,553</b>
Profit for the year			409,571	<b>409,571</b>
<b>Total comprehensive income for the year</b>	—	—	409,571	<b>409,571</b>
Equity-settled share-based payments	—	9,569	—	<b>9,569</b>
<b>Total investments by and distributions to owners</b>	—	9,569	—	<b>9,569</b>
<b>At 31 December 2015</b>	<b>151,000</b>	<b>28,472</b>	<b>1,294,221</b>	<b>1,473,693</b>

The notes on pages 10 to 19 form part of these financial statements.

# Springvale Insulation Limited

## Notes to the Financial Statements

Year ended 31 December 2015

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### 1. Statement of compliance

Springvale Insulation Limited is a company incorporated and domiciled in the United Kingdom. These financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework*.

### 2. Accounting policies

#### Basis of preparation

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

#### Transition to FRS 101

In preparing these financial statements, the company applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The entity transitioned, applying IFRS 1, from previous UK GAAP to FRS 101 as at 1st January 2014 and restated its comparative financial information for the year ended 31 December 2014. Details of how FRS 101 has affected the reported financial position and financial performance is given in note 20.

#### 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 1.12 of FRS 101:

- No cash flow statement has been presented.
- No comparative period reconciliations for share capital, tangible fixed assets or intangible assets have been presented.
- The effects of new but not yet effective IFRSs have not been disclosed.
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy has not been prepared.
- 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*.

#### Changes in accounting estimates

For the list of the new standards that were effective for the company's financial year ending 31 December 2015, refer to the Kingspan Group plc Annual Report.

# Springvale Insulation Limited

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

Year ended 31 December 2015

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

#### 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*

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.

##### *Valuation of inventory*

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.

##### *Recoverability of trade receivables*

The Group 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.

#### Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

# Springvale Insulation Limited

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

Year ended 31 December 2015

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

#### **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 consolidated 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.

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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

Property, plant and equipment is 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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Consolidated Income Statement in the year the item is derecognised.

Property, plant and equipment, excluding freehold land, is depreciated at appropriate rates in order to write them off over their expected useful life to their residual values. Depreciation is provided on a straight line basis at the rates stated below:

Freehold Property	- 2% straight line
Plant & Machinery	- 10% straight line

Estimated useful lives and residual values are re-assessed annually.

Assets under construction are not depreciated until they are ready for use.

# Springvale Insulation Limited

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

Year ended 31 December 2015

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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.

#### **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.

# Springvale Insulation Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2015

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### 2. Accounting policies (continued)

#### Defined contribution pension 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.

#### Share-based payments

Employees (including executive directors) of the Group 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.

Where the share based payments give rise to the issue of new equity share capital, the proceeds received by the Company are credited to Share Capital (nominal value) and Share Premium when the share entitlements are exercised. Where the share-based payments give rise to the re-issue of shares from treasury shares, the proceeds of issue are credited to shareholders premium.

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

### 3. Revenue

Revenue arises from:

	2015	2014
	£	£
Sale of goods	<u>5,290,108</u>	<u>5,320,363</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.



# Springvale Insulation Limited

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

Year ended 31 December 2015

### 4. Operating profit

Operating profit or loss is stated after charging:

	2015	2014
	£	£
Depreciation of property, plant and equipment	6,765	5,821
Equity-settled share-based payments expense	9,569	11,581
Operating lease rentals	37,150	–
Foreign exchange differences	3,028	3,305
Defined contribution plans expense	25,552	24,566
Fees payable for the audit of the financial statements	5,851	2,669

The cost of any non-audit services provided by the auditors 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:

	2015	2014
	No	No
Production staff	24	25
Distribution staff	2	3
Administrative staff	8	8
	34	36

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

	2015	2014
	£	£
Wages and salaries	1,121,783	1,087,933
Social security costs	67,551	66,382
Other pension costs	25,552	24,566
	1,214,886	1,178,881

The wages and salaries figure above includes employee share based payments of £9,569 (2014: £11,581). No wages and salaries or related costs were capitalised in the current or prior year.

### 6. Income tax

#### Major components of tax expense

	2015	2014
	£	£
<b>Deferred tax:</b>		
Origination and reversal of timing differences	11,000	14,000
<b>Income tax</b>	11,000	14,000

# Springvale Insulation Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2015

### 6. Income tax (continued)

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

	2015 £	2014 £
Profit on ordinary activities before taxation	<b>420,571</b>	355,850
Profit on ordinary activities by rate of tax	<b>85,166</b>	76,508
Adjustment to tax charge in respect of prior periods	<b>(10,000)</b>	–
Effect of expenses not deductible for tax purposes	<b>3,087</b>	2,490
Other adjustments	<b>(67,253)</b>	(64,998)
Tax on profit on ordinary activities	<b>11,000</b>	14,000

### 7. Property, plant and equipment

	Land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2015	277,852	1,268	<b>279,120</b>
Additions	–	139,070	<b>139,070</b>
<b>At 31 December 2015</b>	<b>277,852</b>	<b>140,338</b>	<b>418,190</b>
<b>Depreciation</b>			
At 1 January 2015	16,780	177	<b>16,957</b>
Charge for the year	5,675	1,090	<b>6,765</b>
<b>At 31 December 2015</b>	<b>22,455</b>	<b>1,267</b>	<b>23,722</b>
<b>Carrying amount</b>			
<b>At 31 December 2015</b>	<b>255,397</b>	<b>139,071</b>	<b>394,468</b>
At 31 December 2014	261,072	1,091	262,163

### 8. Inventory

	2015 £	2014 £
Raw materials and consumables	<b>467,388</b>	395,829
Work in progress	<b>2,728</b>	4,060
Finished goods and goods for resale	<b>152,153</b>	120,456
	<b>622,269</b>	520,345

The above carrying value is shown net of an inventory provision of £20,000 (2014: £20,000).

A total of £1,964,047 (2014: £1,926,957) of inventories was included in the Income Statement as an expense.

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

## 9. Trade and other receivables

The amounts due from group undertakings are unsecured, interest free and are payable on demand.

The amounts due to group undertakings are unsecured, interest free and fall due on demand.

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

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

## 12. Provisions

- 17 -

# Springvale Insulation Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2015

### 13. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £25,552 (2014: £24,566).

### 14. 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 2015 and 31 December 2014.

	No.	2015 Weighted Average Exercise Price EUR	No.	2014 Weighted Average Exercise Price EUR
PSP Exercised during the year	-	0.13	-	0.13
SSOS Exercised during the year	-	-	-	-
	-----		-----	
Total share options exercised during the year	-		-	
	=====		=====	
Outstanding at the end of the year	6,605	0.13	5,700	0.13
	=====	=====	=====	=====

### 15. Called up share capital

#### Issued, called up and fully paid

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>151,000</u>	<u>151,000</u>	<u>151,000</u>	<u>151,000</u>

### 16. Reserves

Other reserves - consists of the Share option reserve, which records the value received in relation to the issue of share options.

Profit and loss account - records retained earnings and accumulated losses.

### 17. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Due within 1 year	23,017	24,523
Due later than 1 year and not later than 5 years	27,489	4,549
	<u>50,506</u>	<u>29,072</u>

# Springvale Insulation Limited

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

Year ended 31 December 2015

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**18. Related party transactions**

The company has availed of the exemption in IAS24 *Related Party Disclosures* paragraph 3 (c) which allows non-disclosure of transactions with other group companies.

**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 Netherlands BV, a company incorporated in the Netherlands.

**20. Transition to FRS 101**

These are the first financial statements that comply with FRS 101. The company transitioned to FRS 101 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.

**21. Approval of financial statements**

The financial statements were approved by the directors on 24 June 2016.