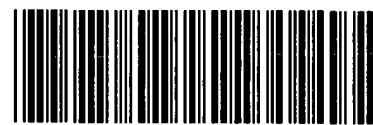


Report of the Directors and
Financial Statements
for the Year Ended 31 December 2022
for
Paroc Limited

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**Contents of the Financial Statements
for the Year Ended 31 December 2022**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Income Statement	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9
Trading and Profit and Loss Account	13

Paroc Limited

Company Information
for the Year Ended 31 December 2022

DIRECTORS:

P E Y Maes
Q Lamirault

SECRETARIES:

H G Northover
E.S. Walton & Company (Management) LLP

REGISTERED OFFICE:

70 Tradewind Square
Liberty Place
East Village
Liverpool
L1 5BG

REGISTERED NUMBER:

02953260 (England and Wales)

AUDITORS:

Villars Hayward LLP
Chartered Accountants,
Chartered Tax Advisers and Statutory Auditors
Boston House
Henley-on-Thames
RG9 1DY

Report of the Directors
for the Year Ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

DIRECTORS

P E Y Maes has held office during the whole of the period from 1 January 2022 to the date of this report.

Other changes in directors holding office are as follows:

Q Lamirault was appointed as a director after 31 December 2022 but prior to the date of this report.

T Launis ceased to be a director after 31 December 2022 but prior to the date of this report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation amounted to £194,704 (2021: £171,411).

Dividends paid in the year amounted to £Nil (2021: £1,000,000).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

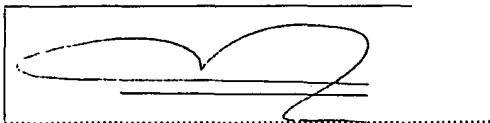
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Villars Hayward LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



P E Y Maes - Director

Date: Apr 24, 2023

Report of the Independent Auditors to the Members of
Paroc Limited

Opinion

We have audited the financial statements of Paroc Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Statement of Financial Position, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

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 Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Report of the Independent Auditors to the Members of
Paroc Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected, or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remains a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Paroc Limited

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 a Report of the Auditors 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.

Nicholas Smith ACA, CTA

Nicholas M Smith BFP, ACA, CTA (Senior Statutory Auditor)
for and on behalf of Villars Hayward LLP
Chartered Accountants,
Chartered Tax Advisers and Statutory Auditors
Boston House
Henley-on-Thames
RG9 1DY

Date: 25 April 2023

Income Statement
for the Year Ended 31 December 2022

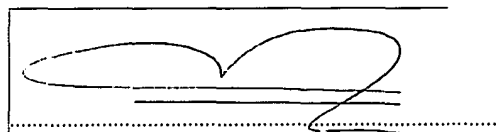
	31.12.22 £	31.12.21 £
TURNOVER	10,115,101	7,978,188
Cost of sales	<u>8,508,954</u>	<u>6,466,596</u>
GROSS PROFIT	1,606,147	1,511,592
Administrative expenses	<u>1,421,127</u>	<u>1,292,933</u>
OPERATING PROFIT	185,020	218,659
Interest receivable and similar income	<u>57,640</u>	<u>1,222</u>
	242,660	219,881
Interest payable and similar expenses	<u>6,978</u>	<u>8,262</u>
PROFIT BEFORE TAXATION	235,682	211,619
Tax on profit	<u>40,978</u>	<u>40,208</u>
PROFIT FOR THE FINANCIAL YEAR	<u><u>194,704</u></u>	<u><u>171,411</u></u>

Statement of Financial Position
31 December 2022

	Notes	31.12.22 £	31.12.21 £
CURRENT ASSETS			
Stocks		-	7,783
Debtors	4	1,384,061	1,752,391
Cash at bank		<u>3,144,533</u>	<u>1,950,621</u>
		4,528,594	3,710,795
CREDITORS			
Amounts falling due within one year	5	<u>3,305,120</u>	<u>2,682,025</u>
NET CURRENT ASSETS		<u>1,223,474</u>	<u>1,028,770</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,223,474</u>	<u>1,028,770</u>
CAPITAL AND RESERVES			
Called up share capital		850,000	850,000
Retained earnings		<u>373,474</u>	<u>178,770</u>
SHAREHOLDERS' FUNDS		<u>1,223,474</u>	<u>1,028,770</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on Apr 24, 2023 and were signed on its behalf by:



P E Y Maes - Director

Paroc Limited (Registered number: 02953260)

Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	850,000	1,007,359	1,007,359
Changes in equity			
Dividends: Equity Capital	-	(1,000,000)	(1,000,000)
Profit for the year	-	171,411	171,411
Balance at 31 December 2021	850,000	178,770	1,028,770
Changes in equity			
Profit for the year	-	194,704	194,704
Balance at 31 December 2022	850,000	373,474	1,223,474

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2022

1. STATUTORY INFORMATION

Paroc Limited is a private company limited by shares, incorporated in England, United Kingdom. The registered office and principal place of business is 70 Tradewind Square, Liberty Place, East Village, Liverpool, L1 5BG, United Kingdom.

The Company's principal activity is the wholesale of insulation products.

The financial statements are presented in Sterling (£), which is also the functional currency of the company.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also required management to exercise judgement in applying the Company's accounting policies.

The company is exempt from the requirement of FRS 102 to prepare a cash flow statement under Section 1.12, as it is a wholly owned subsidiary of Paroc Polska SP Z.O.O and its cash flows are included within the cash flow statement of that company.

The following principal accounting policies have been applied:

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer; the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective
- control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred to to be incurred in respect of the transaction can be measured reliably.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell (net realisable value). Cost includes the purchase price, including any taxes, duties, transport, and handling directly attributable to bringing the stock to its present location and condition. Net realisable value is based on the estimated selling price less any estimated selling costs.

When stocks are sold, the carrying amount of these stocks is recognised as an expense in the period in which the related revenue is recognised.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock item is reduced to its selling price less costs to sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Financial instruments

The Company only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions - defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Going concern

These financial statements have been prepared on a going concern basis. The directors, having considered the financial position of the company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt on the ability of the company to continue as a going concern. The potential impact of COVID-19 and current inflationary pressures have been included within these considerations but no significant impact has been identified. The Company has significant cash reserves which are considered sufficient for any short term unexpected downturn. The Company is also solely dependent on the supply of products from group companies. There are no indications that this supply should cease based on post year end trading and management intentions, however if the supply was to cease the entity has sufficient cash reserves to operate for at least twelve months from the date of signing these financial statements.

Accordingly the directors have a reasonable expectation that the company will continue in operational existence and thus they adopt the going concern basis of accounting in preparing the financial statements.

Finance costs

Finance costs are charged to profit or loss 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.

Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Financial assets and liabilities

Trade and other debtors are initially recognised at transaction price and are subsequently remeasured to amortised cost using the effective interest method, less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Trade and other creditors are initially recognised at transaction price when there is a legal or constructive obligation committing the company to that expenditure. Creditors are subsequently remeasured to amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 5 (2021 - 4).

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade debtors	1,384,061	1,746,121
Other debtors	-	6,270
	<u>1,384,061</u>	<u>1,752,391</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Bank loans and overdrafts	15,734	8,853
Trade creditors	161,271	77,492
Amounts owed to group undertakings	1,586,388	1,223,779
Taxation and social security	305,917	347,619
Other creditors	<u>1,235,810</u>	<u>1,024,282</u>
	<u>3,305,120</u>	<u>2,682,025</u>

6. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.22	31.12.21
	£	£
Within one year	16,500	21,308
Between one and five years	<u>10,502</u>	<u>26,213</u>
	<u>27,002</u>	<u>47,521</u>

7. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £Nil (2021: £17,939). There are no contributions payable to the fund at the balance sheet date.

8. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption granted by paragraph 33.1A of FRS 102 from disclosing related party transactions with wholly owned group companies.

9. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Paroc Polska Sp. Z O.O, a company incorporated in Poland.

The ultimate parent undertaking and controlling party is Owens Corning, incorporated in the USA which includes the results of Paroc Limited in its consolidated financial statements. The consolidated financial statements of Owens Corning are available to the public and may also be obtained from their website at www.owenscorning.com. Its address is One Owens Corning Parkway, Toledo, United States.

Trading and Profit and Loss Account
for the Year Ended 31 December 2022

	31.12.22		31.12.21
	£	£	£
Sales		10,115,101	7,978,188
Cost of sales			
Purchases		8,508,954	6,466,596
GROSS PROFIT		1,606,147	1,511,592
Other income			
Other interest - Europe	56,483		-
Interest income - External	1,157		1,222
		57,640	1,222
		1,663,787	1,512,814
Expenditure			
Rent	177		-
Insurance	10,016		3,280
Salaries	408,828		274,372
Social security	52,025		28,862
Other operating leases	25,604		21,628
Telephone	1,207		3,683
Post and stationery	31		2,758
Advertising	11,376		28,084
Travelling	54,454		13,856
Training costs	2,150		1,400
Administrative Divisional	517,676		816,593
Repairs and renewals	508		4,443
Agency fees	-		25,295
Computer costs	4,799		323
Sundry expenses	14,588		30,092
Legal fees	10,571		22,430
Professional services	39,420		36,562
Foreign exchange losses	254,838		(10,687)
Entertainment	6,017		2,502
Bad debts	6,842		(12,543)
		1,421,127	1,292,933
		242,660	219,881
Finance costs			
Interest charges		6,978	8,262
NET PROFIT		235,682	211,619