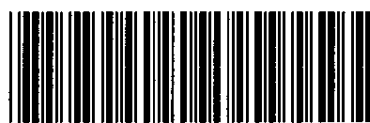


Encon Investments Limited
Annual report and financial statements
for the year ended 31 July 2019

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Encon Investments Limited

Annual report and financial statements for the year ended 31 July 2019

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Encon Investments Limited

Directors and advisers

Directors

S J Moore

J S Bedford

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Central Square

29 Wellington Street

Leeds

LS1 4DL

Registered Office

Brunswick House

1 Deighton Close

Wetherby

West Yorkshire

LS22 7GZ

Registered Number

03455057

Encon Investments Limited

Strategic report for the year ended 31 July 2019

The Directors present their strategic report for the year ended 31 July 2019.

Business review and principal activities

The Company is a wholly owned subsidiary of Liberty2803 Limited and operates as part of the Encon group of companies (the “Encon Group”). The Company’s principal business activity is that of a holding company.

The balance sheet on page 9 shows that the Company’s financial position at the year end in net asset terms has not changed compared with the prior year. Details of amounts owed by and to the group undertakings are shown in notes 7 and 8.

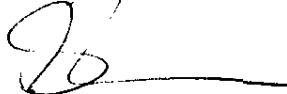
The company did not trade during the year or the preceding year and made neither a profit nor a loss.

As the Company is a non-trading holding company, the Company’s directors believe that Company specific performance indicators are not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The Company has no external operations and therefore the risks and uncertainties which could have an impact on the Company’s long-term performance are limited. The risks and uncertainties faced by the Company are linked to the performance of the Liberty Group as a whole and managed on this basis. These are discussed further in the Liberty Group annual report.

On behalf of the Board



S J Moore

Chief Executive

31 October 2019

Encon Investments Limited

Directors' report for the year ended 31 July 2019

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 July 2019

Management structure

Stuart Moore is the Chief Executive Officer. Stuart has a long history in the insulation and distribution trade, having previously been a Branch Director, Regional Director and Managing Director within the Encon Group.

Dividends

On 12 October 2018, a dividend of £10,000,000 was declared and paid. On 12 April 2019, a dividend of £8,000,000 was declared and paid (2018: £20,000,000).

Directors

The Directors of the Company during the year ended 31 July 2019 and up to the date of signing the financial statements were:

S J Moore

J S Bedford

In accordance with the Company's Articles of Association, the Company has always indemnified its directors and officers in respect of liabilities incurred as a result of their office, subject to the limits of law. Qualifying third party indemnity provisions (as defined in section 234 Companies Act 2006) have been granted to all directors and officers in office and remain in force. The Company has also arranged appropriate insurance cover in respect of legal action brought against its directors and officers.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Encon Investments Limited

Directors' report for the year ended 31 July 2019 (continued)

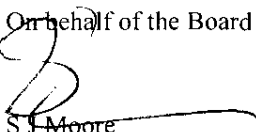
Disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) 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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 *unless the company receives notice under section 488(1) of the Companies Act 2006.*

On behalf of the Board



Chief Executive

31 October 2019

Encon Investments Limited

Independent auditors' report to the members of Encon Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion, Encon Investments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 July 2019; the statement of comprehensive income, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Encon Investments Limited

Independent auditors' report to the members of Encon Investments Limited (continued)

Reporting on other information (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 July 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 3 and 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 an auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Encon Investments Limited

Independent auditors' report to the members of Encon Investments Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Lee Wilkinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

31 October 2019

Encon Investments Limited

Statement of comprehensive income for the year ended 31 July 2019

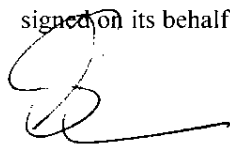
	2019	2018
	£'000	£'000
Income from shares in group undertakings	18,000	20,000
Profit for the financial year	18,000	20,000
Other comprehensive income	-	-
Total comprehensive income for the year	18,000	20,000

Encon Investments Limited

Balance sheet as at 31 July 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Investments	6	20,519	20,519
		20,519	20,519
Current assets			
Debtors	7	7,818	7,818
		7,818	7,818
Creditors: amounts falling due within one year	8	(26,649)	(26,649)
Net current liabilities		(18,831)	(18,831)
Total assets less current liabilities		1,688	1,688
Net assets		1,688	1,688
Capital and reserves			
Called up share capital	9	-	-
Retained earnings		1,688	1,688
Total equity		1,688	1,688

The financial statements on pages 8 to 15 were approved by the board of directors on 31 October 2019 and were signed on its behalf by:



S J Moore
Chief Executive

Registered Number: 03455057

Encon Investments Limited

Statement of changes in equity for the year ended 31 July 2019

		Called up share capital	Retained earnings	Total equity
	Note	£'000	£'000	£'000
Balance as at 1 August 2017		-	1,688	1,688
Profit for the financial year		-	20,000	20,000
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	20,000	20,000
Dividends paid	10	-	(20,000)	(20,000)
Balance as at 31 July 2018		-	1,688	1,688
Balance as at 1 August 2018		-	1,688	1,688
Profit for the financial year		-	18,000	18,000
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	18,000	18,000
Dividends paid	10	-	(18,000)	(18,000)
Balance as at 31 July 2019		-	1,688	1,688

Encon Investments Limited

Notes to the financial statements for the year ended 31 July 2019

1 General information

Encon Investments Limited's principal activity is that of a non-trading holding company. There have been no significant changes in the Company's principal activities in the year under review. The Company is a wholly owned subsidiary of Liberty2803 Limited and operates as part of the Encon Group of companies (the "Encon Group"). The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Brunswick House, 1 Deighton Close, Wetherby, West Yorkshire, LS22 7GZ.

2 Statement of compliance

The individual financial statements of Encon Investments Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The financial statements have been prepared on the historical cost basis. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Basis of Preparation

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. The company has net current liabilities of £18,831,000 (2018: £18,831,000). The directors are satisfied that the financial statements are prepared on a going concern basis as they have received confirmation of support from a fellow group company.

Exemptions

The company has taken advantage of the exemption, under FRS102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Liberty2803 Limited, includes the company's cash flows in its own consolidated financial statements.

Fixed asset investments

Fixed asset investments are recorded at cost less provision for impairment. The Company assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired.

Group financial statements

As permitted by Section 400 of the Companies Act 2006 Group financial statements have not been prepared because the Company itself was, at the time of the year end, a wholly owned subsidiary of its ultimate parent company Liberty2803 Limited, and its results are included in the consolidated financial statements of that company. The financial statements of Liberty2803 Limited are publicly available.

Encon Investments Limited

Notes to the financial statements for the year ended 31 July 2019 (continued)

4 Profit and Loss account

The company made profit of £18,000,000 (2018: £20,000,000) during the financial year.

The audit fees for the audit for the year ended 31 July 2019 of £500 (2018: £500) are borne by other Group undertakings.

5 Employees and directors

There were no employees of the Company in either the current or previous year.

The emoluments of S J Moore and J S Bedford were paid by the associated Company Encon Insulation Limited which made no recharge to the Company.

6 Investments

	Shares in Group Undertakings
	£'000
Cost	
At 1 August 2018 and at 31 July 2019	35,200
Provision for impairment	
At 1 August 2018 and at 31 July 2019	14,681
Net book value	
At 31 July 2019 and 31 July 2018	20,519

Encon Investments Limited

Notes to the financial statements for the year ended 31 July 2019 (continued)

6 Investments (continued)

The subsidiary undertakings of Encon Investments Limited at 31 July 2019 were as follows:

	Country of Registration or incorporation	Principal Activity	Percentage of shares held
Encon Group Limited *	England	Holding company	100%
Encon Insulation Limited *	England	Insulation distribution	100%
Gill Insulation Eastern Limited *	England	Insulation contracting	100%
Gill Insulation Nottinghamshire Limited *	England	Insulation contracting	100%
Pre-Formed Components Limited	England	Passive fire products	100%
PFC Corofil Firestops Limited	England	Dormant	100%
PFC Surechem Limited	England	Dormant	100%
Encon RGS South West Limited	England	Dormant	100%
Epsilon Partitioning Systems Limited *	England	Dormant	100%
Encon RGS Yorkshire Limited	England	Dormant	100%
Encon Manufacturing Limited	England	Dormant	100%
Encon RGS London Limited	England	Dormant	100%
Refracpac Limited	Scotland	Dormant	100%
Encon Holdings Limited	England	Dormant	100%
Gill Contracts Limited	England	Dormant	100%
Encon RGS Anglia Limited	England	Dormant	100%
Encon RGS Scotland Limited	England	Dormant	100%
Encontracts Limited	England	Dormant	100%

* Shares held directly by Encon Investments Limited.

All of the Companies' share capital comprise solely of ordinary shares.

The registered address of all companies is Brunswick House, 1 Deighton Close, Wetherby, West Yorkshire, LS22 7GZ, except for Encon RGS Scotland Limited, whose registered address is 80 Cambuslang Road, Cambuslang Investment Park, Glasgow, G32 8NB.

All subsidiary undertakings prepare their financial statements to an accounting reference date of 31 July which is coterminous with that of the ultimate parent company. In the opinion of the Directors the value of investments in subsidiary undertakings is not less than the aggregate amount at which they are stated in the financial statements.

7 Debtors

	2019 £'000	2018 £'000
Amounts owed by group undertakings	7,818	7,818

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Encon Investments Limited

Notes to the financial statements for the year ended 31 July 2019 (continued)

8 Creditors: Amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to group undertakings	26,649	26,649

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The company has net current liabilities of £18,831,000 (2018: £18,831,000). The directors are satisfied that the accounts are prepared on a going concern basis as they have received confirmation of support from a fellow group company.

9 Called up share capital

	2019 £	2018 £
Allotted, issued and fully paid		
1 (2018:1) Ordinary share of £1.00	1	1

10 Dividends

	2019 £'000	2018 £'000
Equity – Ordinary		
Paid	18,000	20,000

Dividends of £18,000,000 per share (2017: £20,000,000) were paid during the year.

11 Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS102 from disclosure of transactions with group undertakings on the grounds that it is a wholly owned subsidiary of a group headed by Liberty2803 Limited (note 11), whose financial statements are publicly available.

Encon Investments Limited

Notes to the financial statements for the year ended 31 July 2019 (continued)

12 Parent undertaking and ultimate parent company

The ultimate parent company and controlling party at 31 July 2019 was Liberty2803 Limited, which is registered in England.

The smallest parent undertaking to consolidate these financial statements as at 31 July 2019 is Encon Limited. The largest parent undertaking to consolidate these financial statements as at 31 July 2019 is Liberty2803 Limited. Both Companies' financial statements are publicly available from Companies House.

At 31 July 2019, the ultimate controlling party of Liberty2803 Limited was Stuart Moore, Chief Executive.

13 Contingent liabilities

The Company has guaranteed the borrowings of other companies within the Liberty Group. The Company is, under a group registration, jointly and severally liable with other group undertakings for the payment of value added tax of £1,028,000 (2018: £1,000,000).