

Hewetson Holdings Limited

Directors' report and
financial statements

Year ended 31 December 2017

Registered number: 1520501



Hewetson Holdings Limited

Directors' report and financial statements

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Hewetson Holdings Limited

Directors and other information

Directors

Peter Wilson
Geoff Doherty (*Resigned 1 January 2018*)

Secretary

Kingspan Group Limited

Registered office

Bagillt Road
Greenfield Business Park No. 2
Greenfield
Holywell
Clwyd, CH8 7GJ
North Wales

Auditor

KPMG
Chartered Accountants
& Statutory Auditor
1 Stokes Place
St. Stephen's Green
Dublin 2

Solicitors

Allen & Overy LLP
One Bishops Square
London
E1 6AD
England

Registered number

1520501

Hewetson Holdings Limited

Directors' report

The directors present their directors' report together with the audited financial statements of Hewetson Holdings Limited for the year ended 31 December 2017.

Directors

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

Peter Wilson

Geoff Doherty

Resigned 1 January 2018

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

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

Directors' indemnity

The company is a wholly owned subsidiary of the ultimate parent company Kingspan Group Plc, being a company incorporated in the Republic of Ireland. The company, or the Group of which the company forms part, maintains Directors and Officers Liability Insurance and (where applicable) Trustee Liability Insurance as at the date hereof and throughout the financial year ended 31 December 2017, in respect of the above named directors.

Results and dividends

The results for the year are set out on page 8.

A dividend of €4,475,274 (2016: €17,435,576) was paid during the year.

Subsequent events

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

Political donations

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

Strategic report

In preparing the directors' report, the directors have taken the small companies exemption under Section 414(B) of the Companies Act 2006, (Strategic and Directors' Report) Regulations 2013, not to prepare a strategic report for presentation with these financial statements.

Hewetson Holdings Limited

Directors' report (*continued*)

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

Disclosure of information to 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.


Hewetson Holdings Limited

Directors' report (*continued*)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

This report was approved by the board of directors on 23 August 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Peter Wilson', is written over a horizontal line.

Peter Wilson
Director



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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEWETSON HOLDINGS LIMITED

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Heweston Holdings Limited ('the Company') for the year ended 31 December 2017 set out on pages 8 to 17, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework* and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEWETSON HOLDINGS LIMITED *(continued)*

Other information (continued)

Based solely on our work on the other information:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report on these matters/in regard to these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, 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 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEWETSON HOLDINGS LIMITED *(continued)*

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

Our report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'David Meagher', written over a horizontal line.

David Meagher (Senior Statutory Auditor)

for and on behalf of

KPMG Statutory Auditor

1 Stokes Place

St. Stephen's Green

Dublin 2

Ireland

23 August 2018

Hewetson Holdings Limited

Statement of comprehensive income for the year ended 31 December 2017

	Notes	2017 €	2016 €
Income from shares in group undertakings	6	<u>4,475,274</u>	<u>17,435,576</u>
Profit before income tax	3	4,475,274	17,435,576
Income tax expense	4	<u>-</u>	<u>-</u>
Profit for the year		4,475,274	17,435,576
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>4,475,274</u>	<u>17,435,576</u>

All activities of the company as from continuing operations.

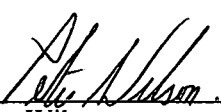
The notes on pages 11 to 17 form an integral part of these financial statements.

Hewetson Holdings Limited

Statement of financial position as at 31 December 2017

	Notes	2017 €	2016 €
Non-current assets			
Investments	7	<u>4,337,785</u>	<u>4,337,785</u>
Total non-current assets		4,337,785	4,337,785
 Other receivables	 8	 <u>2</u>	 <u>2</u>
Total current assets		<u>2</u>	<u>2</u>
 Net assets		 <u>4,337,787</u>	 <u>4,337,787</u>
 Equity			
Issued share capital	9	4	4
Other reserves		3,297,416	3,297,416
Retained earnings		<u>1,040,367</u>	<u>1,040,367</u>
 Total equity		 <u>4,337,787</u>	 <u>4,337,787</u>

These financial statements were approved by the board of directors on 23 August 2018 and were signed on its behalf by:


Peter Wilson
Director

The notes on pages 11 to 17 form an integral part of these financial statements.

Hewetson Holdings Limited

Statement of changes in equity for the year ended 31 December 2017

	Share capital €	Other reserves €	Retained earnings €	Total Equity €
At 1 January 2016	4	3,297,416	1,040,367	4,337,787
Profit for year	-	-	17,435,576	17,435,576
Dividend paid	-	-	(17,435,576)	(17,435,576)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	4	3,297,416	1,040,367	4,337,787
Profit for year	-	-	4,475,274	4,475,274
Dividend paid	-	-	(4,475,274)	(4,475,274)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	4	3,297,416	1,040,367	4,337,787

The notes on pages 11 to 17 form an integral part of these financial statements.

Hewetson Holdings Limited

Notes forming part of the financial statements

1 General information

Hewetson Holdings Limited (“the Company”) is a company incorporated and domiciled in the United Kingdom. The address of its registered office is at Greenfield Business Park No. 2, Greenfield, Holywell, Clwyd, CH8 7GJ, North Wales.

2 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS101”).

In preparing these financial statements, the company applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS101 disclosure exemptions has been taken.

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

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

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The company is included in the consolidated accounts of the ultimate parent undertaking Kingspan Group Plc, a company incorporated in the Republic of Ireland.

Use of estimates and judgements

The preparation of financial statements in conformity with FRS 101 *Reduced Disclosure Framework*, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The key estimations and judgements are in relation to the valuation of investments and the recoverability of investments.

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

Hewetson Holdings Limited

Notes forming part of the financial statements (*continued*)

2 Accounting policies (*continued*)

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. As such, advantage has been taken of the following disclosure exemptions available under paragraph 8 of FRS 101:

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

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

- IFRS 7 *Financial Instruments: Disclosures*.
- IFRS 13 *Fair Value Measurement*.

Foreign currency

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets that are carried at historical cost are not subsequently re-translated. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translations are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at foreign exchange rates ruling at the dates the fair values were determined.

Investments

Investments in subsidiary undertakings are shown at valuation less impairment. Any deficit is charged to the profit and loss account.

Hewetson Holdings Limited

Notes forming part of the financial statements (*continued*)

2 Accounting policies (*continued*)

Impairment

The carrying amounts of the Company's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. An asset is considered for impairment testing if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of the asset. If any such indication exists, the asset's recoverable amount is estimated. The two exceptions are dealt with as per the separate applicable accounting policy. For trade receivables specific bad debts are provided against unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off.

An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the amount of goodwill allocated to the applicable cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(i) Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of goodwill is not reversed. An impairment loss in respect of a receivable carried at amortised cost is reversed only to the extent that the carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised and if the reversal can be related objectively to an event occurring after the impairment was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Hewetson Holdings Limited

Notes forming part of the financial statements (*continued*)

2 Accounting policies (*continued*)

Taxation

Income tax in the income statement represents the sum of current income tax and deferred tax not recognised in other comprehensive income or directly in equity.

Current tax

Current income represents the expected tax payable or recoverable on the taxable profit for the year using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and taking into account any adjustments arising from prior years. Liabilities for uncertain tax positions are recognised based on the directors best probability weighted estimate of the probable outflow of economic resources that will be required to settle the liability.

Deferred tax

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

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

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

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

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

Dividends

Dividends are recognised in the period in which they are declared, approved or paid.

Hewetson Holdings Limited

Notes forming part of the financial statements (*continued*)

3 Statutory and other information

	2017 €	2016 €
Profit before income tax is stated after charging the following:		
Directors' remuneration	-	-

The audit and non-audit fees provided by the auditor have been borne by another group company.

4 Income tax

The difference between the total income tax expense shown in the financial statements and the amount calculated by applying the standard rate of UK corporation tax is as follows:

	2017 €	2016 €
Profit before income tax	<u>4,475,274</u>	<u>17,435,576</u>
Tax at UK corporate tax rate of 19.0% (2016: 20.0%)	850,302	3,487,115
<i>Effects of:</i>		
Income not subject to tax	(850,302)	(3,487,115)
Group relief	-	-
Total income tax charge for year	<u>-</u>	<u>-</u>

5 Dividends paid

	2017 €	2016 €
Dividends paid of €1,491,758 (2016: €5,811,859) per share	<u>4,475,274</u>	<u>17,435,576</u>

During the year a dividend of €4,475,274 (2016: €17,435,576) was paid to the parent company Kingspan Access Floors Holdings Limited.

Hewetson Holdings Limited

Notes forming part of the financial statements *(continued)*

6 Income from shares in group undertakings

	2017 €	2016 €
Dividends received	<u>4,475,274</u>	<u>17,435,576</u>

During the year, a dividend of €4,475,274 (2016: €17,435,576) was received from subsidiary Kingspan Access Floors Limited.

7 Investment in subsidiary undertakings

	2017 €	2016 €
At beginning and end of year	<u>4,337,785</u>	<u>4,337,785</u>

The company has the following significant investments in subsidiaries at 31 December 2017:

Name	Class of shares held	% held
Kingspan Access Floors Limited	Ordinary	100

Incorporated in the United Kingdom, and having its registered office at Greenfield Business Park No. 2, Greenfield, Holywell, Clwyd, CH8 7GJ, Wales.

8 Other receivables

	2017 €	2016 €
Prepayments and accrued income	<u>2</u>	<u>2</u>

9 Share capital

Authorised share capital

The cap has been removed on authorised share capital and the company has an unlimited amount of shares if required.

Allotted, called up and fully paid

	2017 €	2016 €
3 ordinary shares of £1 (€1.18168) each at beginning and end of year	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

Hewetson Holdings Limited

Notes forming part of the financial statements (*continued*)

10 Related party transactions

The company has availed of the exemption under FRS101 in relation to disclosure of transactions with wholly owned subsidiaries.

11 Ultimate parent company

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

The immediate parent company is Kingspan Access Floors Holdings Limited, a company incorporated in the United Kingdom.

12 Subsequent events

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

13 Approval of financial statements

The financial statements were approved by the directors on 23 August 2018.