

Registration number: 3263720.

Kingspan Metl-Con Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

TUESDAY



ABBYAH14

A10

06/09/2022

#56

COMPANIES HOUSE

Kingspan Metl-Con Limited

Contents

	Page
Company Information	1
Director's Report	2 to 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 8
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 20

Kingspan Metl-Con Limited

Company Information

Directors	Peter Bullough Terry McGivern
Company secretary	Kingspan Group Limited
Registered office	St. Hilda's Street Sherburn Malton North Yorkshire YO17 8PQ England
Solicitors	Allen & Overy LLP One Bishops Square London England E1 6AD
Bankers	Bank Mendes Gans Danske Bank
Auditor	Ernst & Young Chartered Accountants EY Building Harcourt Centre Harcourt Street Dublin 2 Ireland

Kingspan Metl-Con Limited

Director's Report for the Year Ended 31 December 2021

The directors present their report for the year ended 31 December 2021.

Principal activity and business review

The principal activity of the Company during the year was that of a holding company and the Company will continue to act as a holding company in the future. The directors are satisfied with the results for the year.

Results

The loss for the year, after taxation, amounted to US\$9,759,182 (2020: loss US\$9,623,546). The balance of the losses for the year will be debited to reserves and carried forward to the following year.

Directors' of the company

The directors, who held office during the year, were as follows:

Peter Bullough

Terry McGivern

None of the directors in office at the end of the year had any interest in the shares of the Company at the beginning or end of the year.

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 period ended 31 December 2021, in respect of the above-named directors.

Political donations

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

Principal risks and uncertainties

The principal risks facing the Company are the risks associated with the valuation of its investments held and liquidity risk. The Company operates a prudent approach to liquidity management to enable it to meet its liabilities when due.

Branches outside the United Kingdom

The Company has no branches outside of the United Kingdom.

Going Concern

The directors have performed a going concern assessment covering a period of not less than 12 months from the date of approval of the financial statements and the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. While the Company is in a negative current liability position and has a shareholders' funds deficit, the company is a party to the Kingspan Group plc cash pool which provides the Company access to cash in order to repay its liabilities, which is guaranteed by Kingspan Group PLC. Other liabilities, in addition to amounts owing on the cash pool, substantially relate to amounts owing to other group undertakings. On that basis, the directors have concluded that there are no material uncertainties that would cast significant doubt over the Company's ability to continue as a going concern. For this reason, the directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Subsequent events

There have been no significant events subsequent to 31 December 2021 which would require disclosure in this report.

Kingspan Metl-Con Limited

Director's Report for the Year Ended 31 December 2021 (continued)

Strategic report

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

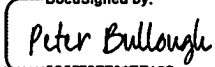
Disclosure of information to the auditors

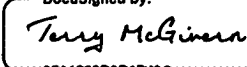
The director who held office at the date of approval of this report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reappointment of auditors

The auditors Ernst & Young, Chartered Accountants are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 12 August 2022 and signed on its behalf by:

DocuSigned by:

.....5C5576EP31EP4CB.....
Peter Bullough
Director

DocuSigned by:

.....05A1389D3B1E40C.....
Terry McGivern
Director

Kingspan Metl-Con Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

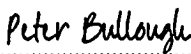
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

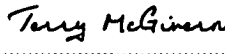
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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 are also responsible for such internal controls as they determine are 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.

Approved by the Board on 12 August 2022 and signed on its behalf by:

DocuSigned by:

.....5C5578EF31EF4CB.....
Peter Bullough
Director

DocuSigned by:

.....05A7388D381B40C.....
Terry McGivern
Director



**Building a better
working world**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSPAN METL-CON LIMITED

Opinion

We have audited the financial statements of Kingspan Metl-Con Limited for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2021 and of its loss 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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. 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.



**Building a better
working world**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSPAN METL-CON LIMITED
(continued)**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have 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 directors' report.

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

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



**Building a better
working world**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSPAN METL-CON LIMITED (continued)

Responsibilities of directors

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 for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 101, the Companies Act 2006 and the relevant tax compliance regulations in the UK.
- We understood how the Company is complying with those frameworks by making enquiries of management. We corroborated our enquiries through reading the board minutes, and we noted that there was no contradictory evidence;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by inquiry of management, those charged with governance and others within the entity, as to whether they have knowledge of any actual or suspected fraud. The audit procedures to address the fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reading board minutes to identify any non-compliance with laws and regulations and enquiries of management.



**Building a better
working world**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSPAN METL-CON LIMITED
(continued)**

***Explanation as to what extent the audit was considered capable of detecting irregularities,
including fraud (continued)***

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

A handwritten signature in black ink, appearing to read 'Teresa Tully'.

Teresa Tully (Senior statutory auditor)
for and on behalf of Ernst & Young Chartered Accountants and Statutory Audit firm

Dublin

Date: 12 August 2022

Kingspan Metl-Con Limited

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 US\$	2020 US\$
Administrative income/(expenses)		<u>85</u>	<u>(8,950)</u>
Operating profit/(loss)	4	85	(8,950)
Interest payable and similar expenses	5	<u>(9,759,267)</u>	<u>(9,614,596)</u>
Loss before tax		<u>(9,759,182)</u>	<u>(9,623,546)</u>
Loss for the year		<u><u>(9,759,182)</u></u>	<u><u>(9,623,546)</u></u>


The above results were derived from continuing operations.

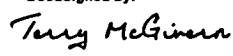
The Company has no other recognised items of income and expenses other than the results for the financial year as set out above. As a result, the Statement of Other Comprehensive Income is not presented.

Kingspan Metl-Con Limited
(Registration number: 3263720)
Balance Sheet as at 31 December 2021

	Note	2021 US\$	2020 US\$
Fixed assets			
Investments in subsidiaries	7	<u>293,088,304</u>	<u>293,088,304</u>
Current assets			
Trade and other receivables	8	125	125
Creditors: amounts falling due within one year			
Trade and other payables	9	<u>317,327,475</u>	<u>307,568,293</u>
Net current liabilities		<u>(317,327,350)</u>	<u>(307,568,168)</u>
Total assets less current liabilities		<u>(24,239,046)</u>	<u>(14,479,864)</u>
Net liabilities		<u>(24,239,046)</u>	<u>(14,479,864)</u>
Equity			
Share capital	10	125	125
Profit and loss account- deficit		<u>(24,239,171)</u>	<u>(14,479,989)</u>
Net deficit		<u>(24,239,046)</u>	<u>(14,479,864)</u>

Approved by the Board on 12 August 2022 and signed on its behalf by:

DocuSigned by:

 SC5578EF31EFACB...
 Peter Bullough
 Director

DocuSigned by:

 06A4369D3B1B480...
 Terry McGivern
 Director

Kingspan Metl-Con Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital	Profit and loss	Total
	US\$	account- deficit	US\$
At 1 January 2020	125	(4,856,443)	(4,856,318)
Loss for the year	-	(9,623,546)	(9,623,546)
Total comprehensive loss	-	(9,623,546)	(9,623,546)
At 31 December 2020	125	(14,479,989)	(14,479,864)
At 1 January 2021	125	(14,479,989)	(14,479,864)
Loss for the year	-	(9,759,182)	(9,759,182)
Total comprehensive loss	-	(9,759,182)	(9,759,182)
At 31 December 2021	125	(24,239,171)	(24,239,046)

The notes on pages 12 to 20 form an integral part of these financial statements.
Page 11

Kingspan Metl-Con Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The Company is a private company limited by share capital, incorporated in England and Wales and domiciled in the United Kingdom and has listed debt on the International Stock Exchange ('TISE'), a stock exchanged headquartered in Guernsey.

The address of its registered office is:

St. Hilda's Street
Sherburn
Malton
North Yorkshire
YO17 8PQ
England

Its registered number is 3263720. These financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice). The principal activity of the Company is that of a holding company and the Company will continue to act as a holding company in future.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of the UK adopted International Accounting Standards, but makes amendments where necessary in order to comply with Companies Act 2006.

2 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the UK and on a going concern basis.

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

Kingspan Metl-Con Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Summary of 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:

- The requirements of IAS 7 *Statement of Cash Flows*, in respect of presenting a cashflow.
- The requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 73(e) of IAS 16 *Property, Plant and Equipment*.
- The requirements of paragraphs 10(d), 16, 111, and 134-136 of IAS 1 *Presentation of Financial Statements* in respect of capital management disclosures.
- The requirements of paragraphs 134-136 of IAS 1 *Presentation of Financial Statements* in respect of capital management disclosures.
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* in respect of the effects of new but not yet effective IFRSs.
- The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures* in respect of the disclosure of the aggregate remuneration of key management personnel.
- The requirements in IAS 24 *Related Party Disclosures* in relation to disclosure of transactions with wholly owned subsidiaries.

As the consolidated financial statements of the ultimate parent, Kingspan Group Plc include the equivalent disclosures, the Company has also taken exemption under FRS101 available in respect of the following disclosures:

- The requirements of IFRS 7 *Financial Instruments: Disclosures*.
- The requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*.

Going concern

The directors have performed a going concern assessment covering a period of not less than 12 months from the date of approval of the financial statements and the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. While the Company is in a negative current liability position and has a shareholders' funds deficit, the company is a party to the Kingspan Group plc cash pool which provides the Company access to cash in order to repay its liabilities, which is guaranteed by Kingspan Group PLC. Other liabilities, in addition to amounts owing on the cash pool, substantially relate to amounts owing to other group undertakings. On that basis, the directors have concluded that there are no material uncertainties that would cast significant doubt over the Company's ability to continue as a going concern. For this reason, the directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Exemption from preparing group accounts

The Company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the UK. The Company is included in the consolidated accounts of the ultimate parent undertaking Kingspan Group plc, a company incorporated in the Republic of Ireland and in accordance with Section 401 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Kingspan Metl-Con Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Changes in accounting policy

There were a number of amendments to standards and interpretations effective for the Company from 1 January 2021, none of which had a material effect on the results or financial performance of the Company. A full list of these changes can be found in the consolidated financial statements of the ultimate parent, Kingspan Group plc and can be obtained from www.kingspan.com.

Interest receivable and similar income

Interest receivable and similar income comprises interest income on funds invested that are recognised in the Profit and Loss Account. Interest income is recognised as it accrues using the effective interest rate method.

Interest payable and similar charges

Interest payable and similar charges comprises interest payable on borrowings calculated using the effective interest rate method.

Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Income tax

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

Kingspan Metl-Con Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Current tax

Current tax 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 for the financial year taking into account any adjustments from prior years. Liabilities for uncertain tax treatments are recognised in accordance with IFRIC 23 and are measured using either the most likely amount method or the expected value method -whichever better predicts the resolution of the uncertainty.

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.

Investments

Investments in subsidiaries are carried at cost less accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents principally comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Kingspan Metl-Con Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost and subsequently measured using the effective interest rate (EIR) method and subject to impairment. Financial assets may also be initially measured at fair value with any movement being reflected through other comprehensive income or the Profit and Loss Account.

The Company applies the simplified approach for expected credit losses (ECL) under IFRS 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of receivables. Under IFRS 9 *Financial Instruments*, the Company uses an allowance matrix to measure Expected Credit Loss (ECL) of trade receivables from customers. Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive chains of non-payment to write-off. The rates are calculated at a business unit level which reflects the risks associated with geographic region, age, mix of customer relationship and type of product purchased.

Non-trading balances with group undertakings are assessed for indicators of impairment, however as all wholly owned subsidiaries are party to global cash pooling arrangements and have easy access to liquidity through these arrangements, there is limited credit risk associated with these receivables.

Financial liabilities

Financial liabilities are initially measured at fair value, net of any transaction costs in the case of borrowings, and subsequently measured at amortised cost using the effective interest rate. Financial liabilities are derecognised when the Company's obligations specified in the contract expire, are discharged or cancelled. Interest expense is recognised using the effective interest rate method.

3 Accounting Estimates and judgements

The Company has made a number of financial estimates and judgements in compiling these financial statements. These estimates and judgements are outlined below:

Income taxes

There are many transactions for which the ultimate tax determination is uncertain. The Company recognises liabilities based on estimates of whether additional taxes will be due. Once it has been concluded that a liability needs to be recognised, the liability is measured based on the tax laws that have been enacted or substantially enacted at the end of the reporting period. The amount shown for current taxation includes an estimate for uncertain tax treatments where the Company considers it probable that uncertain tax treatments will not be accepted by tax authorities and the estimate is measured using either the most likely amount method or the expected value method as appropriate, prescribed by IFRIC 23.

Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Company estimates the most probable amount of future taxable profits, using assumptions consistent with those employed in impairment calculations, and taking into consideration applicable tax legislation in the relevant jurisdiction. These calculations also require the use of estimates.

Kingspan Metl-Con Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

3 Accounting Estimates and judgements (continued)

Impairment

The Company is required to review assets for objective evidence of impairment. It does this on the basis of a review of the budget and rolling 5 year strategic plans (where appropriate), which by their nature are based on a series of assumptions and estimates. The company has performed impairment tests on any assets where there are indicators of impairment.

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.

4 Operating profit/(loss)

Arrived at after (charging)/crediting

	2021 US\$	2020 US\$
Foreign exchange gains/(losses)	100	(557)
Legal fees	-	(8,393)
Bank charges	<u>(15)</u>	<u>-</u>

The Company has no (2020: Nil) employees. No additional remuneration is paid in respect of directors fees. The cost of audit and non-audit services provided by the auditor amounting to \$500 (2020: \$500) is borne by a related entity.

5 Interest payable and similar expenses

	2021 US\$	2020 US\$
Interest on bank overdrafts and borrowings	322,336	151,811
Interest paid to group undertakings	<u>9,436,931</u>	<u>9,462,785</u>
	<u>9,759,267</u>	<u>9,614,596</u>

6 Income tax

The tax on losses for the year differs from the standard rate of corporation tax in the UK (2020 - differs from the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

Kingspan Metl-Con Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Income tax (continued)

	2021 US\$	2020 US\$
Loss before tax	<u>(9,759,182)</u>	<u>(9,623,546)</u>
Corporation tax at standard rate	(1,854,245)	(1,828,474)
Increase arising from group relief tax reconciliation	2,556,046	1,828,474
Other tax effects for reconciliation between accounting profit and tax income	<u>(701,801)</u>	<u>-</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

Finance Bill 2020, which was substantively enacted on 24 May 2021, will increase the UK corporate tax rate from the current rate of 19% to 25% with effect from 1 April 2023.

Kingspan Metl-Con Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

7 Investments

Subsidiaries	US\$
Cost or valuation	
At 1 January 2021	<u>293,088,304</u>
At 31 December 2021	<u>293,088,304</u>
Carrying amount	
At 31 December 2021	<u><u>293,088,304</u></u>

Details of the subsidiaries as at 31 December 2021 are as follows:

Name of subsidiary	Registered office	Proportion of ownership interest and voting rights held	
		2021	2020
KSP Europe Limited	Greenfield Business Park No. 2, Greenfield, Holywell, Clwyd, CH8 7GJ, Wales.	70%	70%

The class of shares held are ordinary shares.

8 Trade and other receivables

	2021	2020
	US\$	US\$
Amounts owed by Group undertakings	<u>125</u>	<u>125</u>

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

9 Trade and other payables: amounts falling due within one year

	2021	2020
	US\$	US\$
Accrued expenses	4	2
Amounts owed to group undertakings	293,088,303	293,088,303
Bank loans and overdrafts	<u>24,239,168</u>	<u>14,479,988</u>
	<u><u>317,327,475</u></u>	<u><u>307,568,293</u></u>

Kingspan Metl-Con Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

9 Trade and other payables: amounts falling due within one year (continued)

The amounts due to group undertakings includes interest bearing listed notes amounting to US\$221m. The notes are listed on the International Stock Exchange.

In accordance with the terms of the loan agreement the loan amounts payable have been classified as due within one year as the loans are repayable on demand.

10 Share capital

Authorised share capital

	2021 US\$	2020 US\$
1 Ordinary shares of \$125 each	<u>125</u>	<u>125</u>

Allotted, called up and fully paid shares

	No.	2021 US\$	No.	2020 US\$
Ordinary Shares of \$125 each	<u>1</u>	<u>125</u>	<u>1</u>	<u>125</u>

11 Parent undertakings and controlling parties

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

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

The smallest and the largest group undertaking for which group financial statements are drawn up, and of which the company is a member, is that of Kingspan Group plc. A copy of these consolidated financial statements are available at www.kingspan.com.

12 Subsequent events

There have been no significant events subsequent to 31 December 2021 which would require disclosure in these financial statements.

13 Approval of financial statements

These financial statements were authorised for issue by the Board on 12 August 2022.