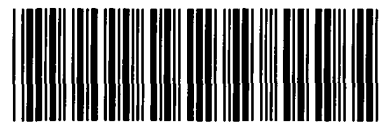


**Fibrelite Composites Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2019**

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**Fibrelite Composites Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2019**  
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# **Fibrelite Composites Limited**

## **Directors and advisers**

### **Directors**

I P Thompson

K R Long

### **Company secretary**

A J Preston

### **Registered office**

Unit 2 Snaygill Industrial Estate

Keighley Road

Skipton

North Yorkshire

BD23 2QR

### **Independent auditors**

PricewaterhouseCoopers LLP

144 Morrison Street

Edinburgh

EH3 8EX

### **Bankers**

Deutsche Bank

1 Great Winchester Street

London

EC2N 2DB

### **Registered number**

01513175

# Fibrelite Composites Limited

## Strategic report

The Directors present their Strategic Report for the year ended 31 December 2019.

### Review of the business

The company's principal activity is the manufacture of high specification fibre and resin composites for products supplied principally to petroleum forecourts. Due to the diverse nature of the product portfolio and the extensive geographical customer base, the business outlook in 2020 is strong and has seen minimal disruption from Covid-19.

Turnover for the year has increased, due to the transfer of production from a group subsidiary with effect from September 2019, by 19.26% (2018 – increased by 8.21%) to £15,127,456 (2018 - £12,684,841). Profit before taxation for the financial year is £3,172,872 (2018: £2,583,705). Working Capital has increased by £2million. No dividends have been paid during the year (2018: £nil).

Net assets of the company at 31 December 2019 are £14,803,316 (2018: £11,775,622).

In light of the current economic climate, we are pleased with this year's results and are confident about next year.

### Key performance indicators

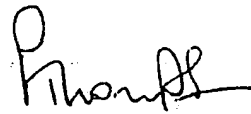
The company's key financial and other reporting indicators during the year were as follows

	2019	2018
	£	£
Turnover	15,127,456	12,684,841
Profit before taxation	3,172,872	2,583,705

### Principal risks and uncertainties

The company's principal risks relate to gains and losses on foreign currency transactions as a result of the company's exposure to foreign currency exchange rate fluctuations and increases in raw material prices. The exchange rate risks are mitigated by the use of bank accounts denominated in each currency and the use of forward currency contracts at group level. Raw material prices are subject to ongoing review by the Directors. Management continues to monitor business conditions in light of commercial uncertainties caused by the COVID-19 pandemic and ongoing Brexit negotiations and foresee minimal downside to the trading environment.

The Strategic report was approved by the Board on 22nd December 2020 and signed on its behalf by:



**I P Thompson**  
Director

# **FibreLite Composites Limited**

## **Directors' report**

The directors present their report and audited financial statements for the year ended 31 December 2019.

### **Directors**

The directors, who served during the year and up to the date of signing of the financial statements, were:

I P Thompson  
K R Long

### **Dividends**

The company paid a dividend of £nil (2018 - £nil) during the year.

The directors do not recommend payment of a final dividend.

### **Future developments**

The external commercial environment is expected to remain competitive during 2020; however the directors are confident that the business outlook is positive. Consideration of the results of the period, KPI's and principal risks and uncertainties are included in the strategic report.

### **Going concern**

The directors have performed a going concern assessment, comprising a review of the company's financial position, future operations and forecasts for a period of at least 12 months from the date of approval of the financial statements, which demonstrate that the company will be in a position to meet its liabilities as they fall due. On this basis the directors consider it appropriate to prepare financial statements on a going concern basis. The company meets its day-to-day working capital requirements through access to funds as part of the European cash pooling arrangement that is administered through Dover Luxembourg Participations SARL (DLP), a fellow group company, which acts as an internal bank for Fibrelite Composites Ltd. The company has access to unrestricted funds as part of the contractual cash pooling terms and conditions and either party has the right to withdraw from the agreement by giving 30 days notice. Under the cash pooling arrangements, there is no cash held by the company - all balances are 'swept' to DLP at the end of each business day. The company therefore is dependent on the DLP cash pooling arrangements for access to the cash flows necessary for the day-to-day running of the company and to support the going concern assertion. The company has received confirmation that DLP will not withdraw the facility in the foreseeable future and for a period of at least 12 months from the date of signing of financial statements. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to be cash generative, and should be expected to be a net depositor into, rather than borrower from, the DLP European cash pooling facility.

### **Covid-19 Impact**

Covid-19 was an event not foreseen as the business moved into 2020. However, the reaction to the implications of the virus moving from Asia to Europe was swift by the Fibrelite management. The focus in Q1-20 was to ensure all staff were safe and government guidance was followed as the business was classified as 'essential'. This included reviews and updates of our working practices and risk assessments to ensure social distancing measures could be put in place for both our site-based technicians and office based staff. During this period, we successfully and swiftly transferred all office-based staff to home working. With a strong customer base,

## **Fibrelite Composites Limited**

backlog, and seamless continuation of business as usual during Q1-20. Fibrelite is well placed to deal with the impact of Covid-19.

### **United Kingdom exit from the European Union**

Negotiations continue over the UK exit from the European Union (EU) with the potential effect of this on the UK business environment and specifically on the Company remaining unclear. For the purposes of these financial statements, the outcome of the exit in December and the impact on trading conditions is still considered to be a non-adjusting event.

### **Financial risk management**

The business is exposed to a number of financial risks. The key risks and associated mitigating factors are laid out below.

#### *Credit Risk:*

The company's credit risk stems primarily from trade debtors. Dedicated credit control resource is focused on continual review and active management to mitigate such risk.

#### *Foreign exchange risk*

The company is exposed to foreign currency exchange rate fluctuations between sterling and other currencies, primarily the Euro and the US Dollar. Given the vote on 23 June 2016 for the UK to leave the EU the company has experienced increased volatility in exchange rates however these exchange rate risks are mitigated by the use of bank accounts denominated in each currency and the use of forward currency contracts at group level.

#### *Liquidity risk*

The company actively manages its liquidity risk by ensuring the company has sufficient available funds for operations.

### **Directors indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Statement on disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

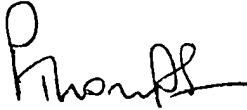
This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

## **Fibrelite Composites Limited**

### **Reappointment of independent auditors**

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of PricewaterhouseCoopers LLP as independent auditor of the Company.

This report was approved by the board on 22nd December 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'I P Thompson', written over a faint horizontal line.

**I P Thompson**  
**Director**

## **Fibrelite Composites Limited**

### **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.

# Fibrelite Composites Limited

## Independent auditors' report to the members of Fibrelite Composites Limited

### Report on the audit of the financial statements

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#### Opinion

In our opinion, Fibrelite Composites Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 statement of financial position as at 31 December 2019; the statement of comprehensive income, 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.

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#### 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

## **Fibrelite Composites Limited**

### **Independent auditors' report to the members of Fibrelite Composites Limited (continued)**

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#### **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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify 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 December 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 6, 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.

## **Fibrelite Composites Limited**

### **Independent auditors' report to the members of Fibrelite Composites Limited (continued)**

#### *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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *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**

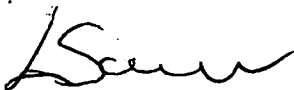
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#### **Companies Act 2006 exception reporting**

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.



Lisa Sawyer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors.  
Edinburgh  
22nd December 2020

## Fibrelite Composites Limited

### Statement of Comprehensive Income for the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	15,127,456	12,684,841
Cost of sales		(8,797,982)	(7,186,372)
<b>Gross profit</b>		<b>6,329,474</b>	<b>5,498,469</b>
Distribution costs		(452,476)	(366,054)
Administrative expenses		(2,763,410)	(2,591,715)
<b>Operating profit</b>	4	<b>3,113,588</b>	<b>2,540,700</b>
Interest receivable and similar income	7	59,284	43,005
<b>Profit before taxation</b>		<b>3,172,872</b>	<b>2,583,705</b>
Tax on profit	8	(146,178)	(262,840)
<b>Profit for the financial year</b>		<b>3,026,694</b>	<b>2,320,865</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>3,026,694</b>	<b>2,320,865</b>

## Fibrelite Composites Limited

### Statement of Changes in Equity for the year ended 31 December 2019

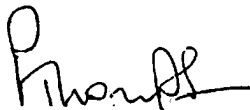
	Called up share capital	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2018	100	878,949	8,576,708	9,455,757
Profit for the financial year	-	-	2,320,865	2,320,865
Total comprehensive income	-	-	2,320,865	2,320,865
At 31 December 2018	100	878,949	10,897,573	11,776,622
Profit for the financial year	-	-	3,026,694	3,026,694
Total comprehensive income	-	-	3,026,694	3,026,694
At 31 December 2019	100	878,949	13,924,267	14,803,316

## Fibrelite Composites Limited

### Statement of Financial Position as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	9	1,880,871	1,713,142
<b>Current assets</b>			
Stocks	10	1,220,153	377,690
Debtors	11	14,431,700	11,454,014
Cash at bank and in hand		42,286	20,548
		15,694,139	11,852,252
Creditors: amounts falling due within one year	12	(2,771,694)	(1,788,772)
<b>Net current assets</b>		<b>12,922,445</b>	<b>10,063,480</b>
<b>Total assets less current liabilities</b>		<b>14,803,316</b>	<b>11,776,622</b>
<b>Net assets</b>		<b>14,803,316</b>	<b>11,776,622</b>
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Capital contribution reserve	15	878,949	878,949
Retained earnings		13,924,267	10,897,573
<b>Total equity</b>		<b>14,803,316</b>	<b>11,776,622</b>

The financial statements on pages 10 to 27 were approved by the board of directors on 22nd December 2020 and were signed on its behalf by:



**I P Thompson**  
Director

Registered number: 01513175

# **Fibrelite Composites Limited**

## **Notes to the financial statements for the year ended 31 December 2019**

### **1 Accounting policies**

#### **General Information**

Fibrelite Composites Limited is a private company, limited by shares, and is incorporated in the United Kingdom, England.

#### **Statement of compliance**

The individual financial statements of Fibrelite Composites 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.

#### **Summary of significant accounting policies**

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, unless otherwise stated.

#### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain assets and liabilities at fair value through profit or loss.

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The financial statements have been prepared in sterling, which is the functional and presentational currency of the company.

#### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The company has taken advantage of the following disclosure exemptions under FRS 102:

- a) the requirements of Section 4 Statement of Financial Position paragraph 4.12 (a)(iv) regarding a reconciliation of the number of shares outstanding at the beginning and at the end of the period.
- b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d).
- c) the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A and Section 12 Other Financial Instruments Issues paragraphs 12.26 to 12.29.
- d) the requirement of Section 33 Related Party Disclosures paragraph 33.7.

# **Fibrelite Composites Limited**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **1 Accounting policies (continued)**

#### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approving the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The directors have performed a going concern assessment, comprising a review of the company's financial position, future operations and forecasts for a period of at least 12 months from the date of approval of the financial statements, which demonstrate that the company will be in a position to meet its liabilities as they fall due. On this basis the directors consider it appropriate to prepare financial statements on a going concern basis. The company meets its day-to-day working capital requirements through access to funds as part of the European cash pooling arrangement that is administered through Dover Luxembourg Participations SARL (DLP), a fellow group company, which acts as an internal bank for Fibrelite Composites Ltd. The company has access to unrestricted funds as part of the contractual cash pooling terms and conditions and either party has the right to withdraw from the agreement by giving 30 days notice. Under the cash pooling arrangements, there is no cash held by the company - all balances are 'swept' to DLP at the end of each business day. The company therefore is dependent on the DLP cash pooling arrangements for access to the cash flows necessary for the day-to-day running of the company and to support the going concern assertion. The company has received confirmation that DLP will not withdraw the facility in the foreseeable future and for a period of at least 12 months from the date of signing of financial statements. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is expected to be cash generative, and should be expected to be a net depositor into, rather than borrower from, the DLP European cash pooling facility.

#### **Impairment of non-financial assets**

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.

#### **Financial Assets**

##### *Initial Recognition and measurement*

The company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus directly attributable transaction costs.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not

# **Fibrelite Composites Limited**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **1 Accounting policies (continued)**

quoted in an active market. Such assets are carried at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. The losses arising from impairment are recognised in the income statement in other operating expenses.

#### *Derecognition of financial assets*

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### *Impairment of financial assets*

The company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administration costs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

#### **Financial liabilities**

##### *Initial Recognition and measurement*

The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

##### *Interest bearing loans and borrowings*

Obligations for loans and borrowings are recognised when the company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

# Fibrelite Composites Limited

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

### 1 Accounting policies (continued)

#### Financial liabilities (continued)

##### *Derecognition of financial liabilities*

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in statement of comprehensive income.

##### **Foreign currency translation**

The company's functional and presentational currency is the pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to statement of comprehensive income.

##### **Turnover**

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding VAT and other sales taxes or duty. The following criteria must also be met before turnover is recognised:

##### *Sale of goods*

The company's turnover is generated through the manufacture and sale of a broad range of specialised products and components, with revenue recognised upon transfer of title and risk of loss, which is generally upon shipment.

##### **Interest income**

Interest income is recognised as interest accrues using the effective interest method.

##### **Tangible assets and depreciation**

Tangible assets are stated at cost or valuation net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Buildings	2% straight line
Plant and equipment	12.5% - 50% straight line

Freehold land is not depreciated.

# **Fibrelite Composites Limited**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **1 Accounting policies (continued)**

#### **Stock**

Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions are charged to the statement of comprehensive income in the year to which they relate. Differences between contributions paid and amounts payable are held as either accruals or prepayments in the balance sheet.

#### **Operating leases**

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

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **Fibrelite Composites Limited**

### **Notes to the financial statements for the year ended 31 December 2019 (continued)**

#### **2 Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

##### **Inventory provisioning**

The Company makes an estimate of the recoverability of the cost of the inventory net of the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of inventory, as well as applying assumptions around the future usage of raw materials. See note 10 for the carrying amount of inventory net of any associated provision.

##### **Impairment of debtors**

The Company makes an estimate of the recoverable value of amounts owed by group undertakings and other debtors. When assessing impairment of group and other debtors management considers factors including the aging profile of debtors and historical experience. See note 11 for the carrying amount of debtors net of any associated impairment provision.

## Fibrelite Composites Limited

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

#### 3 Turnover

Turnover is derived entirely from the company's principal activity undertaken in the United Kingdom. An analysis of turnover by classification and destination is as follows:

	Total 2019 £	Total 2018 £
Sale of goods	15,127,456	12,684,841

	Total 2019 £	Total 2018 £
United Kingdom	3,669,058	4,339,874
Europe (excluding the UK)	5,476,322	3,873,839
Asia	784,315	583,950
North America	795,101	337,710
Rest of the World	4,402,660	3,549,468
	15,127,456	12,684,841

## **Fibrelite Composites Limited**

### **Notes to the financial statements for the year ended 31 December 2019 (continued)**

#### **4 Operating profit**

Operating profit is stated after charging/(crediting):

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Inventory recognised as an expense	5,510,749	4,623,066
Other operating lease rentals	7,855	7,293
Fees payable to the company's auditor for the audit of the company's financial statements	29,600	28,000
Foreign exchange losses/(gains)	56,017	(18,289)
Loss on disposal of tangible assets	7,948	-
Depreciation on owned tangible assets	327,904	254,338

#### **5 Staff costs**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2019 Number</b>	<b>2018 Number</b>
<b>By activity</b>		
Manufacturing	87	78
Administration	18	19
	<b>105</b>	<b>97</b>

## Fibrelite Composites Limited

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

#### 5 Staff costs (continued)

	2019	2018
	£	£
<b>Staff costs for the above persons</b>		
Wages and salaries	2,952,295	2,700,797
Social security costs	286,185	270,423
Other pension costs (note 17)	121,407	109,049
	<b>3,359,887</b>	<b>3,080,269</b>

#### 6 Directors' remuneration

	2019	2018
	£	£
Aggregate emoluments	161,909	168,829
Company contributions to defined contribution pension scheme	20,768	19,203

Retirement benefits are accruing to one (2018: one) of the directors under a defined contribution pension scheme.

Directors who served during the year also served as directors of other group companies. One director received remuneration from this company only. It is not practical to allocate this between their services as directors of this company and other group companies.

#### 7 Interest receivable and similar income

	2019	2018
	£	£
Interest receivable from group companies	59,284	43,005

## Fibrelite Composites Limited

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

#### 8 Tax on profit

##### (a) Analysis of tax charge in the year

	2019 £	2018 £
<b>Current tax:</b>		
- UK corporation tax charge on profit for the financial year	614,920	469,379
- Adjustments in respect of prior years	(469,379)	(234,533)
- Foreign tax on income for the year	-	-
- Double taxation relief	-	-
<b>Total current tax charge</b>	<b>145,541</b>	<b>234,846</b>
<b>Deferred tax:</b>		
- Origination and reversal of timing differences	712	30,528
- Adjustment in respect of previous periods	-	680
- Effect of changes in tax rate	(75)	(3,214)
<b>Total deferred tax charge (note 13)</b>	<b>637</b>	<b>27,994</b>
<b>Tax charge on profit</b>	<b>146,178</b>	<b>262,840</b>

Current tax adjustments in respect of prior years were made after considering the final submitted group relief claim.

##### (b) Factors affecting current tax charge for the year

The tax assessed for the year is the same, (2018: lower) than the standard rate of corporation tax in the UK 19.00% (2018: 19.00%). The differences are explained below.

	2019 £	2018 £
<b>Profit before taxation</b>	<b>3,172,872</b>	<b>2,583,705</b>
Profit multiplied by the standard rate of corporation tax of 19.00% (2018: 19.00%)	602,846	490,904
<b>Effects of:</b>		
- Expenses not deductible for tax purposes	12,786	9,003
- Adjustments in respect of prior years	(469,379)	(233,853)
- Tax rate changes	(75)	(3,214)
<b>Total tax charge for the year</b>	<b>146,178</b>	<b>262,840</b>

## Fibrelite Composites Limited

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

#### 8 Tax on profit (continued)

##### Factors that may affect the future tax charge

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax credit by £42,000 and to reduce the deferred tax asset by £42,000.

The deferred tax assets and liabilities reflect the above rates that had been substantively enacted at the balance sheet date.

#### 9 Tangible assets

	Land and buildings £	Plant and equipment £	Construction in Progress. £	Total £
At 1 January 2019	1,017,639	2,716,993	21,275	3,755,907
Additions	-	456,919	46,662	503,581
Transfers	68,828	(68,828)	-	-
Disposals	-	(9,259)	-	(9,259)
<b>At 31 December 2019</b>	<b>1,086,467</b>	<b>3,095,825</b>	<b>67,937</b>	<b>4,250,229</b>
<b>Accumulated depreciation</b>				
At 1 January 2019	574,626	1,468,139	-	2,042,765
Charge for the year	53,339	274,565	-	327,904
Transfers	7,190	(7,190)	-	-
Disposals	-	(1,311)	-	(1,311)
<b>At 31 December 2019</b>	<b>635,155</b>	<b>1,734,203</b>	<b>-</b>	<b>2,369,358</b>
<b>Net book amount</b>				
<b>At 31 December 2019</b>	<b>451,312</b>	<b>1,361,622</b>	<b>67,937</b>	<b>1,880,871</b>
At 31 December 2018	443,013	1,248,854	21,275	1,713,142

Land and buildings includes land at a cost of £250,000 (2018: £250,000) which is not depreciated.

## Fibrelite Composites Limited

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

#### 10 Stocks

	2019	2018
	£	£
Raw materials and consumables	264,804	141,890
Finished goods and goods for resale	955,349	235,800
	<b>1,220,153</b>	<b>377,690</b>

There is no significant difference between the replacement of cost of stocks and their carrying amounts.

#### 11 Debtors

	2019	2018
	£	£
<b>Amounts falling due within one year</b>		
Trade debtors	4,711,776	2,474,451
Amounts owed by group undertakings	9,353,693	8,898,944
Other debtors	122,716	19,882
Deferred tax asset (note 13)	33,121	33,759
Prepayments and accrued income	210,394	26,978
	<b>14,431,700</b>	<b>11,454,014</b>

The amounts owed by group undertakings include a cash pooling facility and loan with a group undertaking. The cash pooling facility is interest bearing (3 month GBP Libor Rate) and has no fixed date of repayment. Interest receivable on this facility for the year ended 31 December 2019 was £59,284 (2018: £43,005).

## Fibrelite Composites Limited

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

#### 12 Creditors: amounts falling due within one year

	2019	2018
	£	£
<b>Amounts falling due within one year</b>		
Trade creditors	859,989	924,696
Corporation tax	140,850	469,379
Amounts owed to group undertakings	702,009	-
Accruals and deferred income	1,068,846	394,697
	<b>2,771,694</b>	<b>1,788,772</b>

Amounts owed to group undertakings are repayable on demand and interest free

#### 13 Deferred tax

	Deferred tax
	£
At 1 January 2019	33,759
Credited to the profit and loss account	(638)
<b>At 31 December 2019</b>	<b>33,121</b>

The deferred tax asset at the year end comprises amounts provided in respect of:

	2019	2018
	£	£
Accelerated capital allowances	33,121	33,759
Other timing differences	-	-
<b>Total asset</b>	<b>33,121</b>	<b>33,759</b>

## Fibrelite Composites Limited

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

#### 14 Called up share capital

As at 31 December 2019 and 31 December 2018:

	Allotted and fully paid
<b>Number</b>	
Ordinary shares of £1 each	100
	£
<b>Nominal value</b>	
Ordinary shares of £1 each	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

#### 15 Capital contribution reserve

The capital contribution reserve relates to an amount received from the ultimate parent following its acquisition of the company in October 2013.

#### 16 Operating lease obligations

At 31 December 2019 the company had future minimum rentals under non-cancellable operating leases as follows:

	Office Equipment		Motor Vehicles	
Amounts payable in:	2019	2018	2019	2018
	£	£	£	£
Not later than one year	1,036	1,036	6,823	4,887
Later than one year but not later than five years	-	-	5,310	-
	1,036	1,036	12,133	4,887

## **Fibrelite Composites Limited**

### **Notes to the financial statements for the year ended 31 December 2019 (continued)**

#### **17 Pension commitments**

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund.

The pension cost contributions charged during the year relating to the defined contribution scheme amounted to £121,407 (2018: £109,049). There were no contributions prepaid or accrued at the year end (2018: £nil).

#### **18 Ultimate parent undertaking and controlling party**

The company is a wholly owned subsidiary of Fibresec Holdings Limited, a company incorporated in England and Wales. The directors consider the Dover Corporation, incorporated in the US to be the ultimate parent undertaking and ultimate controlling party.

Dover Corporation is the smallest and largest group for which consolidated financial statements are prepared. The company is included in the consolidated financial statements of Dover Corporation which are publicly available.

Consequently, the company has taken advantage of the exemption, under the terms of paragraph 33.1A of FRS102 from disclosing related party transactions with wholly-owned subsidiaries of the Dover Corporation group. Copies of the financial statements of Dover Corporation can be obtained by writing to Dover Corporation, 3005 Highland Parkway, Suite 200, Downers Grove, IL 60515, United States of America.