

# Rubix Group International Limited

## Annual Report and Financial Statements

For the year ended 31 December 2019



Company number: 00162925

## Rubix Group International Limited and its advisers

### Registered office

Dakota House  
Concord Business Park  
Manchester  
M22 0RR

*Registered in England and Wales number 00162925*

### Bankers and primary debt providers

Lloyds Bank plc  
40 Spring Gardens  
Manchester M2 1EN

BNP Paribas Fortis SA/NV  
Montagne du Parc 3  
B-1000 Brussels, Belgium

Goldman Sachs Bank USA  
Peterborough Court  
133 Fleet Street  
London  
EC4A 2BB

HSBC Bank plc  
HSBC House  
Mitchell Way  
Southampton  
Hampshire  
SO18 2XU

Danske Bank  
75 King William Street  
London  
EC4N 7DT

Morgan Stanley Bank International Limited  
25 Cabot Square  
Canary Wharf  
London  
E14 4AA

GSO Capital Opportunities Fund  
345 Park Avenue  
New York  
NY 10154

### Independent auditors

PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
1 Hardman Square  
Manchester  
M3 3EB

## Directors and officers

**Daniel Pierre Bruno Freches**

**Yves Pascal Michel Saunier**

**Andrew David Silverbeck** - appointed 30 April 2019

**Gatien Bernard Umberto David Gillon** - appointed 16 July 2019

**Duncan Magrath** - resigned 30 April 2019

**Herman Josef Maier** - resigned 22 July 2019

## Strategic Report

The directors present their strategic report for the company for the year ended 31 December 2019.

### Principal activities and future developments

The principal activity of the company at 31 December 2019 is that of an intermediate holding company and provision of strategic direction and management services for the Rubix group (Rubix Group Holdings Limited and its subsidiaries). The Directors do not envisage any major changes in the company's activities in the foreseeable future.

### Key performance indicators

Given the company's function as an intermediate holding company, the Directors consider that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### Business review

The result for the financial year is set out in the income statement on page 9.

The Directors have not recommended that a dividend be paid in respect of the financial year (2018: £nil).

At 31 December 2019, the company had net current liabilities of £305.2m (31 December 2018: £8.8m).

The exceptional costs incurred in the year relate to the restructuring and integration activities following the merger of the IPH and Brammer groups and to a potential ownership transition and are set out in note 4.

Additional investment of £289.5m (2018: £28.7m) was made in the company's subsidiaries during the year, details of which are included in note 8.

### Principal risks and uncertainties

The principal risks of the Company are integrated with the principal risks of the Group of companies headed by Rubix Group Holdings Limited, of which the Company is part, and are not managed separately. The principal risks and uncertainties of Rubix Group Holdings Limited are disclosed in its Group Annual Report and Financial Statements, copies of which can be obtained from its registered office at Dakota House, Concord Business Park, Manchester, M22 0RR.

The Group Annual Report was finalised in early March 2020, at a point when the impact and extent of Covid-19 on European markets was not clear. Since that date, European economies and the markets in which the Rubix Group operates have been impacted by Covid-19 and there remains uncertainty about the possible future impact of any second wave or of future economic shutdowns. As Europe's largest industrial distributor, the Rubix Group has a broad footprint across multiple markets, including a number that national governments have classed as essential, and it has supported both existing and new customers through the crisis by leveraging its scale in terms of logistics, pan-European footprint and digital capabilities. The Group has taken steps to ensure that any associated risks of Covid-19 to customers, suppliers, employees and liquidity are closely monitored, carefully managed and where appropriate mitigated.

### Section 172 statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The Directors have also considered the views and interests of a wider set of stakeholders, including pensioners, regulators, government and non-governmental organisations. Considering and balancing this broad range of interests is an important part of the way the Directors make decisions.

### Engagement with stakeholders

The size and distribution of our stakeholders means that stakeholder engagement often takes place at an operational level. The Board considers and discusses information from across the wider group of which the company is part, to help it understand the impact of Company operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

## Strategic Report (continued)

### Engagement in action

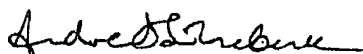
The following are some examples of how the Directors have performed their duties as outlined in Section 172(1)(a)-(f):

- **Interests of the Company's employees:**  
The Company's policies and actions in relation to employee engagement, employee development and health and safety are detailed in the annual financial report and accounts of Rubix Group Holdings Limited, the largest and smallest group which includes the company, available at [www.rubix-group.com](http://www.rubix-group.com) and from its registered office at Dakota House, Concord Business Park, Manchester, England, M22 0RR.
- **Business relationships:**  
The Company actively works with suppliers to build relationships, capability and trust, increase sustainability within our supply chain and provide products and solutions to customers that are sourced and delivered efficiently, safely and sustainably. The Company is in constant dialogue with key suppliers to enable it to provide a range of competitively priced and ethically sourced products.

### The future

Looking forward, we will focus on the continuous improvement of our services to our customers through our key product categories and value-added services and on growing our penetration of digital channels and exclusive brand products.

Approved by the Board of Directors and signed on its behalf



Andrew Silverbeck  
Director  
29 September 2020

## Directors' report

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

### Results and future developments

The results for the financial year, including dividends, are shown in the Strategic Report on page 3. The Board does not envisage any major changes in the company's activities in the foreseeable future.

### Directors

Details of each of the directors who served throughout the year and up to the date of signing the financial statements (unless otherwise stated) are shown on page 2.

### Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of the directors, which were in force during the year and up to the date of signing this report.

### Shares

The issued ordinary share capital of the company is shown in note 13 and consists of ordinary shares of 20p each. All of the issued ordinary shares rank pari passu.

### Financial risk management

From the perspective of the company, financial risks are integrated with the principal risks of the group of which this company forms part and are not managed separately. Accordingly, the financial risks of the Rubix Group Holdings Limited group, which include those of the company, are discussed in its group annual report for the year ended 31 December 2019, which is available from Dakota House, Concord Business Park, Manchester, England, M22 0RR.

### Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for twelve months from the date of the approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

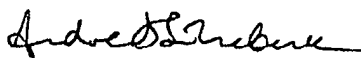
This conclusion is based on a review of the resources available in the Group, of which the Company is part, and receipt of a letter of support from the Group's holding company. This conclusion takes into account the Group's financial projections together with available cash and committed borrowing facilities, and the covenants applicable to those bank facilities. In reaching this conclusion, the Board has considered the magnitude of potential impacts resulting from uncertain future events or changes in market conditions, including future uncertainties around the impact of Covid-19, the likelihood of their occurrence and the likely effectiveness of mitigating actions that the directors would consider undertaking.

The Group's forecasts and projections, taking account of this sensitivity analysis including the possible future impact of any second Covid-19 wave or future economic shutdowns, show that the Group is well placed to operate within the level of its current facilities over the next 15 months.

### Appointment

Resolutions to reappoint PricewaterhouseCoopers LLP (PwC) as independent auditors to the company and to authorise the directors to determine their remuneration will be proposed at the Rubix Group annual general meeting.

On behalf of the Board



Andrew Silverbeck  
Director  
29 September 2020

## 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 101 "Reduced Disclosure Framework", 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 101, 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.

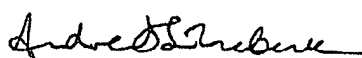
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the 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.

On behalf of the Board



Andrew Silverbeck  
Director  
29 September 2020

# ***Independent auditors' report to the members of Rubix Group International Limited***

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Rubix Group International 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2019; the Income statement, the Statement of comprehensive income, the Statement of changes in equity for the year then ended; the Accounting policies; and the notes to the financial statements.

### **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.

### **Reporting on other information**

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

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.



## ***Independent auditors' report to the members of Rubix Group International Limited (continued)***

### ***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, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditors' responsibilities for the audit of the financial statements***

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](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**

### **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.



Hazel Macnamara (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
29 September 2020

## Income statement

For the year ended 31 December 2019

	Notes	2019 £m	2018 £m
Other operating income		37.0	14.9
Administrative expenses		(32.7)	(34.9)
<b>Operating profit / (loss)</b>	1	<b>4.3</b>	<b>(20.0)</b>
<i>Adjusted operating profit / (loss)*</i>		<b>18.2</b>	<b>(0.7)</b>
Exceptional items	4	(13.9)	(19.3)
<b>Operating profit / (loss)</b>		<b>4.3</b>	<b>(20.0)</b>
Finance expenses	3	(3.6)	(1.3)
<b>Profit / (loss) before taxation</b>		<b>0.7</b>	<b>(21.3)</b>
<i>Adjusted profit / (loss) before tax*</i>		<b>14.6</b>	<b>(2.0)</b>
Exceptional items	4	(13.9)	(19.3)
<b>Profit / (loss) before taxation</b>		<b>0.7</b>	<b>(21.3)</b>
Tax on profit / (loss)	5	(4.2)	(0.5)
<b>Loss for financial the year</b>		<b>(3.5)</b>	<b>(21.8)</b>

\*Adjusted operating profit/(loss) and Adjusted profit/(loss) before tax are stated before the impact of exceptional items.

The notes and accounting policies on pages 12 to 29 form part of these financial statements.

## Statement of comprehensive income

For the year ended 31 December 2019

	2019 £m	2018 £m
Loss for the year	(3.5)	(21.8)
<b>Other comprehensive (expense)/income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial (loss)/gain on retirement benefit obligations	(8.5)	3.7
<i>Items that may subsequently be reclassified to profit or loss</i>		
Currency translation differences	-	0.3
<b>Total comprehensive expense for the year</b>	<b>(12.0)</b>	<b>(17.8)</b>

Items in the above statement are disclosed net of tax. The notes and accounting policies on pages 12 to 29 form part of these financial statements.

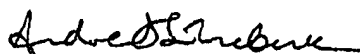
## Balance sheet

At 31 December 2019

	Notes	2019 £m	2018 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	6	7.8	7.8
Property, plant and equipment	7	1.1	0.9
Investments	8	585.6	291.1
Deferred tax assets	11	4.8	5.1
		<u>599.3</u>	<u>309.9</u>
<b>Current assets</b>			
Trade and other receivables - amounts falling due after more than one year	9	50.2	222.6
Trade and other receivables - amounts falling due within one year	9	10.4	14.8
Cash and cash equivalents		0.3	26.3
		<u>60.9</u>	<u>263.7</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables - amounts falling due within one year	10	(366.1)	(272.5)
		<u>(305.2)</u>	<u>(8.8)</u>
<b>Net current (liabilities) / assets</b>			
		<u>294.1</u>	<u>301.1</u>
<b>Total assets less current liabilities</b>			
		<u>294.1</u>	<u>301.1</u>
<b>Non-current liabilities</b>			
Retirement benefit obligations		(32.5)	(27.5)
<b>Net assets</b>		<u>261.6</u>	<u>273.6</u>
<b>Equity</b>			
Called up share capital		26.9	26.9
Share premium account		322.3	322.3
Special capital reserve		12.1	12.1
Accumulated losses		(99.7)	(87.7)
		<u>261.6</u>	<u>273.6</u>

The notes and accounting policies on pages 12 to 29 form part of these financial statements.

The financial statements on pages 9 to 29 were approved by the Board on 29 September 2020 and were signed on its behalf by



Andrew Silverbeck  
Director  
Rubix Group International Limited  
Company number 00162925

## Statement of changes in equity

For the year ended 31 December 2019

	Called up share capital £m	Share premium account £m	Special capital reserve £m	Accumulated losses £m	Total £m
Balance at 1 January 2018	26.9	322.3	12.1	(69.9)	291.4
Loss for the year	-	-	-	(21.8)	(21.8)
Other comprehensive income	-	-	-	4.0	4.0
Total comprehensive expense	-	-	-	(17.8)	(17.8)
<b>Balance at 31 December 2018</b>	<b>26.9</b>	<b>322.3</b>	<b>12.1</b>	<b>(87.7)</b>	<b>273.6</b>
Loss for the year	-	-	-	(3.5)	(3.5)
Other comprehensive expense	-	-	-	(8.5)	(8.5)
Total comprehensive expense	-	-	-	(12.0)	(12.0)
<b>Balance at 31 December 2019</b>	<b>26.9</b>	<b>322.3</b>	<b>12.1</b>	<b>(99.7)</b>	<b>261.6</b>

## Accounting policies

### General information

Rubix Group International Limited is a private company, limited by shares, incorporated and domiciled in the UK. The company's principal activity is that of an intermediate holding company. The address of the registered office of the company is Dakota House, Concord Business Park, Manchester, England, M22 0RR.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### Basis of preparation

The financial statements of the company have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101), on the going concern basis as set out in the Directors' report on page 5 and under the historical cost convention modified for fair values, and in accordance with the Companies Act 2006. The accounting policies have been applied consistently.

The Company is a qualifying entity for the purposes of FRS 101. Note 17 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained. FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

the following paragraphs of IAS 1, 'Presentation of financial statements'

- 10(d) (statement of cash flows)
- 16 (statement of compliance with all IFRS)
- 111 (cash flow statement information)
- 134-136 (capital management disclosures)

IFRS 7, 'Financial instruments: Disclosures'

IAS 7, 'Statement of cash flows'

IAS 24 (paragraph 17) 'Related party disclosures' (key management compensation)

IAS 24 'Related party disclosures' - the requirement to disclose related party transactions between two or more members of a Group.

As the Group financial statements include the equivalent disclosures, the company has taken the exemptions available under FRS 101 in respect of the following disclosures:

- FRS 2 Share based payments in respect of Group settled equity share based payments
- certain disclosures required by IFRS 13 Fair Value Measurement and disclosures required by IFRS 7 Financial Instrument Disclosures.
- IAS 8 'Accounting policies, changes in accounting estimates and errors'

### Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for twelve months from the date of the approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

This conclusion is based on a review of the resources available in the group, of which the Company is part, and receipt of a letter of support from the group's holding company. This conclusion takes into account the group's financial projections together with available cash and committed borrowing facilities, and the covenants applicable to those bank facilities. In reaching this conclusion, the Board has considered the magnitude of potential impacts resulting from uncertain future events or changes in market conditions, including future uncertainties around the impact of Covid-19, the likelihood of their occurrence and the likely effectiveness of mitigating actions that the directors would consider undertaking.

The group's forecasts and projections, taking account of this sensitivity analysis including the possible future impact of any second Covid-19 wave or future economic shutdowns, show that the group is well placed to operate within the level of its current facilities over the next 15 months

### Exemption from consolidation

The company is a wholly owned subsidiary of Rubix Group Holdings Limited, whose group financial statements are publicly available. Accordingly, the company is exempt under s400 of the Companies Act 2006 from the obligation to prepare group financial statements. These financial statements therefore present information about the company as an individual entity and not about its group.

## Accounting policies (continued)

### Critical accounting estimates

The company makes estimates and assumptions concerning the future. The following items involve a higher degree of judgement or complexity;

#### *Impairment of investments*

In accordance with the accounting policy in relation to investments, the company periodically tests whether investments have suffered any impairment. The recoverable amounts of cash generating units have been determined based on value-in-use calculations and these calculations require the use of estimates. The assumptions on which impairment testing is based include, but are not limited to, discount rate, useful economic life and cash flow forecasts for future business generation.

#### *Deferred tax assets*

Deferred tax assets are recognised on losses and capital allowances earned forward only to the extent that it is probably they will be available for use against future profits and that there will be sufficient future taxable profit against which the temporary difference can be utilised. In arriving at a judgment in relation to the recognition of deferred tax assets, management considers the regulations applicable to taxation and whether there are likely to be sufficient future taxable profits.

#### *Retirement benefit obligations*

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The key assumption used in determining the net liability for pensions include the discount rates. Changes to the discount rate will impact the carrying amount of retirement benefit obligations. Note 12 details the actuarial assumptions used in determining the carrying amount at 31 December 2019.

#### *Rebate income*

The Company has agreements (supplier rebates) with a number of its suppliers whereby volume-based rebates, marketing support and other discounts are received in connection with the purchase of goods for resale from those suppliers. Rebate income is accrued on forecast performance, based on contracts and regularly updated forecasts.

Except for the above, there are no other significant judgements or estimates in these financial statements that have a significant effect on the amounts recognised in these financial statements.

### Investments

Investments in subsidiary undertakings are shown at cost subject to provision for impairment in valuation.

### Fixed assets

Fixed assets are stated at cost and include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

#### *Intangible assets - software development*

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable software systems operated by the company and will generate economic benefits exceeding costs beyond one year, are recognised as fixed assets. Direct costs include staff costs of the software development team and an appropriate portion of direct overheads.

Expenditure which enhances or extends the performance of identifiable software systems beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives, not exceeding a period of 7 years.

#### *Property, plant and equipment*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided by equal annual instalments to write off the cost of fixed assets, net of residual values, over the expected useful life of the asset concerned. The lives of the assets have been estimated as follows:

Equipment            7 years

### Borrowings

Borrowings are recognised as the proceeds received, net of transaction costs incurred, which are then amortised over the expected life of the facility.

### Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling on the balance sheet date and exchange differences are taken to the profit and loss account.

## Accounting policies (continued)

### Trade and other receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the best estimate of the amount recoverable.

Trade receivables are derecognised when sold under a non-recourse factoring agreement and substantially all of the risks and rewards of ownership of the receivable have transferred.

Receivables relating to amounts owned from group undertakings and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The carrying amounts of the Company's trade and other receivables on the Balance Sheet are denominated in Sterling (2018: Sterling).

Under IFRS 9, effective from 1 January 2018, the Company elected to use the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that result from transactions that are within the scope of IFRS 15, irrespective of whether they contain a significant financing component or not.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows of the asset, discounted, where material, at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Income Statement. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Income.

### Trade payables

Trade payables are non-interest bearing and are stated at their nominal value. Trade payables are initially recognised at fair value and subsequently held at amortised cost.

### Employee benefits

#### *Defined Contribution schemes*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior years. Contributions are charged to the income statement in the year in which they arise.

#### *Defined Benefit schemes*

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The operating and financing costs of such plans are recognised separately in the income statement; service costs are spread systematically over the lives of employees and financing costs are recognised in the years in which they arise. The net interest charge on the defined benefit liability is included in finance expense.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent advisers using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities, which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the statement of comprehensive income. Past service costs are recognised immediately in the income statement.

### Provisions

Provisions in respect of liabilities are made in accordance with FRS 101 and are discounted where the effect is material. 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.

## Accounting policies (continued)

### Share based payments

The fair values of employee share option and share performance plans are calculated using the Black-Scholes model. In accordance with IFRS 2 the resulting cost is charged to the profit and loss account over the vesting period of the options. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. The charge in relation to employee share options and share performance plans with market vesting conditions are not deemed to be material. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the value of the charge is adjusted to reflect expected and actual levels of options vesting for changes in non-market vesting criteria.

### Current and deferred tax

#### *Current tax*

Corporation tax payable is provided on taxable profits at the current rate.

#### *Deferred tax*

Deferred taxation 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. Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts which have been prepared and approved by the Board. Deferred tax assets and liabilities are not discounted.

### Exceptional items

Exceptional items are material items of income and expense which, in management's judgement, need to be disclosed separately by virtue of their size or incidence in order for the user to obtain a proper understanding of the company's financial performance.

### Finance expense

All borrowing and other finance costs are recognised within the income statement within finance expense in the period in which they occur. Arrangement fees incurred in obtaining financing are capitalised and amortised over the repayment term of the debt they relate to.

### Dividends

Final dividends are recognised in the financial statements in the period in which they are approved by the company's shareholders. Interim dividends are recognised when paid.

### Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### Management fee income

Management fee income is included within Other operating income and is recognised in the period which the relevant management services are provided to associated Group companies.

### Supplier rebates

In line with industry practice, the Company has agreements (supplier rebates) with a number of the Rubix Group's suppliers whereby volume-based rebates, marketing support and other discounts are received in connection with the purchase of goods for resale from those suppliers. Management recognise accruals on forecast performance based on contracts and regularly update forecasts based on cost of goods sold and purchases within the wider Rubix Group.



## Notes to the financial statements

### 1 Operating profit / (loss)

Operating profit / (loss) is stated after charging / (crediting):

	2019	2018
	£m	£m
Exceptional items (note 4)	13.9	19.3
Employee benefit expense (note 2)	12.9	13.5
Depreciation of property, plant and equipment	0.2	0.1
Amortisation of intangible fixed assets	2.5	2.6
Net foreign exchange gains	(6.7)	-
Auditors' remuneration: audit services	0.3	0.3

An analysis of other income credited in arriving at operating profit / (loss) is shown below:

	2019	2018
	£m	£m
Dividends from group companies	1.4	2.1
Central purchasing income	16.6	12.8
Management charge income	19.0	-

### 2 Employee benefit expense (including directors)

	2019	2018
	£m	£m
Wages and salaries	10.3	10.6
Social security costs	1.5	1.2
Pension costs - defined contributions scheme	1.1	1.7
	<u>12.9</u>	<u>13.5</u>
	<u>107</u>	<u>103</u>

Details of Directors remuneration and benefits in kind are disclosed in the Group annual financial report and accounts of Rubix Group Holdings Limited.

### 3 Finance expenses

	2019	2018
	£m	£m
Interest payable on bank loans and overdrafts	-	0.3
Other finance costs	3.6	1.0
	<u>3.6</u>	<u>1.3</u>

Other finance costs include £0.7m (2018: £0.8m) relating to interest on the defined benefit liability (note 12).

## Notes to the financial statements (continued)

### 4 Exceptional items

	2019	2018
	£m	£m
Included in administration expenses		
Restructuring and integration costs	8.7	23.7
Costs incurred in relation to potential ownership transition	5.2	-
Impairment of investments	-	0.3
Loss on disposal of investment	-	8.9
Write back impairment of amounts due from group undertakings	-	(15.8)
GMP pension costs	-	2.2
	<u>13.9</u>	<u>19.3</u>

Current year exceptional charges include £8.7m (2018: £23.7m) relating to restructuring and integration costs following the merger of the IPH and Brammer groups in September 2017, these include headcount costs, property costs and professional fees. The Company also incurred £5.2m (2018: nil) of third-party consultant costs incurred in relation to the potential ownership transition.

Following a review of investments and related intercompany receivables no impairment (2018: £0.3m) was made to write down the investment in subsidiaries relating to those entities that are dormant or where the group is supporting those entities during the period of the implementation of the turnaround program. In the prior year a provision of £15.8m was written back against receivables from group undertakings.

During the prior year, Rubix Group International Limited disposed of one of its subsidiaries, to another group company, incurring a £8.9m loss on disposal.

Also included within exceptional charges in the prior year is a £2.2m charge relating to the equalisation of member benefits relating to Guaranteed Minimum Pensions (GMPs) in the UK defined benefit pension scheme.

### 5 Tax on profit / (loss)

	2019	2018
	£m	£m
<b>Current tax</b>		
Current year	1.3	(3.3)
Adjustment in respect to prior periods	<u>1.7</u>	<u>(1.5)</u>
<b>Current tax charge / (credit)</b>	<u>3.0</u>	<u>(4.8)</u>
<b>Deferred tax</b>		
Current year	0.1	3.7
Adjustment in respect to prior periods	1.1	2.1
Rate change adjustment	-	(0.5)
<b>Deferred tax charge</b>	<u>1.2</u>	<u>5.3</u>
<b>Tax charge on profit / (loss)</b>	<u>4.2</u>	<u>0.5</u>

## Notes to the financial statements (continued)

### 5 Tax on profit / (loss) (continued)

#### Factors affecting the tax charge for the year

The effective tax rate for the year is higher (2018: higher) than the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2019 £m	2018 £m
Profit / (loss) before taxation	<u>0.7</u>	<u>(21.3)</u>
Profit / (loss) before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	0.1	(4.0)
Effects of:		
Controlled foreign corporation interest	0.2	0.1
Dividends not taxed	(0.3)	(0.4)
Losses not recognised	-	2.9
Transfer pricing adjustments	0.4	0.4
Adjustment to deferred tax not recognised - Pension liability	(1.6)	2.4
Adjustment to deferred tax not recognised - CIR	2.6	-
Other items not deductible for tax	-	0.3
Impairments and loss on investments	-	(1.3)
Adjustments in respect of prior periods	2.8	0.6
Adjustments to future tax rates	-	(0.5)
<b>Total tax charge on profit / loss</b>	<u>4.2</u>	<u>0.5</u>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These included reductions to the main rate to reduce the rate to 17.0% from 1 April 2020 and deferred taxes subsequent to this date have been measured using these enacted tax rates.

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 have been no impact to the tax expense for the period or the deferred tax balance.

### 6 Intangible assets

	2019 £m	2018 £m
<b>Computer software</b>		
<b>Cost</b>		
At 1 January	27.5	25.8
Additions	<u>2.5</u>	<u>1.7</u>
<b>At 31 December</b>	<u>30.0</u>	<u>27.5</u>
<b>Accumulated depreciation</b>		
At 1 January	19.7	17.1
Charge	<u>2.5</u>	<u>2.6</u>
<b>At 31 December</b>	<u>22.2</u>	<u>19.7</u>
<b>Net book value</b>		
At 1 January	7.8	8.7
Movement in year	<u>-</u>	<u>(0.9)</u>
<b>At 31 December</b>	<u>7.8</u>	<u>7.8</u>

## Notes to the financial statements (continued)

### 7 Property, plant and equipment

	2019 £m	2018 £m
<b>Equipment</b>		
Cost		
At 1 January	3.0	2.3
Additions	0.4	0.7
At 31 December	3.4	3.0
<b>Accumulated depreciation</b>		
At 1 January	2.1	2.0
Charge	0.2	0.1
At 31 December	2.3	2.1
<b>Net book value</b>		
At 1 January	0.9	0.3
Movement in year	0.2	0.6
At 31 December	1.1	0.9

### 8 Investments (unlisted)

	2019 £m	2018 £m
<b>Subsidiaries</b>		
At 1 January	296.1	294.7
Investment in subsidiaries	289.5	28.7
Impairment of investments in subsidiaries	-	(0.3)
Liquidation of dormant subsidiaries	-	(13.1)
Disposal of investment	-	(13.9)
At 31 December	585.6	296.1

In the current year the company made additional investment in subsidiaries including Rubix Netherlands Holdings B.V. (£274.9m), C. Plüss + Co. AG (£8.2m), Brammer Poland (£4.7m) and R.G.R. Ltd (£1.7m).

Details of all the company's subsidiaries which are either wholly owned by the company or its subsidiaries are shown on pages 25 to 29. In the opinion of the directors, the value of the company's investments in its subsidiaries is not less than the amount at which it is stated on the balance sheet.

### 9 Trade and other receivables

	2019 £m	2018 £m
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	50.2	222.6
<b>Amounts falling due within one year</b>		
Other receivables	9.8	9.5
Prepayments and accrued income	0.6	0.5
Group relief receivable	-	4.8
	10.4	14.8
	60.6	237.4

Amounts owed by group undertakings are unsecured and carry interest at varying margins relating to base rate. The amounts are repayable at any time with the mutual agreement of both parties. Receivables from group undertakings are stated net after an impairment of £4.2m (2018: £4.2m).

## Notes to the financial statements (continued)

### 10 Trade and other payables - amounts falling due within one year

	2019	2018
	£m	£m
Bank overdraft	2.8	-
Amounts owed to group undertakings	341.3	259.1
Other creditors and accruals	22.0	13.4
	<u>366.1</u>	<u>272.5</u>

Amounts owed to group undertakings are unsecured and carry interest at varying margins relating to base rate. The amounts are repayable at any time with the mutual agreement of both parties.

### 11 Deferred tax assets

	Defined benefit obligation	Losses	Interest deductions allowable in future period	Accelerated capital allowances	Other	Total
	£m	£m	£m	£m	£m	£m
At 1 January 2018	5.6	2.1	3.2	0.5	0.1	11.5
Income statement (charge) / credit	(2.4)	-	(1.6)	0.2	0.1	(3.7)
Adjustments in respect of prior year	0.1	(2.0)	-	(0.2)	-	(2.1)
Credit to other comprehensive income	(1.1)	-	-	-	-	(1.1)
Rate change adjustment	0.3	-	0.2	-	-	0.5
At 31 December 2018	2.5	0.1	1.8	0.5	0.2	5.1
Income statement (charge) / credit	-	-	(0.4)	0.3	-	(0.1)
Adjustments in respect of prior period	1.4	(0.1)	(1.4)	(0.8)	(0.2)	(1.1)
Credit to other comprehensive income	0.9	-	-	-	-	0.9
At 31 December 2019	4.8	-	-	-	-	4.8

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The company did not recognise deferred tax assets of £13.8m (2018: £11.2m) in respect of losses amounting to £9.5m (2018: £9.0m) that can be carried forward against future taxable income and £4.3m (2018: £2.2m) in relation to defined benefit obligation. There is no expiry date for tax losses carried forward.

### 12 Retirement benefit obligations

The UK Group operates the Brammer Services Limited Retirement Benefit Scheme, which until 28 February 2006, provided benefits on a final salary and defined contribution basis. With effect from 1 March 2006, the defined benefit section of the scheme was closed to future accrual. Existing members of the defined benefit section were offered membership of the defined contribution section of the scheme. The defined benefit scheme is funded by the Group and contributions are paid as determined by the actuary following discussions with the trustees and the company.

The scheme operates under UK trust law and the trust is a separate legal entity from the company. The scheme from 28 April 2017 was governed by a sole independent trustee. The trustee is required by law to act in the best interests of scheme members. The scheme exposes the company to actuarial risks including longevity risk, interest rate risk and market (investment) risk.

During 2018, the Trustee conducted an investment advisor review and, as part of this, made the decision to appoint a fiduciary manager. As part of the transition to the fiduciary portfolio, the Scheme invested in a leveraged liability driven investment portfolio which is made up of underlying investments in UK government bonds, cash and derivatives. The assets within this portfolio are expected to react to changes in interest rates and inflation in a similar way to the Scheme's long-term liabilities. The transition to the fiduciary portfolio (including the Liability Driven Investment ("LDI") portfolio) was completed in early 2018 following the completion of a bulk Retirement Transfer Option. In addition, the Scheme holds a buy-in policy with Pensions Insurance Corporation which matches the interest rate, inflation and longevity risk perfectly for a subset of the Scheme's pensioner membership. A value has been placed on the insurance policy which is equivalent to the liability matched by the policy (approximately £15.6m).

## Notes to the financial statements (continued)

### 12 Retirement benefit obligations (continued)

The latest completed triennial actuarial valuation of the scheme was carried out as at 31 December 2017, using the market-related basis whereby assets are taken into account at their market value, by an independent actuary employed by Barnett Waddingham LLP. The valuation showed that the market value of the scheme's assets (including the value of the buy-in policy) was £117.1m as at 31 December 2017, which represented 80% of the value of the benefits that had accrued to members at that date. Following completion of the triennial actuarial valuation, the company agreed a deficit funding plan with the trustees of the Scheme to make payments of £6.0m per annum in the years to 2019 to 2021 inclusive reducing to £4.0m per annum for the years 2022 to 2024 inclusive. Based on this deficit funding plan, employer contributions for 2019 were £6.0m. The assumptions, which were agreed between the company and trustees, that have the most significant effect on the results of the triennial valuation are those related to the rates of return on investments and the rates of increase in future price inflation and pensions.

The next actuarial valuation of the Scheme is due as at 31 December 2020.

The weighted average duration of the defined benefit obligation at 31 December 2019 is approximately 22 years.

On 26 October 2018, the High Court issued a judgement relating to Guaranteed Minimum Pensions (GMPs) in the "Lloyds case". Although the ruling relates to the Lloyds Banking Group pension schemes, it likely creates a precedent for other UK defined benefit pension schemes. The ruling requires the equalisation of member benefits to address gender inequality in instances where GMP benefits are currently unequal. The Trustees adopted method C2 in order to determine the cost of equalising for GMPs, which was identified in the Lloyds judgement as the "minimum interference" method. Method C2 is based on a cumulative test of pension amounts paid allowing for interest on pension payments and the financial effect on the Scheme's liabilities as at 31 December 2018 were an increase of approximately 1.4% for liabilities in respect of members not covered by the PIC policy, and an increase of 2.0% for liabilities in respect of members covered by the PIC policy. The resulting additional liability of £2.2m has been recognised as a Past Service Cost and has been shown within exceptional costs in the profit and loss account (note 4).

A defined contribution scheme, the "Brammer Services Defined Contribution Pension Scheme", was launched on 1 January 2002 for new UK employees joining the Group and membership of that scheme was offered to existing members of the defined benefit scheme with effect from 1 March 2006, the date at which the defined benefit scheme was closed to future accrual. The charge in the year for this scheme was £1.1m (2018: £1.7m).

### IAS 19 retirement benefits

The valuations used for IAS 19 disclosures have been based on the most recent actuarial valuations updated to take account of the requirements of IAS 19 in order to assess the liabilities of the scheme. Assets are stated at their market value at 31 December 2019.

At 31 December	2019	2018
Inflation rate	2.95%	3.20%
Rate of increase in salaries	n/a	n/a
Rate of increase of pensions in payment	2.80%	2.95%
Rate of increase for deferred pensioners	2.95%	3.20%
Discount rate	2.05%	2.90%
Life expectancy at age 65 for:		
Current pensioners - males	21.6	22.1
Current pensioners - females	23.5	24.1
Future pensioners - males	22.7	23.4
Future pensioners - females	24.9	25.4

## Notes to the financial statements (continued)

### 12 Retirement benefit obligations (continued)

The amounts recognised in the balance sheet in respect of the defined benefit scheme are:

	2019	2018
	£m	£m
Present value of funded obligations	(170.7)	(150.4)
Fair value of plan assets	<u>138.2</u>	<u>122.9</u>
Deficit recognised in the balance sheet	<u>(32.5)</u>	<u>(27.5)</u>

The amounts recognised in the income statement are:

	2019	2018
	£m	£m
Past service costs (included within exceptional costs)	-	2.2
Scheme administration expenses	<u>0.7</u>	<u>0.7</u>
Operating costs	<u>0.7</u>	<u>2.9</u>
Net interest on defined benefit liability	<u>0.7</u>	<u>0.8</u>
Total pension expense	<u>1.4</u>	<u>3.7</u>

The amounts recognised in other comprehensive (expense)/ income are:

	2019	2018
	£m	£m
Actuarial (loss)/gain on retirement benefit obligations	<u>(8.5)</u>	<u>3.7</u>
Total pension (loss) / gain	<u>(8.5)</u>	<u>3.7</u>

The major categories and fair values of scheme assets as the balance sheet date are:

	2018	2018
	£m	£m
Equities	62.8	59.4
Diversified Growth Fund	11.5	-
Liability Driven Investment ("LDI")	29.4	29.0
Insurance policy	18.9	16.2
Cash	<u>15.6</u>	<u>18.3</u>
Total fair value of assets	<u>138.2</u>	<u>122.9</u>

Analysis of the movement in the balance sheet liability:

	2019	2018
	£m	£m
Opening liability	(27.5)	(33.0)
Past service costs (included within exceptional costs)	-	(2.2)
Scheme administrative expenses	(0.7)	(0.7)
Net interest on defined benefit liability	(0.7)	(0.8)
Employer contributions	5.8	3.3
Actuarial (losses) / gains recognised in other comprehensive income	<u>(9.4)</u>	<u>5.9</u>
Closing liability	<u>(32.5)</u>	<u>(27.5)</u>

## Notes to the financial statements (continued)

### 12 Retirement benefit obligations (continued)

Reconciliation of defined benefit obligation:

	2019 £m	2018 £m
Opening defined benefit obligation	(150.4)	(166.9)
Past service costs - plan amendments (included within exceptional costs)	-	(2.2)
Interest expense	(4.3)	(4.3)
Actuarial gains arising from changes in demographic assumptions	2.9	1.0
Actuarial (losses) / gains arising from changes in financial assumptions	(24.3)	5.9
Experience (losses) / gains	(0.2)	4.7
Actual benefit payments	5.6	11.4
Closing defined benefit obligation	(170.7)	(150.4)

Reconciliation of fair value plan assets:

	2019 £m	2018 £m
Opening fair value of plan assets	122.9	133.9
Scheme administration expenses	(0.7)	(0.7)
Interest income	3.6	3.5
Return on assets excluding interest income	12.2	(5.7)
Employer contributions	5.8	3.3
Actual benefit payments	(5.6)	(11.4)
Closing fair value of plan assets	138.2	122.9

At the last valuation date, the present value of the UK defined benefit obligation was comprised of no active members, 1,254 deferred members and 424 relating to members in retirement.

#### Sensitivities

The sensitivities regarding the principal assumptions used to measure the UK scheme defined benefit obligation are as follows:

Assumption	Change in assumption	Impact on scheme deficit £m
Discount rate	Increase by 0.25%	(8.4)
Discount rate	Decrease by 0.25%	8.4
RPI inflation and related assumptions	Increase by 0.25%	5.6
RPI inflation and related assumptions	Decrease by 0.25%	(5.6)
Mortality	1 year increase in life expectancy	7.3

The sensitivity analysis above is based on reasonably possible changes in the respective assumptions occurring at the balance sheet rate, while holding all other assumptions constant. There has been no change in the methodology in preparing the pensions valuation report.

### 13 Called up share capital

	2019 Number	2019 £m	2018 Number	2018 £m
Ordinary shares of 20p each				
Allotted and fully paid				
At 31 December	134,430,360	26.9	134,430,360	26.9

The Company has no limit on authorised share capital.



## Notes to the financial statements (continued)

### 14 Contingent liabilities

The company's principal subsidiaries are party to a bank guarantee whereby they agree to discharge on demand, in part or in total, bank borrowings under a specific facility of other companies within the Rubix Group Holdings Limited group.

### 15 Related party transactions

The company is exempt under the terms of IAS 24 from disclosing related party transactions with entities that are part of the same group as these transactions are fully eliminated on consolidation.

### 16 Subsequent event note

During 2020 the Rubix group continued to review those subsidiary entities that are no longer trading or dormant with a view to dissolving or liquidating those companies that are no longer required. Those entities that have been put into member's voluntary liquidation or dissolved since 31 December 2019 are noted in the list of subsidiaries on pages 25 to 29.

### 17 Ultimate parent undertaking

At 31 December 2019, the immediate parent company is Rubix Group Midco 3 Limited.

The smallest and largest group to consolidate these financial statements is Rubix Group Holdings Limited. Copies of the Rubix Group Holdings financial statements can be obtained at Dakota House, Concord Business Park, Manchester, England, M22 0RR.

The ultimate parent company is Al Robin (Cayman) Limited.

The ultimate controlling party is Advent GPE VIII Funds.

## Subsidiary companies

The subsidiary companies included within the financial statements are disclosed below. Except where otherwise stated the percentage owned is 100%.

Active and held directly	Country of incorporation or registration	Registered address
RUBIX GROUP MIDCO 4 LIMITED	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
RUBIX NETHERLANDS HOLDINGS B.V. (Incorporated on 22 March 2019)	NETHERLANDS (NL)	Science Park Eindhoven 5047, 5692 EB SON EN BREUGEL, NETHERLANDS
K.N.S. AANDRIJFTECHNIEK B.V.	NETHERLANDS (NL)	Pieter Goedkoopweg 2 / 2031 EL / HAARLEM, Netherlands
C. Plüss + Co. AG	SWITZERLAND (SWI)	Oberdorfstrasse 64, 8600 Dübendorf, Switzerland
BRAMMER CONSULTING SERVICES LLC	SAUDI ARABIA (SAR)	Palm Centre, Office Number 2-19, Jubail Industrial City - Fanateer, Jubail, Eastern Province, Kingdom of Saudi Arabia
RUBIX APPLICATION CENTRE Sp z oo	POLAND (POL)	ul. NADWISLANSKA 1, lok. 10, 30-527, KRAKÓW, Poland
BRAMMER CZECH a.s.	CZECH REPUBLIC (CZ)	K Bilemu vrchu 2912/3, 193 00 Praha 9 - Horní Počernice, Czech Republic
BRAMMER NV (95%)	BELGIUM (BE)	Luithagen Haven 2A, Antwerpen, B-2030, Belgium
BRAMMER FINANCE LIMITED	JERSEY (JER)	44 Esplanade, St Helier, Jersey, JE4 9WG
R.G.R Limited	IRELAND (IRE)	IDA Poppintree Industrial Estate, Finglas, Dublin 11, Ireland
Brammer Leasing Limited	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
BRAMMER SA	LUXEMBOURG (LU)	1 rue Drosbach, L-3372 Leudelange, Luxembourg
BRAMMER INDUSTRIAL IRELAND LIMITED	IRELAND (IRE)	IDA Poppintree Industrial Estate, Finglas, Dublin 11, Ireland
BRAMMER HOLDING AS	NORWAY (NW)	Nordre Bruraas 18, 5131 Nyborg, Norway

Active and held indirectly	Country of incorporation or registration	Registered address
RUBIX INTERNATIONAL LIMITED	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
BRAMMER VENDING LIMITED	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
BRAMMER ÖSTERREICH INDUSTRIE SERVICE GmbH	AUSTRIA (AUT)	Marktstrasse 5, 2331 Vösendorf, Austria
SCMR ANJAC SARL (90%)	ALGERIA (AL)	Lot n°5 Zone Industrielle de Réghaia, Algeria
AANDRIJVINGEN PDC NV	BELGIUM (BE)	Gentseweg 622, Sint-Eloois-Vijve - 8793 WAREGEM, Belgium
KOMA COMMERCIAL s.r.o.	CZECH REPUBLIC (CZ)	Ruská 514/41, Vitkovice, 703 00 OSTRAVA, Czech Republic
BRAMMER A/S	DENMARK (DEN)	Cedervej 2, 8462 Harlev J, Denmark
BRAMMER HOLDINGS N°3 LIMITED	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
BRAMMER UK LIMITED	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
DRECHSLER INDUSTRIEBEDARF LTD (formerly DRECHSLER KFZ TEILEHANDEL LTD) under liquidation from 25.11.2019	ENGLAND (ENG)	69 Great Hampton Street, Birmingham, West Midlands, B18 6EW, UK
MATRIX TOOLING SERVICES LIMITED	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
RUBIX EUROPE LIMITED	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
BRAMMER OY	FINLAND (FIN)	Juhanilantie 4A, 01740 Vantaa, Finland
ABRASIF PROTECTION EMBALLAGE FRANCE	FRANCE (FR)	9 rue Alfred Kastler, ZI Saoneor, France
AFDC 20 SARL (merged with Orexad 01.07.19)	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
AFDC 21 SARL (merged with Orexad 01.07.19)	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
ALTHOFFER SAS	FRANCE (FR)	Rue des vieux moulins prolongée, ZA de Choisy- 88200 REMIREMONT, France

### Subsidiary companies (continued)

Active and held indirectly	Country of incorporation or registration	Registered address
BEARING EXPRESS SARL	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
BANDES TRANSPORTEUSES MARIE ANTOINE - B.T.M.A. SAS	FRANCE (FR)	Zone Artisanale de Pén Mane - 56520 GUIDEL, France
BRAMMER FRANCE (ex AFDC 23) SAS	FRANCE (FR)	5 rue Pauling Techniparc, 91240 Saint Michel sur Orge, France
CENTRE ROULEMENT DAUPHINE (CRD) SAS	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
CF DIGITAL	FRANCE (FR)	185 avenue des Grésillons - 92230 GENNEVILLIERS, France
CLE DE 13 PRODUCTIQUE SAS	FRANCE (FR)	2 rue Jean Nicot, ZI de Saint-Jean de la Ruelle - 45140 SAINT-JEAN-DE-LA-RUELLE, France
CTR. CARDANS-TRANSMISSIONS-ROULEMENTS SAS	FRANCE (FR)	3 A Tabernotes Sud, Zone Artisanale des Tabernotes - 33370 YVRAC, France
DEFA SAS	FRANCE (FR)	ZI du Val d'Argent 11 rue Guy Moquet - 95100 ARGENTEUIL, France
DELOGE NEGOCE TECHNIQUE SAS (merged with Orexad 30.09.19)	FRANCE (FR)	Parc d'Activités de l'Aérodrome Est, 1 rue d'Hurtebise - 59125 TRITH SAINT LEGER, France
FELDMANN SAS	FRANCE (FR)	317 rue des Famards Crt 2 - BP 90209 - 59812 LESQUIN cedex, France
FIC SAS (merged with Orexad 30.09.19)	FRANCE (FR)	2 rue Jean Nicot, ZI de Saint-Jean de la Ruelle - 45140 SAINT-JEAN-DE-LA-RUELLE, France
FICA SAS	FRANCE (FR)	4 rue Jean Moulin ZI Bayon, 42150 La Ricamarie, France
FOURNITURES INDUSTRIELLES REUNIONNAISES (SAFIR) SARL	FRANCE (FR)	Usine de Savannah rue Jules Thirel - 97460 SAINT PAUL DE LA REUNION, France
LEGOUEIX	FRANCE (FR)	185 avenue des Grésillons - 92230 GENNEVILLIERS, France
LEGOUEIX DEVELOPPEMENT	FRANCE (FR)	185 avenue des Grésillons - 92230 GENNEVILLIERS, France
LINEAIRE EXPRESS SARL	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
LEPERCQ SAS	FRANCE (FR)	21 rue Lavoisier - 69680 CHASSIEU, France
LYPSIS SAS	FRANCE (FR)	11 rue de la Prairie - 01100 GROISSIAT, France
M.C. CARPE DIEM	FRANCE (FR)	142 route départementale 502 - 69560 SAINT-ROMAIN-EN-GAL, France
MTC MECANORD SAS	FRANCE (FR)	65 rue Jean Jaurès - 59510 HEM, France
NICOLAS BOBINAGE SAS	FRANCE (FR)	Zone d'Activités de la Villeneuve Braouic, 3 avenue Arthur Krebs - 29300 QUIMPERLE, France
N4 ONLINE SARL (Merged with Orexad 01.07.19)	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
ORADIS SAS	FRANCE (FR)	31 rue de la Baume - 75008 PARIS, France
OREFI PARTICIPATION SAS (merged with Rubix FR Group on 30.11.2019)	FRANCE (FR)	31 rue de la Baume - 75008 PARIS, France
OREXAD SAS	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
OREXAD DEVELOPPEMENT SARL	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
OUTIMECA SAS (Merged with Orexad 31.08.19)	FRANCE (FR)	9 rue de la Chambrouillère - 53960 Bonnchamp-Les-Laval, France
OUTILACIER SAS	FRANCE (FR)	3 rue Sigmund Freud - 69120 VAUX-EN-VELIN, France
PROMAFOR SAS (sold 11.06.2019)	FRANCE (FR)	La Bocquette Quai du Rhône - 01700 MIRIBEL, France
RCDE-France (Réseau Central Distribution Entreprises) SAS	FRANCE (FR)	331 chemin des Agriés - 31860 LABARTHE-SUR-LEZE, France
RECI REALISATIONS ETUDES CONCEPTIONS INFORMATIQUES SNC (merged with Rubix France 31.07.19)	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
RS SOUDAGE SAS (merged with Orexad on 30.09.19)	FRANCE (FR)	19 avenue des cerisiers ZI du Bois Vert - 31120 PORTET SUR GARONNE, France
RUBIX DEVELOPPEMENT SARL	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
RUBIX ENGINEERING (formerly IPH Brands) SAS	FRANCE (FR)	31 rue de la Baume - 75008 PARIS, France
RUBIX FORMATION (formerly IPH Formation) SAS	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
RUBIX FRANCE SAS	FRANCE (FR)	31 rue de la Baume 75008 PARIS, France
RUBIX FR GROUP SAS	FRANCE (FR)	31 rue de la Baume - 75008 PARIS, France

## Subsidiary companies (continued)

Active and held indirectly	Country of incorporation or registration	Registered address
RUBIX FR HOLDING SAS	FRANCE (FR)	5 rue Pauling Techniparc, 91240 Saint Michel sur Orge, France
RUBIX FRANCE INDUSTRIAL SAS	FRANCE (FR)	31 rue de la Baume - 75008 PARIS, France
SCI DES VIEUX MOULINS (Societe Civile)	FRANCE (FR)	Rue des vieux moulins prolongée - 88200 REMIREMONT, France
SOCIETE GENERALE MECANIQUE APPLIQUEE SOGEMA SAS	FRANCE (FR)	Rue de la Papinerie, ZI ROUBAIX est - 59390 LYS-LES-LANNOY, France
SOCIETE NT TRANSMISSIONS SAS	FRANCE (FR)	ZI place Gutenberg - 59175 TEMPLEMARS, France
SOGEMA SERVICES SAS	FRANCE (FR)	Rue de la Papinerie, ZI ROUBAIX est - 59390 LYS-LES-LANNOY, France
SOVEMA SAS (sold 11.06.2019)	FRANCE (FR)	61 avenue Tony Garnier - 69007 LYON, France
STC SAS	FRANCE (FR)	1 rue du Mans - 49300 CHOLET, France
SCI FILESTRE (Societe Civile)	FRANCE (FR)	3 rue de La Haye, 67300 Schiltigheim, France
TOP FI SARL	FRANCE (FR)	ZAC de la Garenne, Avenue Georges Saint Sauveur - 18120 MEREAU, France
DELTA P SAS	FRANCE (FR)	71 rue de la Cimaie - 59650 VILLENEUVE D'ASCQ, France
H.P.E SAS	FRANCE (FR)	6 rue des Frères Lumière - 21300 CHENOVE, France
J. LE CORVAISIER SAS	FRANCE (FR)	4 allée des Tilleuls, Zone Industrielle Ouest - 54180 HEILLECOURT, France
AKN WALZLAGER GmbH	GERMANY (GER)	Max-Hellermann-Str. 11, 07629 Hermsdorf, Germany
BRAMMER GmbH (merged with Rubix GmbH 31.07.2019)	GERMANY (GER)	Ohiostraße 11, 76149 Karlsruhe, Germany
KISTENPFENNIG AG (merged with Rubix GmbH 31.07.2019)	GERMANY (GER)	Hauptstrasse 17-19, 55120 MAINZ, Germany
KUKI-LOG GmbH	GERMANY (GER)	Hauptstraße 17-19 (Gebäude 6346), 55120 MAINZ, Germany
MARTIN DEPNER TECHNISCHER GROBHADEL GmbH	GERMANY (GER)	Dasselsbrucher Str. 50, 29227 Celle, Germany
RUBIX HOLDING DEUTSCHLAND GmbH	GERMANY (GER)	Scheiblerstraße 3, 94447 Plattling, Germany
S@FE AG	GERMANY (GER)	Wöhlerstraße 2-6, 55120 MAINZ, Germany
DRECHSLER KFZ TEILEHADEL GmbH	GERMANY (GER)	Scheiblerstraße 3, 94447 Plattling, Germany
ZITEC FERTIGUNGSTECHNIK GmbH	GERMANY (GER)	Scheiblerstraße 3, 94447 Plattling, Germany
Rubix GmbH	GERMANY (GER)	Scheiblerstraße 3, 94447 Plattling, Germany
ZITEC INSTANDALTUNGSSERVICE GmbH	GERMANY (GER)	Scheiblerstraße 3, 94447 Plattling, Germany
LERBS GmbH	GERMANY (GER)	Handelshof 32, 28816 Stuhr, Stuhr-Seckenhausen, Germany
B.W.L. Handels GmbH - LERBS GmbH	GERMANY (GER)	Handelshof 32, 28816 Stuhr, Germany
Gassmann Industriebedarf GmbH	GERMANY (GER)	Handelshof 32, 28816 Stuhr, Germany
hw Hortmann+Wolf GmbH	GERMANY (GER)	Handelshof 32, 28816 Stuhr, Stuhr-Seckenhausen, Germany
Schäfer Technik GmbH	GERMANY (GER)	Messerschmittstraße 17, 89231 Neu-Ulm, Germany
BRAMMER MAGYARORSZAG KFT	HUNGARY (HUN)	Tópark utca 9. 2045 Törökbálint, Hungary
BRAMMER ISLAND EHF	ICELAND (ICE)	Hlidarsmari 12, 200 Kopavogur, Iceland
MINETTI S.p.A	ITALY (IT)	Via delle Canovine.14, CAP 24126 BERGAMO (BG), Italy
CBR S.p.A	ITALY (IT)	via A. Einstein n.3, 52100 AREZZO, Italy
EUROMECC S.r.l	ITALY (IT)	via Zaffari n.5, 53100 Siena, Italy
TEKNINOX S.r.l	ITALY (IT)	via Zaffari n.5, 53100 Siena, Italy
Fluidmec S.p.A	ITALY (IT)	Brescia, Via Gussalli no. 4, Italy
EGA Tecnic S.r.l	ITALY (IT)	Trento, via Don Lorenzo Guetti, n. 44 ; postal code 38121, Italy
D.C.F Forniture Industriali S.r.l	ITALY (IT)	Milano, Viale Regina Margherita n. 43, postal code 20122, Italy
KISTENPFENNIG S.à.r.l.	LUXEMBOURG (LU)	50A rue des Bruyères, 1274 HOWALD, Luxembourg

### Subsidiary companies (continued)

Active and held indirectly	Country of incorporation or registration	Registered address
BRAMMER NEDERLAND B.V. (merged with BT BRAMMER BV 16.12.2019)	NETHERLANDS (NL)	Pieter Goedkoopweg 2 / 2031 EL / HAARLEM, Netherlands
BT BRAMMER BV	NETHERLANDS (NL)	Science Park Eindhoven 5047, 5692 EB SON EN BREUGEL, Netherlands
KOBO NEDERLAND BV	NETHERLANDS (NL)	Rigaweg 24, 9723 TH GRONINGEN, Netherlands
MOTION CONTROL AUTOMATION BV	NETHERLANDS (NL)	Markenweg 5, 7051 HS VARSSEVELD, Netherlands
NOTEN B.V.	NETHERLANDS (NL)	Blauwwater 17, 5951 DB Belfed, Netherlands
OREFI INTERNATIONAL BV	NETHERLANDS (NL)	Science Park Eindhoven 5047, 5692 EB SON EN BREUGEL, Netherlands
PETERS ELEKTROMOTOREN BV	NETHERLANDS (NL)	Science Park Eindhoven 5047, 5692 EB SON EN BREUGEL, Netherlands
ROTRANS BELTING BV	NETHERLANDS (NL)	Houttuinen-Zuid 19, 7325 RJ APELDOOM, Netherlands
SAFE & SURE NEDERLAND BV	NETHERLANDS (NL)	Ecustraet 7, 4879 NP - ETTEN LEUR, Netherlands
SMEZO HANDELSONDERNEMING BV	NETHERLANDS (NL)	Wijngaardsweg 36, 6412 PJ HEERLEN, Netherlands
STAMHUIS LINEAIRTECHNIEK BV	NETHERLANDS (NL)	Weteringstraat 9, 7391 TX TWELLO, Netherlands
TOOLING CENTER BENELUX BV	NETHERLANDS (NL)	Science Park Eindhoven 5047, 5692 EB SON EN BREUGEL, NETHERLANDS
EFC Industrial Filtration B.V	NETHERLANDS (NL)	Alkmaar, the Netherlands
Energy Management Systems B.V.	NETHERLANDS (NL)	Alkmaar, the Netherlands
Clear World Filters B.V.	NETHERLANDS (NL)	Moerdijk, the Netherlands
BRAMMER AS	NORWAY (NW)	Nordre Bruraas 18, 5131 Nyborg, Norway
ROBOD SA	POLAND (POL)	223/225 Trakt sw. Wojciecha, 80-017 GDANSK, Poland
BRAMMER S.A.	POLAND (POL)	ul. Handlowa 2a, 36-100 Kolbuszowa, Poland
KMF Sp. z o.o.	POLAND (POL)	ul. Handlowa 3, 36-100 Kolbuszowa, Poland
LYPSIS LDA	PORTUGAL (POR)	Estrada de Leiria, N°. 227 - MARINHA GRANDE, Portugal
BRAMMER ROMANIA SRL	ROMANIA (ROM)	400641 str. B-dul Muncii nr 257, Cluj Napoca, Romania
KISTENPFENNIG Srl	ROMANIA (ROM)	Parcul Industrial Dibo, Str. Piatra Craiului, Hala 4 Compartiment 2-4, 107086 NEGOIESTI, Romania
NOVO TECH SA	ROMANIA (ROM)	21 Livertatii Street - 407035 - APAHIDA (CLUJ County), Romania
NOVO TRADE SRL	ROMANIA (ROM)	21 Livertatii Street - 407035 - APAHIDA (CLUJ County), Romania
INDIS PARTENER SRL	ROMANIA (ROM)	Municipiul Cluj-Napoca, Bulevardul MUNCII, Nr. 257, Judet Cluj, Romania
PETER CAMPBELL (SALES) LIMITED	SCOTLAND (SCO)	Abercorn House, 79 Renfrew Road, Paisley, PA3 4DA, Scotland
BRAMMER SLOVAKIA S.R.O.	SLOVAKIA (SLO)	Bánovská cesta 13, 010 01 Žilina, Slovakia
BRAMMER IBERIA S.A	SPAIN (SP)	Poligono Industrial Ertetxe, Plataforma D-152 Pabellón 1Galdácano 48960, Spain
BUENAVENTURA GINER S.A.	SPAIN (SP)	Avenida can Sucarrats, numero 101, Poligono Industrial Cova Solera - 08191 Rubi (Barcelona), Spain
JULSA, S.A.U.	SPAIN (SP)	Calle Alcalde Pedro Escarbassiere, numeros 5-7, Poligono Industrial Vicalvaro, MADRID (28052), Spain
MRO INTERGRACION, S.L.U	SPAIN (SP)	Quel (La Rioja) Spain, Polígono Moreta, Sector 1, calle Sevilla s/n, Spain
SUMINISTROS INDUSTRIALES SYRESA, S.L.	SPAIN (SP)	c/ Pirita, 61, 47012 VALLADOLID, Spain

### Subsidiary companies (continued)

Active and held indirectly	Country of incorporation or registration	Registered address
CAÑELLAS PROTECCIÓ, S.L.U.	SPAIN (SP)	Poligono Industrial Riells Sur-este, Nave 29, C.P. 17404 Riells I Viabrea, Girona, Spain
DESARROLLOS HIDRÁULICOS SF, S.L.	SPAIN (SP)	Calle Laminadora (Polígono Industrial la Negrilla), Nave 15, CP 41016, Seville, Spain
STOP FLUID, S.L.	SPAIN (SP)	Calle Laminadora (Polígono Industrial la Negrilla), Nave 15, CP 41016, Seville, Spain
BRAMMER SWEDEN AB	SWEDEN (SW)	Kastellgatan 5, S-254-66 Helsingborg, Sweden
BRAMMER SWITZERLAND SA	SWITZERLAND (SWI)	Rue St-Pierre 18, c/o Progressia Société Fiduciaire et de Gestion SA, 1700 Fribourg, Switzerland
MONTALPINA AG	SWITZERLAND (SWI)	Kreuzstrasse 51, 6010 KRIENS, Switzerland
Castlerail Limited	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
Mecro Limited	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR
HYDRA ENGINEERING LIMITED	ENGLAND (ENG)	Dakota House, Concord Business Park, Manchester, M22 0RR