

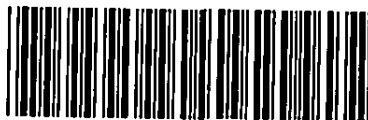
# IKO Holdings Plc

Registered number 2446447

## Directors' report and financial statements

For the year ended 31 December 2009

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COMPANIES HOUSE

# IKO HOLDINGS PLC

## COMPANY INFORMATION

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**Directors**

S Koschitzky  
HM Koschitzky  
DP Maginnis  
R Turner  
BJ MacLeod  
F Hautman (appointed 9 March 2009)  
J Koschitzky (appointed 9 March 2009)  
M Vaughan (appointed 9 March 2009)

**Company secretary**

TCSS Limited

**Company number**

2446447

**Registered office**

Appley Lane North  
Appley Bridge  
Wigan  
Lancashire  
WN6 9AB

**Auditor**

Mazars LLP  
Chartered Accountants & Registered Auditors  
Tower Building  
Water Street  
Liverpool  
L3 1PQ

# **IKO HOLDINGS PLC**

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# **IKO HOLDINGS PLC**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

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The directors present their report and the financial statements for the year ended 31 December 2009

### **Principal activities**

The company is the intermediate holding company of an integrated group of companies engaged principally in the manufacture, distribution and installation of waterproofing systems and protective coatings

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,890,000 (2008 - loss £763,000)

The directors do not recommend the payment of a dividend (2008 £nil)

### **Directors**

The directors who served during the year were

S Koschitzky  
HM Koschitzky  
DP Maginnis  
R Turner  
BJ MacLeod  
F Hautman (appointed 9 March 2009)  
J Koschitzky (appointed 9 March 2009)  
M Vaughan (appointed 9 March 2009)

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# IKO HOLDINGS PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

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### Political and charitable contributions

The company made no political contributions or donations to UK charities during the year (2008 £nil)

### Provision of information to auditor

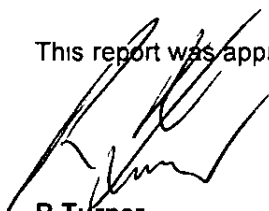
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

### Auditor

With effect from 1 October 2009, Chadwick LLP merged its business with that of Mazars LLP, following which Chadwick LLP resigned as auditor to the company. The directors appointed Mazars LLP to fill the casual vacancy caused by their resignation and, in accordance with section 485 of the Companies Act 2006, a resolution to reappoint Mazars LLP will be put to the members.

This report was approved by the board and signed on its behalf



**R Turner**  
Director

Date 5 May 2010

Appley Lane North  
Appley Bridge  
Wigan  
Lancashire  
WN6 9AB

## **IKO HOLDINGS PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IKO HOLDINGS PLC**

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We have audited the financial statements of IKO Holdings Plc for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## IKO HOLDINGS PLC

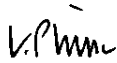
### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IKO HOLDINGS PLC

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#### Matters on which we are required to report by exception

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

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



Kevin Simmons (Senior Statutory Auditor)

for and on behalf of  
**Mazars LLP**

Chartered Accountants  
Registered Auditors

Tower Building  
Water Street  
Liverpool  
L3 1PQ

7 May 2010

# IKO HOLDINGS PLC

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

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	Note	2009 £000	2008 £000
Administrative expenses		525	(2,235)
<b>Operating profit/(loss)</b>	<b>2</b>	525	(2,235)
Income from investments in group companies		1,472	786
Interest receivable	<b>3</b>	24	73
Interest payable	<b>4</b>	(21)	(6)
<b>Profit/(loss) on ordinary activities before taxation</b>		2,000	(1,382)
Tax on profit/(loss) on ordinary activities	<b>7</b>	(110)	619
<b>Profit/(loss) for the financial year</b>	<b>16</b>	1,890	(763)

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All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

The notes on pages 7 to 15 form part of these financial statements



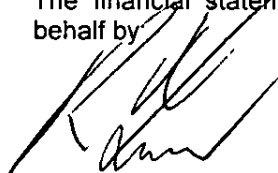
**IKO HOLDINGS PLC**

Registered number 2446447

**BALANCE SHEET****AS AT 31 DECEMBER 2009**

	Note	£000	2009 £000	£000	2008 £000
<b>Fixed assets</b>					
Tangible fixed assets	8		-		-
Fixed asset investments	9		30,460		30,460
			<u>30,460</u>		<u>30,460</u>
<b>Current assets</b>					
Debtors amounts falling due after more than one year	10	22,880		21,109	
Debtors amounts falling due within one year	10	317		856	
		<u>23,197</u>		<u>21,965</u>	
<b>Creditors</b> amounts falling due within one year	11	(77)		(177)	
<b>Net current assets</b>			<u>23,120</u>		<u>21,788</u>
<b>Total assets less current liabilities</b>			<u>53,580</u>		<u>52,248</u>
<b>Creditors</b> amounts falling due after more than one year	12		(16,724)		(17,282)
<b>Provisions for liabilities</b>					
Other provisions	14		(18)		(18)
<b>Net assets</b>			<u>36,838</u>		<u>34,948</u>
<b>Capital and reserves</b>					
Called up share capital	15		2,412		2,412
Share premium account	16		32,214		32,214
Profit and loss account	16		2,212		322
<b>Shareholders' funds</b>	17		<u>36,838</u>		<u>34,948</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



**R Turner**  
Director

Date 5 May 2010

The notes on pages 7 to 15 form part of these financial statements

# **IKO HOLDINGS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

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### **1 Accounting Policies**

#### **1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

#### **1.2 Basis of preparation**

The company is exempt by virtue of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

#### **1.3 Related party transactions**

As the Company is a wholly owned subsidiary of IKO UK Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of IKO UK Limited, within which this company is included, can be obtained from the address given in note 21.

#### **1.4 Cash flow statement**

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that IKO UK Limited, the company's parent undertaking, includes the company's cash flows in its own published consolidated cash flow statement.

#### **1.5 Depreciation**

Depreciation is provided to write off the cost of tangible assets, less their estimated residual values, by annual installments over their estimated useful economic lives as follows,

Plant, machinery and vehicles - 3 to 15 years straight line

#### **1.6 Foreign currencies**

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange ruling at the balance sheet date. Exchange differences are reflected in the results for the year.

#### **1.7 Leased assets**

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future installments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future installments.

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

# IKO HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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### 1. Accounting Policies (continued)

#### 1.8 Deferred taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

#### 1.9 Pensions

The recognition and measurement requirements of FRS 17 'Retirement benefits' have been adopted, previously the transitional disclosures of that standard have been followed

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as permitted by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### 1.10 Provisions

Provisions are only set up where it is probable that a present obligation exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably.

### 2 Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting)

	2009 £000	2008 £000
Auditors' remuneration	16	35
Foreign exchange (gains)/losses	(627)	2,280
	<hr/>	<hr/>

### 3. Interest receivable

	2009 £000	2008 £000
Interest receivable from group companies	13	73
Other interest receivable	11	-
	<hr/>	<hr/>
	24	73
	<hr/>	<hr/>

# IKO HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 4. Interest payable

	2009 £000	2008 £000
On loans from group undertakings	-	6
Other interest payable	21	-
	<u>21</u>	<u>6</u>

### 5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2009 £000	2008 £000
Wages and salaries	-	179
Social security costs	-	31
Other pension costs (see note 19)	-	(218)
	<u>-</u>	<u>(8)</u>

The average monthly number of employees, including the directors, during the year was as follows

	2009 No.	2008 No.
Administration	<u>0</u>	<u>2</u>

### 6. Directors' remuneration

	2009 £000	2008 £000
Emoluments	<u>-</u>	<u>147</u>
Pensions	<u>-</u>	<u>64</u>

During the year retirement benefits were accruing to no directors (2008 - 1) in respect of money purchase pension schemes

The aggregate of emoluments of the highest paid director were £Nil (2008 - £147,000) and company pension contributions of £Nil (2008 - £64,000) were made during the year

# IKO HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 7. Taxation

	2009 £000	2008 £000
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge/(credit) on profit/loss for the year	-	(618)
Adjustments in respect of prior periods	192	-
<b>Total current tax</b>	192	(618)
<b>Deferred tax</b>		
Charged/(credited) in the year	148	(1)
Adjustment in respect of previous years	(230)	-
<b>Total deferred tax</b> (see note 13)	(82)	(1)
<b>Tax on profit/loss on ordinary activities</b>	110	(619)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2008 - lower than) the standard rate of corporation tax in the UK (28%) The differences are explained below

	2009 £000	2008 £000
Profit/loss on ordinary activities before tax	2,000	(1,382)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 28.5%)	560	(394)
<b>Effects of.</b>		
Dividends receivable not taxable	(412)	(224)
Other timing differences	(13)	-
Utilisation of tax losses	(135)	-
Adjustments to tax charge in respect of prior periods	192	-
<b>Current tax charge/(credit) for the year</b> (see note above)	192	(618)

# IKO HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 8. Tangible fixed assets

	Plant, machinery & vehicles £000
<b>Cost</b>	
At 1 January 2009	9
Disposals	(9)
	<hr/>
At 31 December 2009	-
	<hr/>
<b>Depreciation</b>	
At 1 January 2009	9
On disposals	(9)
	<hr/>
At 31 December 2009	-
	<hr/>
<b>Net book value</b>	
At 31 December 2009	-
	<hr/> <hr/>
At 31 December 2008	-
	<hr/> <hr/>

### 9. Fixed asset investments

	Shares in subsidiary undertakings £000	Loans to subsidiary undertakings £000	Total £000
<b>Cost</b>			
At 1 January 2009 and 31 December 2009	10,366	20,519	30,885
	<hr/>	<hr/>	<hr/>
<b>Provision</b>			
At 1 January 2009 and 31 December 2009	425	-	425
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2009	9,941	20,519	30,460
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2008	9,941	20,519	30,460
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# IKO HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 9. Fixed asset investments (continued)

#### Subsidiary undertakings

The following are the principal subsidiary undertakings of the company

Name	Country of incorporation	Holding
Hyflex Roofing Limited	Great Britain	100%
IKO Plc	Great Britain	100%
Hyload Limited	Great Britain	100%
William Briggs & Sons Limited*	Great Britain	70%
Briggs Roofing and Cladding Limited *	Great Britain	70%
Maurice Hill Limited*	Great Britain	70%
Ruberoid International Limited	Great Britain	100%
The Specialist Waterproofing Group Limited	Great Britain	25%

\* This represents an effective share holding in this subsidiary which is, in part, held via the company's interest in The Specialist Waterproofing Group Limited

#### Principal activities

Hyflex Roofing Limited, IKO Plc, and Hyload Limited are manufacturers of waterproofing products. The principal activity of William Briggs & Sons Limited, Briggs Roofing and Cladding Limited, and Maurice Hill Limited is roofing and cladding. Ruberoid International Limited and The Specialist Waterproofing Group Limited are holding companies.

### 10. Debtors

	2009 £000	2008 £000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	22,792	21,103
Deferred tax asset (see note 13)	88	6
	<u>22,880</u>	<u>21,109</u>

	2009 £000	2008 £000
<b>Due within one year</b>		
Other debtors	2	67
Corporation tax recoverable	315	789
	<u>317</u>	<u>856</u>

### 11. Creditors.

#### Amounts falling due within one year

	2009 £000	2008 £000
Accruals and deferred income	<u>77</u>	<u>177</u>

# IKO HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 12. Creditors: Amounts falling due after more than one year

	2009 £000	2008 £000
Amounts owed to group undertakings	16,724	17,282

### 13. Deferred tax asset

	2009 £000	2008 £000
At beginning of year	6	5
Credit/(charge) for the year	82	1
At end of year	88	6

The deferred tax asset is made up as follows

	2009 £000	2008 £000
Other timing differences	6	6
Tax losses carried forward	82	-
	88	6

### 14. Provisions

	Provisions £000
At 1 January 2009 and 31 December 2009	18

#### Provisions

Other provisions largely relate to potential customer claims

### 15. Share capital

	2009 £000	2008 £000
<b>Allotted, called up and fully paid</b>		
48,235,448 Ordinary shares of 5p each	2,412	2,412



# IKO HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 16. Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2009	32,214	322
Profit for the year	-	1,890
At 31 December 2009	<u>32,214</u>	<u>2,212</u>

### 17 Reconciliation of movement in shareholders' funds

	2009 £000	2008 £000
Opening shareholders' funds	34,948	35,711
Profit/(loss) for the year	<u>1,890</u>	<u>(763)</u>
Closing shareholders' funds	<u>36,838</u>	<u>34,948</u>

### 18. Contingent liabilities

The company has guaranteed bank overdrafts in respect of subsidiary undertakings. At 31 December 2009 these guarantees amounted to £nil (2008 £nil). In addition the company has guaranteed performance bonds entered into by subsidiary undertakings in the normal course of business.

### 19. Pension commitments

The company participates in the Ruberoid Plc Staff Pension Scheme. This is a defined benefit scheme which was closed to new members in April 2003.

As the Ruberoid Plc Staff Pension Scheme is run for the IKO Holdings (formerly Ruberoid) group as a whole, the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis. Hence, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for in these financial statements by the company as if the scheme was a defined contribution scheme.

At 31 December 2009 the scheme has a deficit on an FRS 17 basis of £14,847,000 (2008 £9,125,000). Full disclosure is contained within the financial statements of the company's intermediate parent company, IKO UK Limited.

During the year the company contributed £Nil (2008 £64,000) to the Ruberoid Plc Staff Pension Scheme.

Contributions outstanding at 31 December 2009 were £nil (2008 £45,000).

# **IKO HOLDINGS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

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### **20. Related party transactions**

The company has taken advantage of the exemption under FRS 8 not to provide information on related party transactions with other undertakings within the IKO UK Limited group

The company has a non-interest bearing loan due to IKO Sales Limited of €12,015,000 (2008 €12,015,000)

The company also has a \$2,500,000 (2008 \$2,500,000) loan due from IKO Sales Limited as at 31 December 2009. No interest is outstanding on this loan at the year end

### **21. Ultimate parent company**

The company's ultimate parent company is IKO Enterprises Limited, a company incorporated in Canada, and its immediate parent company is IKO UK Limited, a company incorporated in Great Britain and registered in England

The company's financial statements have been consolidated in the financial statements of IKO UK Limited. Copies of these financial statements may be obtained from the company secretary at the following address

Appley Lane North  
Appley Bridge  
Wigan  
Lancashire  
WN6 9AB