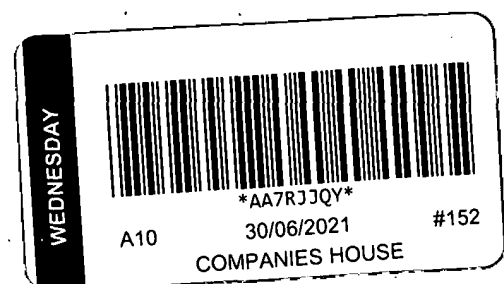


Company Registration No. 02446447

IKO HOLDINGS PLC

Annual Report and Financial Statements

For the year ended 31 December 2020



IKO HOLDINGS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

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IKO HOLDINGS PLC

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S Koschitzky
H M Koschitzky
D P Maginnis
F Hautman
J Koschitzky
A Carlyle

SECRETARY

TCSS Limited

REGISTERED OFFICE

Appley Lane North
Appley Bridge
Wigan
Lancashire
WN6 9AB

AUDITOR

Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

BANK

BNP Paribas
10 Harewood Avenue
London
NW1 6AA

IKO HOLDINGS PLC

STRATEGIC REPORT

Introduction

The directors present their strategic report for the year ended 31 December 2020.

Business review

The company is the intermediate holding company of an integrated group of companies engaged principally in the manufacture, distribution and installation of waterproofing and protective coatings located in the UK and Europe. The company made a profit for the year in relation to the investment income received from its subsidiaries, which is in line with the directors' expectations and considered satisfactory. Results are expected to remain consistent in future years once the impact of Covid-19 has passed in its trading subsidiaries.

Principal risks and uncertainties

Since the company does not trade, the director perceives the main risk facing this business to be a significant downturn in trading of IKO PLC, the company's direct trading subsidiary and other subsidiaries. The risk is managed through regular oversight by the directors to ensure that the results of the IKO PLC and other subsidiaries are monitored and any variances to budgets are reviewed and investigated.

IKO PLC is trading profitable and this is forecast to continue despite the adverse impact of Covid-19. Their financial performance supports the carrying value of the company's investment. If required IKO PLC also provides support to this company to meet its liabilities as they fall due.

Details regarding the adoption of the going concern basis of accounting in preparing the financial statements can be found in note 1 to the financial statements.

Financial key performance indicators

The directors consider the company's key performance indicator to be the financial performance of its subsidiary undertakings. The performance of IKO PLC, being the main trading subsidiary is monitored monthly by the directors by way of a comprehensive management report and as the company is, and is expected to continue to be, profitable the director considers the key performance indicator outcome to be satisfactory.

The main key performance indicators of the company itself are distributable reserves which currently total £8,830,000 (2019: £8,683,000) and receipt of dividends from its subsidiaries which for the year ended 31 December 2020 was £581,000 (2019: £492,000). The performance of the company is deemed to be satisfactory.

Section 172

IKO Holdings is part of a larger global group, IKO Group, hereafter referred to as IKO.

IKO globally has six values which have played a vital role in the business history. These values remain essential for the personal and professional development of all our stakeholders and for the continued success and growth of the IKO Group. The values go beyond selling high quality products but more so on elevating customer experiences at every touch point – operating with integrity and honesty and always making decisions based on the long-term interest of our customers, company and employees.

The six values are long term, agility, humility, integrity, knowledge sharing and performance.

The likely consequences of any decision in the long-term

The focus on the global value of 'long term' can be demonstrated in the groups continued capital investment made in its UK subsidiaries. Some of these investments in the subsidiaries include a sizeable warehouse extension at the IKO Polymeric site, new winders at our bituminous facilities and lugger / hot charge tankers at the Grangemill site. This level of investment not only drives employment within local communities but also ensures IKO has the structure in place to drive the business forward for many years to come.

The holding company's subsidiaries also seek to enhance the long term performance of products through continuous improvements and investment in research and development.

IKO HOLDINGS PLC

STRATEGIC REPORT (Continued)

The interests of the company's employees

The IKO groups ethos emphasises a business is only as good as its people. This value is recognised in various ways across all subsidiaries.

Some examples across subsidiaries include:

- Employee appraisals and learning development programmes
- Free annual on-site health checks by external qualified bodies
- Staff away days
- Annual employee engagement surveys to understand what matters to our people, the results of these are benchmarked against industry norms and also against employers listed as top 10. Employee points raised are actioned where appropriate

IKO operates in full accordance with prevailing employment legislation including information and consultation with employees and their representatives on matters affecting their interests. Outside of any necessary formal consultation process, there are regular briefings between the Company and the Works Councils/Trade Union bodies.

It is the Company's practice to give full and fair consideration to applications for employment received from disabled persons, subject to the IKO's requirements and to the qualifications, ability and aptitude of the individual in each case. In the event of staff becoming disabled, every effort is made to ensure their continued employment with IKO and to provide suitable adjustments to the workplace where appropriate.

The safety of our employees is imperative. The Briggs Amasco subsidiary which sits under IKO Holdings is CHAS accredited which is a nationally recognised standard for health and safety. They undertake extensive training with all employees on site, at branch offices and at training centres. This like for like training is also carried out in other trading subsidiaries.

The need to foster the company's business relationships with suppliers, customers and others,

Given IKO PLC is the main trading subsidiary of IKO Holding, it is heavily reliant on the business remaining profitable for the foreseeable in order to continue to trade. Customer relationships are key in order for the above to prosper. IKO PLC rolled out an annual survey in 2019 whereby the results are analysed and a net promoter score is given. Overall customers were 83% satisfied and advised they will continue to use IKO for reasons outside of price. They valued our service, customer experience and added value as paramount to price point on several occasions. Whilst the like for like report was not rolled out in 2020 due to Covid-19, we are confident that our 2020 recovery can be attributed to the strong 2019 customer satisfaction results.

Other key areas include account manager visits, CPD's, contractor training and 'lunch and learn' sessions.

To establish and maintain long term purchasing partnerships subsidiaries have procurement policies. The policies set out to seek the purchase of goods and services from suppliers that enhance positive impact on the environment and society whilst meeting our business requirements. By incorporating social, environmental and ethical considerations into procurement decisions we endeavour to make a positive contribution to the environment and society.

The IKO Holdings subsidiaries supply chain is consolidated where possible with key focus on quality as well as the ability to take advantage of economies of scale.

The impact of the company's operations on the community and the environment,

It is the groups endeavour to ensure its commitment to the protecting the environment by complying with all relevant legislation, compliance obligations and the needs of interested parties in relation to the context of the company, the risks, opportunities and continued improvement in line with the Company's environmental objectives and targets.

An example of this is compliance is demonstrated in trading subsidiaries such as Briggs Amasco and IKO PLC with certifications such as:

- Environmental management that complies with ISO (International Standards Organisation) 14001:2015 (environment management).
- BES6001 – responsible sourcing of construction products
- Gold Member Sustainability School
- ISO 45001- Occupational Health & Safety
- ISO9001- Quality Management

The impact of the company's operations on the community and the environment (continued),

IKO Holdings subsidiaries collaborate with local communities where possible. Some sponsorship initiatives within IKO PLC include sponsorship of 'Shevington in the Bloom' and Shevington Sharks ARFLC with their rugby league kit. Other partnerships include sponsorship to Jordanne Whiley MBE.

Other campaigns supported by IKO PLC include 'fix that hut' (business funded repairs to roofs in local communities), CRASH which assists homeless and hospice charities with construction related projects & Buildforce which enable service leavers and veterans to achieve sustainable employment in the construction industry.

IKO HOLDINGS PLC

STRATEGIC REPORT (Continued)

The Briggs Amasco like for like initiatives include Frimley Park Hospital Garden, Cancer Research cycle rides and charity days in order to raise funds for the Ronald McDonald House (accommodation where parents can stay when their children are extremely ill in hospital).

The desirability of the company maintaining a reputation for high standards of business conduct

The company aims to maintain a reputation for high standards of business conduct. We aim to comply with, and in many cases exceed, the requirements for a company of our size. In particular, we have an increased focus on our impact on the environment, customers, communities, and supply chain, and builds on our aim to act as a good corporate citizen.

The need to act fairly as between members of the Company

IKO Holdings PLC has a single shareholder and a single ultimate controlling party. Their interests are taken into account by the directors to promote fairness in decision making.

Future developments

The company will continue to act as a holding company for the IKO group for the foreseeable future.

The continued uncertainty remains regarding Covid-19 as well as rising input prices and material shortages observed. However given a positive end to 2020 and a healthy start in Q1 2021 providing there are no further disruptions from Covid-19 or the end markets as a result of the pandemic we expect 2021 to remain profitable and in line with budgets set for the year.

With the end of the transitional period on 31st December 2020 which followed the UK's leaving the European Union on the 31st January 2020, there is an ongoing period of uncertainty as we adapt to the new trading conditions. The business will continue to monitor the situation so that we are prepared to react to new opportunities and risks that may present themselves.

Streamlined Energy & Carbon Reporting

The Company is not providing any disclosures as it is able to obtain an exemption due to consuming less than 40,000KWh of energy on a company only basis. In addition, the company is exempt by virtue of the Companies Act 2006 s.400 from the requirement to prepare group financial statements because its results are consolidated into IKO U.K. Limited. The IKO U.K. Limited financial statements for 2020 will include the Streamlined Energy & Carbon Reporting for all for all of IKO Holdings PLC's subsidiaries that meet the requirement. As per FRS 102 3.21.2.1-1B Acc Refs Sch.7.15(1A), the exemption for Streamlined Energy & Carbon Reporting is permitted if the group report into which the subsidiary is consolidated contains the relevant Streamlined Energy & Carbon Reporting disclosures for the relevant subsidiaries (providing that the group accounts are prepared to the same date, or a date before the subsidiary's financial year). There is no requirement for the group annual report to be filed before or at the same time as the individual annual report of the subsidiary.

Approved by the Board of Directors
and signed on behalf of the Board



A Carlyle
Director

30th June 2021

Appley Lane North
Appley Bridge
Wigan
Lancashire
WN6 9AB

IKO HOLDINGS PLC

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, the financial statements and auditor's report for the year ended 31 December 2020. Future developments are included within the Strategic Report on page 2 as permitted by s414C(11) of the Companies Act 2006. Engagement with suppliers, customers and others is discussed in the Strategic Report.

Results and dividends

The profit for the year, after taxation, amounted to £147,000 (2019: £66,000). The directors have not recommended the payment of a dividend (2019: £nil).

Directors

The directors who served during the year and subsequently to the date of this report were:

S Koschitzky
H M Koschitzky
D P Maginnis
F Hautman
J Koschitzky
A Carlyle

S Koschitzky, H M Koschitzky, and J Koschitzky are overseas based directors and are not required to notify their interest in group undertakings incorporated outside Great Britain to the company. They have no beneficial interest in the share capital of the group companies in Great Britain. F Hautman is also an overseas based director and has no beneficial interest in the share capital of group companies in Great Britain. None of the directors had any declarable beneficial interest in the share or loan capital of the company's ultimate parent company, IKO Enterprises UK ULC.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made in prior years and remain in force at the date of this report.

Post balance sheet events

Given the Covid-19 pandemic is now in the third wave and we have the government road map to guide us out this crisis along with the mass vaccination programme we feel as though 2021 will return to healthy levels of business with a continuation on from work delayed in 2020 as a consequence of Covid-19. The directors believe the company remains in a solid position to navigate through post Covid-19 events and continue its long term sustainable growth strategy. As such, no adjustment to the 2020 accounts has been identified.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 period. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Financial risk management objectives and policies

The company's activities potentially expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

Cash flow risk

The company's cash flow risk is relatively low due to low levels of external finance within the business. Loans due from other group companies are held at a fixed rate ensuring consistent cash flow receipts. The results of the subsidiaries are monitored on a regular basis to ensure that payment of interest income and dividends, as required, to ensure that the group remains well funded.

Credit risk

The company's principal financial assets are cash and intercompany receivables; the risk around receivables being mitigated via the controls in place surrounding the lending of inter-group funds.

Liquidity risk

Liquidity risk at the Company is insignificant as its financial liabilities are mainly with other companies within the IKO U.K. Limited Group. The Group is in a strong profitable and net asset position which mitigates the liquidity risk.

Going concern

The financial statements have been prepared on a going concern basis which assumes the company will have sufficient funds to continue to pay its debts as and when they fall due. The company continues to address the impact of Covid-19 on the business. Management are confident that the company is in a good position from both its order secured for future projects and its robust working capital position to ensure the company will continue to operate as a going concern for the foreseeable future. The sales forecasts by the subsidiaries for 2021 would see us negate against any future Covid-19 waves albeit the roadmap and vaccination process looks to prevent a reoccurrence of the 2020 situation of mass site and branch closures. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements.

Information on future developments has been disclosed in the Strategic Report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

In the case of each of the persons who are directors of the company when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in Companies Act 2006) of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor, Deloitte LLP, have expressed their willingness to continue as auditor of the company and deemed to be reappointed under s487 of the Companies Act 2006.

IKO HOLDINGS PLC

DIRECTORS' REPORT (continued)

Approved by the Board of Directors and signed on behalf of the Board



A Carlyle

Director

30th June 2021

Appley Lane North
Appley Bridge
Wigan
Lancashire
WN6 9AB

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IKO HOLDINGS PLC

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of IKO Holdings PLC (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IKO HOLDINGS PLC (continued)

statements themselves. 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 in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Pensions Legislation, Tax Legislation; Health and Safety Data Protection Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IKO HOLDINGS PLC (continued)

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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



Elizabeth Benson BSc ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

30 June 2021

IKO HOLDINGS PLC

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	3	581	492
Gross Profit		581	492
Administrative expenses		(450)	(437)
Operating profit		131	55
Interest receivable and similar income	5	16	10
Profit before tax	6	147	65
Taxation on profit	7	-	1
Profit after tax		147	66

All results were derived from continuing operations.

There were no recognised income or expenses for 2020 or 2019 other than those included in the profit and loss account and accordingly no separate statement of other comprehensive income is presented.

The notes on pages 14 to 26 form part of these financial statements.

IKO HOLDINGS PLC

BALANCE SHEET

As at 31 December 2020

	Note	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible assets	8	15	16
Investments	9	8,603	8,603
		<u>8,618</u>	<u>8,619</u>
CURRENT ASSETS			
Debtors	10	35,601	34,707
Cash at bank and in hand		173	84
		<u>35,774</u>	<u>34,791</u>
Creditors: amounts falling due within one year	11	(936)	(101)
NET CURRENT ASSETS		<u>34,838</u>	<u>34,690</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,456</u>	<u>43,309</u>
NET ASSETS		<u>43,456</u>	<u>43,309</u>
CAPITAL AND RESERVES			
Called up share capital	13	2,412	2,412
Share premium account	14	32,214	32,214
Profit and loss account	14	8,830	8,683
SHAREHOLDERS' FUNDS		<u>43,456</u>	<u>43,309</u>

The notes on pages 13 to 25 form part of these financial statements.

The financial statements of IKO Holdings plc (Registration Number 02446447) were approved and authorised for issue by the Board and were signed on its behalf by:



A. Carlyle

Director

30th June 2021

IKO HOLDINGS PLC

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2020

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2019	2,412	32,214	8,617	43,243
Profit for the year and total comprehensive income for the year	-	-	66	66
At 31 December 2019	2,412	32,214	8,683	43,309
Profit for the year and total comprehensive income for the year	-	-	147	147
At 31 December 2020	2,412	32,214	8,830	43,456

The notes pages 14 to 26 form part of these financial statements.

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is Appley Lane North, Appley Bridge, Wigan, WN6 9AB. The company's principal activity is disclosed in the Strategic Report.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The functional currency of IKO Holdings plc is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied consistently in the current and prior years.

1.2 Consolidated financial statements

The company is exempt by virtue of the Companies Act 2006 s.400 from the requirement to prepare group financial statements because its results are consolidated into IKO U.K. Limited (see note 17). These financial statements present information about the company as an individual undertaking and not about its group.

1.3 Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures with reference to remuneration of key management personnel;
- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 11 and 12 Financial Instruments.

This information is included in the consolidated financial statements of IKO U.K. Limited as at 31 December 2020 and these financial statements may be obtained from the company's registered office (see note 16 for further details).

1.4 Going concern

The financial statements have been prepared on a going concern basis which assumes the company will have sufficient funds to continue to pay its debts as and when they fall due. The company continues to address the impact of Covid-19 on the business. Management are confident that the company is in a good position from both its order secured for future projects and its robust working capital position to ensure the company will continue to operate as a going concern for the foreseeable future. The sales forecasts provided by the subsidiaries for 2021 would see us negate against any future Covid-19 waves albeit the roadmap and vaccination process looks to prevent a reoccurrence of the 2020 situation of mass site and branch closures. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements.

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

1. Accounting policies (continued)

1.5 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit and loss during the period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as noted below.

The estimated useful lives range as follows:

Freehold property - 50 years

Leasehold land and buildings - 50 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the profit and loss account.

1.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

1. Accounting policies (continued)

1.7 Financial instruments (continued)

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in subsidiaries and associates are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 December 2020**

1. Accounting policies (continued)

1.7 Financial instruments (continued)

Impairment of assets (continued)

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans to and from related parties.

Financial assets that are measured at cost and fair value are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.8 Revenue recognition

Interest income is recognised in the profit and loss account using the effective interest method. Dividend income is recognised in turnover when the company's right to receive payment is established.

1.9 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

1. Accounting policies (continued)

1.10 Current and deferred taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

1.11 Pensions

The company participates in a group wide pension scheme providing benefits based on final pensionable pay which is closed to future accrual. 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 102, 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.

2. Critical accounting judgements and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, the actual results and outcomes may differ.

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

Critical judgements in applying the company's accounting policies

The critical judgements which the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impaired assets, the directors consider both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. Where there are indicators of impairment, assets are written down to their recoverable value with any adjustments recognised in the profit and loss account. The Covid-19 pandemic has been considered as a potential indicator of impairment, and no impairment is required.

Key sources of estimation uncertainty in applying the Company's accounting policies

The directors do not consider that the amounts recognised in the financial statements have been significantly affected by any key sources of estimation uncertainty considered in the process of applying the Company's accounting policies.

3. Turnover

	2020 £'000	2019 £'000
Dividends received from fixed asset investments	581	492

4. Employees

The company has no employees other than the directors, who received £nil remuneration (2019: £nil) for their services to the company, being remunerated by other group companies and not recharged.

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

5. Interest receivable and similar income

	2020 £'000	2019 £'000
Interest receivable on other loans	16	10
	<u>16</u>	<u>10</u>

6. Profit before tax

The profit before tax is stated after charging:

	2020 £'000	2019 £'000
Auditor's remuneration for audit services	1	1
Depreciation (note 7)	1	1
Pension contributions (note 15)	401	385
	<u>401</u>	<u>385</u>

Non-audit fees payable to Deloitte LLP were £1,000 (2019: £1,000) in respect of taxation services.

7. Taxation

	2020 £'000	2019 £'000
Corporation tax		
Current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax		
Change in rate of deferred tax	-	1
Total current tax	-	1

Factors affecting current tax charge/(credit) in the year:

The standard rate of tax for the year is lower than (2019: lower than) the average UK standard rate of corporation tax, of 19% (2019: 19%). The actual current tax credit (2019: credit) for the current year and the preceding year differs for the reasons set out in the following reconciliation:

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

7. Taxation (continued)

	2020 £'000	2019 £'000
Profit before tax	147	65
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	28	12
Effects of:		
Non-taxable income	(110)	(93)
Transfer pricing adjustments	42	81
Changes in tax rates	-	(1)
Group relief	40	-
Total tax credit for the year	-	(1)

Factors that may affect future tax charges

In the March 2021 Budget the UK Government announced that legislation will be introduced in the Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023.

As the changes had not been substantively enacted at the balance sheet date, the deferred tax balances as at 31 December 2020 continue to be measured at the rate of 19%. The change in rate would not have a material impact on deferred tax.

8. Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Total £'000
Cost			
At 1 January 2020 and 31 December 2020	10	9	19
Depreciation			
At 1 January 2020	2	1	3
Charge for the year	-	1	1
At 31 December 2020	2	2	4
Net book value			
At 31 December 2019	8	8	16
At 31 December 2020	8	7	15

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

9. Fixed asset investments

	Investments in subsidiary companies £'000	Investments in associates £'000	Total £'000
Cost and net book value			
At 1 January 2020 and 31 December 2020	8,420	183	8,603

Direct Subsidiary undertakings

The company held ordinary share capital in the following UK subsidiary undertakings:

Name	Holding	Principal activity	Registered address
IKO plc	100%	Waterproofing products	Appley Lane North, Appley Bridge, Wigan, Lancashire, WN6 9AB
William Briggs & Sons Limited*	70%	Holding company	Amasco House, 101 Powke Lane, Cradley Heath, West Midlands, B64 5PX
Ruberoid International Limited	100%	Holding company	Appley Lane North, Appley Bridge, Wigan, Lancashire, WN6 9AB

*This represents an effective shareholding in these undertakings which is, in part, held via the company's interests in The Specialist Waterproofing Group Limited. The company's direct shareholding in these undertakings is 60%.

Indirect subsidiary undertakings

The company held ordinary share capital in the following UK associates:

Name	Holding	Principal activity	Registered address
Pure Asphalt Company Limited	100%	Manufacture of mastic and related products	Appley Lane North, Appley Bridge, Wigan, Lancashire WN6 9AB
Briggs Amasco Limited	70%	Roofing and cladding	Amasco House, 101 Powke Lane, Cradley Heath, West Midlands, B64 5PX
Roof Integrity Limited	70%	Roofing services	1B, Mount Grace Drive, Poole, Dorset, BH14 8NB
ATAB NV	100%	Installation of roofing products	Satenrozen 2 U002, 2550 Kontich, Belgium
IKO NV	100%	Manufacture and installation of waterproofing products	D'Herbouvillekaai 80, 2020 Antwerp, Belgium
Asbo NV	100%	Distribution of corrugated sheets	D'Herbouvillekaai 80, 2020 Antwerp, Belgium

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

9. Fixed Asset Investments (continued)

IKO Limited	100%	Distribution of waterproofing products	Unit 502, Northwest Business park, Ballycoolin, Dublin 15, Ireland
IKO Holdings BV	100%	Holding Company	Wielewaalweg 1, 4791 PD Klundert, Netherlands
IKO Insulations BV	100%	Distribution of insulation products	Wielewaalweg 1, 4791 PD Klundert, Netherlands
IKO BV	100%	Distribution of roofing products	Wielewaalweg 1, 4791 PD Klundert, Netherlands
Bitasco Trading BV	100%	Distribution of roofing products	Wielewaalweg 1, 4791 PD Klundert, Netherlands
Touwen & Co BV	100%	Manufacture of paint and wood preservatives	Wielewaalweg 1, 4791 PD Klundert, Netherlands
Asphaltco NV	100%	Holding Company	D'Herbouvillekaai 80, 2020 Antwerp

Associates

The company held ordinary share capital in the following UK associates:

Name	Holding	Principal activity	Registered address
The Specialist Waterproofing Group Limited	25%	Holding company	1B, Mount Grace Drive, Poole, BH14 8NB

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

10. Debtors

	2020 £'000	2019 £'000
Due after more than one year		
Deferred tax asset	6	6
	<u>6</u>	<u>6</u>
Due within one year		
Trade debtors	6	-
Amounts owed by group undertakings	35,324	33,641
Prepayments and accrued income	2	4
Corporation tax	-	740
Social security and other taxes	16	-
Other debtors	247	316
	<u>35,595</u>	<u>34,701</u>
Total debtors	<u>35,601</u>	<u>34,707</u>

The amounts owed by group undertakings unsecured and are due to be repaid in instalments by 31 December 2021. The balances attract interest of nil% per annum (2019: nil%).

Other debtors attract interest of 3% plus LIBOR per annum.

11. Creditors: Amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	1	26
Other creditors	25	16
Accruals and deferred income	53	59
Corporation tax	857	-
	<u>936</u>	<u>101</u>

12. Deferred taxation

	Deferred tax £'000
At 1 January 2020	6
Effect of change in the applied tax rate	-
	<u>6</u>
At 31 December 2020	<u>6</u>

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2020

12. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2020 £'000	2019 £'000
Other timing differences	6	6

13. Share capital

	2020 £'000	2019 £'000
Allotted, called-up and fully paid 48,235,448 Ordinary shares of £0.05 each	2,412	2,412

Ordinary shares have equal voting rights and rank equally on distribution.

14. Reserves

Share premium

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit & loss account

Profit and loss account includes all current and prior year retained profits and losses.

15. 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.

During the year the company contributed £401,000 (2019: £385,000) to the Ruberoid Plc Staff Pension Scheme. Contributions outstanding at 31 December 2020 were £34,000 (2019: £33,000).

The latest full actuarial valuation of the Ruberoid PLC Staff Pension Scheme carried out at 5 April 2020 was updated to 31 December 2020 by a qualified independent actuary. For closed schemes under the projected unit method the current service cost will increase as the members of the scheme approach retirement.

The scheme closed to new entrants from 3 April 2003 and to future accrual of benefits of 6 April 2010. From 6 April 2007 changes were introduced limiting the future increases to pensionable salary to 3% per annum and increases to pensions in payment in respect of service after 6 April 2007 to 3% per annum. The employee would pay any increase in the cost of future accrual of benefits. Also from 6 April 2007 the new Group Stakeholder Scheme was introduced. This is a defined contribution scheme open to members of the Ruberoid PLC Staff Pension Scheme.

The company is joint and severally liable for the obligations of the Scheme and shares the actuarial risk of members' benefits. As the scheme is run for the IKO group as a whole, the company is unable to identify its scheme assets and liabilities on a consistent and reasonable basis. As permitted by FRS 102, the scheme is therefore accounted for by the company as a defined contribution scheme.

Full disclosure is contained within the financial statements of the company's immediate parent company, IKO UK Limited but as these accounts are not available at the time these accounts have been approved and authorized for issue the pension disclosure for the Ruberoid Plc Staff Pension Scheme is presented below.

IKO HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

15. Pension commitments (continued)

At 31 December 2020, the scheme as a whole had a deficit on an FRS 102 basis of £20,990,000 (2019: £18,729,000). The Scheme is subject to the Statutory Funding Objective under the Pension Scheme Act 2004.

Analysis of assets

The analysis of the scheme assets at the balance sheet date was as follows:

	2020	2019
	%	%
Equities	24	24
Gilts	11	8
Bonds	9	10
Bulk annuity policy	36	38
Absolute return funds	-	6
Diversified growth fund	3	3
Multi-asset credit fund	11	11
Cash	6	-
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

The assets do not include any investment in shares or property of the company.

16. Related party transactions

The company has taken advantage of the exemption under FRS 102 section 33 not to provide information on related party transactions with other undertakings within the IKO U.K. Limited group.

17. Ultimate controlling party

The company's ultimate parent company is IKO Enterprises UK ULC, a company incorporated in Canada, and its immediate parent company is IKO U.K. Limited (Registered address: Appley Lane North, Appley Bridge, Wigan, Lancashire, WN6 9AB).

The largest and smallest group in which the results of the company are consolidated is IKO Enterprises UK ULC and IKO U.K. Limited respectively. The registered office of IKO Enterprises UK ULC is 700 – 4 Avenue SW, Suite 900, Calgary, Alberta, Canada, TP2 3J4. Copies of the financial statements of IKO U.K. Limited may be obtained from the Company Secretary at the following address.

Appley Lane North
Appley Bridge
Wigan
Lancashire
WN6 9AB

18. Post balance sheet events

After the balance sheet date there was ongoing uncertainty due to the third 'lockdown' in the UK due to the Covid-19 pandemic.

Additionally there was a level of uncertainty due to Brexit transition period ending on 31 December 2020.

The impact of both is discussed further in the strategic report.