

**Ruberoid International Limited**

**Directors' report and financial  
statements**

Registered number 2860994

For the year ended 31 December 2005



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## Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

### Principal activity and business review

The company is the holding company of companies located in the UK, Belgium, The Netherlands, Ireland and the USA, engaged principally in the manufacture and supply of a wide range of bituminous waterproofing systems and related products.

### Results and dividends

The profit and loss account is shown on page 5. The profit for the financial year amounted to £1,891,000 (2004: £1,925,000).

The directors do not recommend the payment of a final dividend (2004: £Nil).

### Directors and Directors' interests

The directors who served during the year and subsequently were:

ML Kippen  
HM Koschitzky  
CJ Droogan  
DP Maginnis (resigned on 20 May 2005)

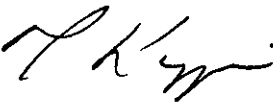
None of the directors had any declarable beneficial interest in the share or loan capital of the company during the year.

Mr HM Koschitzky is an overseas based director and is not required to notify his interests in group undertakings incorporated outside Great Britain to the company. None of the remaining directors had any beneficial interest in the share or loan capital of the company's ultimate parent company, IKO Enterprises Limited, or of any subsidiary undertaking during the year.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board:



ML Kippen  
Company Secretary

Appley Lane North  
Appley Bridge  
Wigan  
Lancashire  
WN6 9AB

18 July 2006

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

2 Cornwall Street  
Birmingham  
B3 2DL

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

We have audited the financial statements of Ruberoid International Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the members of Ruberoid International Limited**  
*(continued)*

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

18 July 2006

**Profit and loss account**  
*for the year ended 31 December 2005*

	<i>Note</i>	<b>2005</b> <b>£000</b>	<b>2004</b> <b>£000</b>
Administrative expenses		(5)	(15)
Other operating (expenses)/income	2	(154)	414
<b>Operating (loss)/profit</b>		<b>(159)</b>	<b>399</b>
Income from shares in group undertakings		2,004	1,643
<b>Profit on ordinary activities before taxation</b>	2	<b>1,845</b>	<b>2,042</b>
Tax on profit on ordinary activities	4	46	(117)
<b>Profit for the year</b>	11	<b>1,891</b>	<b>1,925</b>

Movements in reserves are set out in note 11.

All amounts relate to continuing operations.

**Statement of total recognised gains and losses**

There were no recognised gains or losses other than the results for the years reported above.

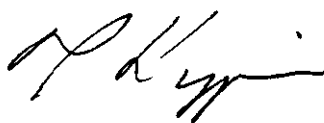
**Reconciliation of movements in equity shareholders' funds**  
*for the year ended 31 December 2005*

	<b>2005</b> <b>£000</b>	<b>2004</b> <b>£000</b>
Profit for the financial year	1,891	1,925
Equity shareholders' funds at beginning of year	9,956	8,031
<b>Equity shareholders' funds at end of year</b>	<b>11,847</b>	<b>9,956</b>

**Balance sheet**  
*at 31 December 2005*

	Note	2005	2004
		£000	£000
<b>Tangible assets</b>			
Investments	5	21,787	21,787
<b>Current assets</b>			
Debtors: amounts falling due in less than one year	6	3,970	1,965
Debtors: amounts falling due after more than one year	6	5,799	5,954
		<u>9,769</u>	<u>7,919</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(76)</u>	<u>(117)</u>
<b>Net current assets</b>		<u>9,693</u>	<u>7,802</u>
<b>Total assets less current liabilities</b>		<u>31,480</u>	<u>29,589</u>
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(19,633)</u>	<u>(19,633)</u>
<b>Net assets</b>		<u>11,847</u>	<u>9,956</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	11,847	9,956
<b>Equity shareholders' funds</b>		<u>11,847</u>	<u>9,956</u>

These financial statements were approved by the Board of Directors on 18 July 2006 and were signed on its behalf by:



**ML Kippen**  
 Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

The following new standards have been adopted for the first time in these financial statements:

- FRS21 "Events after the balance sheet date";
- The presentation requirements of FRS25 "Financial instruments presentation and disclosure"; and
- FRS28 "Corresponding amounts".

FRS21 and FRS25 have had no material effect on the financial statements.

In addition, FRS28 "Corresponding amounts" has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

#### *Basis of accounting*

The financial statements are prepared in accordance with applicable accounting standards using the historic cost accounting rules.

#### *Consolidated financial statements*

These financial statements present information about the Company as an individual Company and not about its group. The Company is exempt under section 228 of the Companies Act 1985 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as it is a wholly owned subsidiary of another body corporate.

#### *Investments*

Investments in subsidiary undertakings are shown at cost less amounts written off. In the opinion of the Directors, the valuation of investments at 31 December 2005 is not less than the amount at which they are stated in the balance sheet.

#### *Cash flow statement*

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

#### *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.

#### *Related party transactions*

Under Financial Reporting Standard 8 the company is exempt from the disclosure of transactions with other group undertakings on the grounds that it is wholly owned and its results are included in IKO U.K. Limited's consolidated financial statements which are publicly available.

#### *Deferred taxation*

The charge for taxation is based on the result for the year and takes in to account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised without discounting, is 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 FRS19.

**Notes** *(continued)*

**2 Profit on ordinary activities before taxation**

	2005	2004
	£000	£000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging/(crediting)</i>		
Auditors' remuneration:		
Other services	5	15
Exchange loss/(gain)	154	(414)
	<hr/>	<hr/>

**3 Employees and directors**

The company had no employees other than the directors, none of whom received any remuneration (2004: £Nil).

**4 Tax on profit on ordinary activities**

*Analysis of (credit)/charge in period*

	2005	2004
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the year	(46)	117
	<hr/>	<hr/>
Total current tax (credit)/charge	(46)	117
	<hr/>	<hr/>

*Factors affecting the tax (credit)/charge for the current period*

The current tax (credit)/charge for the period is higher (2004: lower tax charge) than the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are explained below.

	2005	2004
	£000	£000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,845	2,042
	<hr/>	<hr/>
Current tax at 30% (2004: 30%)	554	613
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	(3)
Dividends received	(600)	(493)
	<hr/>	<hr/>
Total current tax (credit)/charge	(46)	117
	<hr/>	<hr/>

## Notes (continued)

### 5 Investments

	£000
<b>Shares in subsidiary undertakings</b>	
<i>Cost</i>	
At beginning and end of year	21,787

The Company's principal trading subsidiaries set out below are wholly owned, either directly or indirectly, except where indicated, and all the holdings are of ordinary shares. Shares of those companies which are indirectly owned are marked with an asterisk.

Subsidiary	Country of incorporation and operation	Activity
Antwerps Teer & Asphaltbedrijf NV	Belgium	Manufacture of waterproofing products and roofing
Asbo NV (51%) *	Belgium	Manufacture of waterproofing products
Asphaltco SA (99.5%) *	Belgium	Manufacture of building chemicals
Briggs Roofing & Cladding Limited	Ireland	Roofing and cladding services
Hyload Inc	USA	Manufacture of waterproofing products
Blair Rubber Company Inc	USA	Manufacture of protective tank linings and belt-splicing materials
Nebiprofa BV*	Holland	Manufacture and distribution of roofing products
Ruberoïd Building Products Limited	Ireland	Distribution of waterproofing products
RUSA Holding BV	Holland	Investment company
Touwen & Co BV *	Holland	Manufacture of paints and wood preservatives

### 6 Debtors

	2005 £000	2004 £000
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	3,970	1,965
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	5,799	5,954
	<u>9,769</u>	<u>7,919</u>

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

	2005 £000	2004 £000
Accruals and deferred income	5	-
Corporation tax	71	117
	<u>76</u>	<u>117</u>

**Notes** *(continued)*

**8 Creditors: amounts falling due after more than one year**

	2005 £000	2004 £000
Amounts owed to group undertakings	19,633	19,633

**9 Deferred taxation**

There is no unprovided deferred tax liability at 31 December 2005 (2004: £Nil).

**10 Share capital**

	2005 £	2004 £
<i>Authorised:</i>		
100 ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid:</i>		
2 ordinary shares of £1 each	2	2

**11 Reserves**

	Profit and loss account £000
At beginning of year	9,956
Profit for the financial year	1,891
At end of year	11,847

**12 Ultimate parent company**

The company's ultimate parent company is IKO Enterprises Limited, a company incorporated in Canada, and its UK parent company is IKO U.K. Limited, a company registered in England.

The company's financial statements have been consolidated in the financial statements of IKO U.K. Limited. Copies of the consolidated financial statements are available from the Company Secretary, IKO U.K. Limited, Appley Lane North, Appley Bridge, Wigan, Lancashire, WN6 9AB.