

**Ruberoid International Limited**

**Directors' report and financial  
statements**

Registered number 2860994

Year ended 31 December 2007

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## **Contents**

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditors' report to the members of Ruberoid International Limited	3
Profit and loss account	5
Statement of total recognised gains and losses	5
Reconciliation of movements in equity shareholders' funds	5
Balance sheet	6
Notes	7

## Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 2007

### 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 £nil (2006 £803,000). During the year the company exchanged its interests in Blair Rubber Company Inc and Hyload Inc for preference shares in Goldis Enterprises Inc (a related company). The difference of £957,000 in the carrying value of the investments in Blair Rubber Company Inc and Hyload Inc and the valuation of investment in Goldis Enterprises Inc has been included in the statement of recognised gains and losses as an unrealised gain on disposal of subsidiaries.

The directors do not recommend the payment of a dividend (2006 £Nil).

### Directors

The directors who served during the year and subsequently were

ML Kippen

HM Koschitzky

CJ Droogan (resigned 31 March 2008)

M Vaughan

R Turner (appointed 6 April 2007)

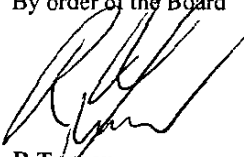
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

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

By order of the Board



R Turner  
Director

24 October 2008

Appley Lane North  
Appley Bridge  
Wigan  
Lancashire  
WN6 9AB

## **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 and applicable law (UK Generally Accepted Accounting Practice)

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 LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

## **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 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*KPMG LLP*

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

*30 October 2008*

**Profit and loss account**  
*for the year ended 31 December 2007*

	<i>Note</i>	<b>2007</b> <b>£000</b>	<b>2006</b> <b>£000</b>
Other operating expenses	2	-	(125)
<b>Operating loss</b>		-	(125)
Income from shares in group undertakings		-	890
<b>Profit on ordinary activities before taxation</b>	2	-	765
Tax on profit on ordinary activities	4	-	38
<b>Profit for the year</b>	11	-	803

All amounts relate to continuing operations

**Statement of total recognised gains and losses**

	<b>2007</b> <b>£000</b>	<b>2006</b> <b>£000</b>
Profit for the financial year	-	803
Unrealised profit on disposal of subsidiaries (see note 5)	957	-
<b>Total recognised gains for the financial year</b>	957	803

**Reconciliation of movements in equity shareholders' funds**  
*for the year ended 31 December 2007*

	<b>2007</b> <b>£000</b>	<b>2006</b> <b>£000</b>
Profit for the financial year	-	803
Unrealised profit on disposal of subsidiaries (see note 5)	957	-
Equity shareholders' funds at beginning of year	12,650	11,847
<b>Equity shareholders' funds at end of year</b>	13,607	12,650

**Balance sheet**  
*at 31 December 2007*

	Note	2007 £000	2006 £000
<b>Tangible assets</b>			
Investments	5	22,744	21,787
<b>Current assets</b>			
Debtors amounts falling due in less than one year	6	85	4,945
Debtors amounts falling due after more than one year	6	11,302	5,673
		<u>11,387</u>	<u>10,618</u>
<b>Creditors amounts falling due within one year</b>	7	<u>(5)</u>	<u>(5)</u>
<b>Net current assets</b>		<u>11,382</u>	<u>10,613</u>
<b>Total assets less current liabilities</b>		<u>34,126</u>	<u>32,400</u>
<b>Creditors amounts falling due after more than one year</b>	8	<u>(20,519)</u>	<u>(19,750)</u>
<b>Net assets</b>		<u>13,607</u>	<u>12,650</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	13,607	12,650
<b>Equity shareholders' funds</b>		<u>13,607</u>	<u>12,650</u>

These financial statements were approved by the Board of Directors on 24 October 2008 and were signed on its behalf by



**R Turner**  
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

#### *Basis of accounting*

The financial statements are prepared in accordance with applicable accounting standards, and under the historic cost accounting rules

#### *Consolidated financial statements*

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

#### *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 2007 is not less than the amount at which they are stated in the balance sheet.

#### *Cash flow statement*

Under FRS 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 and the gains or losses on translation are included in the profit and loss account.

#### *Related party transactions*

As the Company is a wholly owned subsidiary of IKO U K 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 U K Limited, within which this Company is included, can be obtained from the address given in note 12.

#### *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 FRS19.

**Notes (continued)**

**2 Profit on ordinary activities before taxation**

	2007 £000	2006 £000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging/(crediting)</i>		
Auditors' remuneration	-	-
Other services	-	-
Exchange loss	-	125
	<u>-</u>	<u>125</u>

**3 Employees and directors**

The company had no employees other than the directors, none of whom received any remuneration (2006 £Nil)

**4 Tax on profit on ordinary activities**

*Analysis of (credit)/charge in period*

	2007 £000	2006 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	(38)
	<u>-</u>	<u>(38)</u>
Total current tax (credit)/charge	-	(38)

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

The current tax (credit)/charge for the period is same as (2006 lower than) the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are explained below

	2007 £000	2006 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	765
	<u>-</u>	<u>765</u>
Current tax at 30% (2006 30%)	-	230
	<u>-</u>	<u>230</u>
<i>Effects of</i>		
Dividends received	-	(268)
	<u>-</u>	<u>(268)</u>
Total current tax (credit)/charge	-	(38)

## Notes (continued)

### 5 Investments

	2007 £000
<b>Shares in subsidiary undertakings</b>	
<i>Cost</i>	
At beginning of year	21,787
Disposals	(5,156)
Additions	6,113
At end of year	<u>22,744</u>

On January 1 2007, Ruberoid International Limited entered into an exchange agreement with Goldis Enterprises Inc in which Goldis Enterprises Inc acquired 98 common shares (100% of shares issued and outstanding) of Blair Rubber Company Inc and 197,000 class A common shares and 197,000 class B common shares (100% of shares issued and outstanding) of Hyload Inc. In exchange, Goldis Enterprises Inc issued 12,000 shares of its class D preferred shares to Ruberoid International Limited. The shares in Goldis Enterprises Inc were valued at £6,113,000 (\$12,000,000) compared with the carrying value of the investment in Blair Rubber Company Inc and Hyload Inc of £5,156,000. The profit on disposal has been credited to reserves and is non-distributable.

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 (except Goldis Enterprises Inc as discussed above). 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 (70%) *	Belgium	Manufacture of waterproofing products
Asphaltco SA (99.5%) *	Belgium	Manufacture of building chemicals
Briggs Roofing & Cladding Limited	Ireland	Roofing and cladding services
Goldis Enterprises Inc	USA	Manufacture of waterproofing products
IKO Insulations BV	Holland	Manufacture of insulation products
Nebiprofa BV*	Holland	Manufacture and distribution of roofing products
Ruberoid Building Products Limited	Ireland	Distribution of waterproofing products
Touwen & Co BV *	Holland	Manufacture of paints and wood preservatives

### 6 Debtors

	2007 £000	2006 £000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	-	4,860
Corporation tax	85	85
	<u>85</u>	<u>4,945</u>
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	11,302	5,673
	<u>11,387</u>	<u>10,618</u>

**Notes (continued)**

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

	2007 £000	2006 £000
Accruals and deferred income	5	5
	<u>5</u>	<u>5</u>

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

	2007 £000	2006 £000
Amounts owed to group undertakings	20,519	19,750
	<u>20,519</u>	<u>19,750</u>

**9 Deferred taxation**

There is no unprovided deferred tax liability at 31 December 2007 (2006 £Nil)

**10 Share capital**

	2007 £	2006 £
<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	<u>2</u>	<u>2</u>

**11 Reserves**

	Profit and loss account £000
At beginning of year	12,650
Profit for the financial year	-
Unrealised profit on disposal of subsidiaries (see note 5)	957
At end of year	<u>13,607</u>

**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. IKO U K Limited is the only company which prepares consolidated accounts that include the company