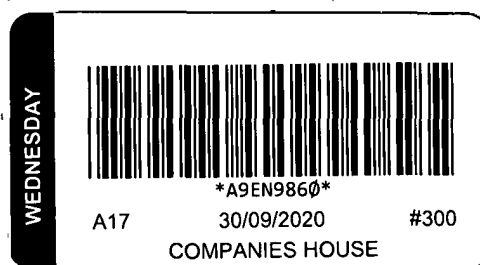


Company Registration No. 02860994

**RUBEROID INTERNATIONAL LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2019**



**Ruberoid International Limited**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2019**

| <b>CONTENTS</b>                              | <b>Page</b> |
|--|-------------|
| <b>Officers and professional advisers</b>    | <b>1</b>    |
| <b>Strategic report</b>                      | <b>2</b>    |
| <b>Directors' report</b>                     | <b>5</b>    |
| <b>Directors' responsibilities statement</b> | <b>5</b>    |
| <b>Independent auditor's report</b>          | <b>7</b>    |
| <b>Profit and loss account</b>               | <b>10</b>   |
| <b>Balance sheet</b>                         | <b>11</b>   |
| <b>Statement of changes in equity</b>        | <b>122</b>  |
| <b>Notes to the financial statements</b>     | <b>133</b>  |

**Ruberoid International Limited**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

H M Koschitzky  
F Hautman  
A Carlyle

**SECRETARY**

TCSS Limited

**REGISTERED OFFICE**

Appley Lane North  
Appley Bridge  
Wigan  
Lancashire  
WN6 9AB  
United Kingdom

**AUDITOR**

Deloitte LLP  
Statutory Auditor  
Manchester  
United Kingdom

## **Ruberoid International Limited**

### **STRATEGIC REPORT**

#### **Introduction**

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

#### **Business review**

The company is the holding company of companies located in the UK, Belgium, The Netherlands, and Ireland, engaged principally in the manufacture and supply of a wide range of bituminous waterproofing systems, insulation and related products. The company made a profit for the year which is in line with the directors' expectations and considered satisfactory. Results are expected to remain profitable, once the impact of Covid-19 has passed in its subsidiaries.

#### **Principal risks and uncertainties**

The company is a holding company that supports a group of operational companies. The Company considers its principal risk to be the financial performance of its subsidiary companies, which support the carrying value of the Company's investments and which provide support to this Company to meet its liabilities as they fall due. Each trading entity has their own principal risks and uncertainties. These include the stability of the economy, volatility of raw material prices and pressure from competitors. The risk is managed through regular review by the board.

The company continues to address the impact of Covid-19 on the business. Whilst the ongoing situation presents a number of uncertainties and challenges, the directors consider these on a regular basis and have prepared forecasts modelling a number of scenarios which demonstrate that the company will be able to continue to operate as a going concern for the foreseeable future. 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 operational companies which this holding company supports use a variety of financial key performance measures. These include profit ratios as well as activity ratios such as debtor days and stock turnover.

The main key performance indicator of the holding company is distributable reserves which currently total £13,446,000 (2018: £13,409,000). The company made a profit of £37,000 (2018: loss of £311,000). The major contributing factor is a dividend of £33,000 received.

#### **Section 172**

Ruberoid International Ltd is part of a larger group, IKO Group, hereafter referred to as IKO>

IKO 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 new warehouse and logistical area in Antwerp, Belgium and increased investment in Ireland.

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

## **Ruberoid International Limited**

### **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

In light of Covid-19 trading subsidiaries held senior leadership team meetings to discuss sales performance, manufacturing, financial updates and logistical impacts. This was communicated to all trading subsidiaries employees and group level.

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

Given IKO NV and IKO Insulations BV are the main trading subsidiaries of Ruberoid International, 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 as a business rolled out an annual survey in 2019 whereby the results are analysed and a net promoter score is given, it was highlighted customers valued our service, customer experience and added value as paramount to price point on several occasions.

Other key areas include account manager visits & CPD's. In IKO NV there is a product training room that has all IKO products visible and contractors attend site to work with the wide array of products. This helps assist the long term approach IKO strives for between the business and its customer relations.

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.

Ruberoid International 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 IKO Insulations BV with certifications such as:

- Environmental management that complies with ISO (International Standards Organisation) 14001:2015 (environment management).
- FM Approved – compliance certification
- European Technical Assessment certificates (liquid waterproofing approved certification)

## **Ruberoid International Limited**

### **STRATEGIC REPORT (continued)**

Ruberoid International subsidiaries collaborate with local communities where possible. Some sponsorship initiatives include sponsoring the cycling team- IKO – Crelan Women's Elite.

#### ***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***

Ruberoid International 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 company continues to address the impact of Covid-19 on the business. Whilst the ongoing situation presents a number of uncertainties and challenges, the directors consider these on a regular basis and have prepared forecasts modelling a number of scenarios which demonstrate that the company will be able to continue to operate as a going concern for the foreseeable future.

#### **Brexit**

The directors have considered the impact of the United Kingdom leaving the European Union on the 31 January 2020 and do not expect there to be a significant impact on activities of the company, except for the impact of the £ vs € exchange rate transition in 2020.

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



**A Carlyle**

Director

29<sup>th</sup> September 2020

Appley Lane North  
Appley Bridge  
Wigan, Lancashire  
WN6 9AB

## **Ruberoid International Limited**

### **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 2019. Future developments are included within the Strategic Report on page 2.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £37,000 (2018: loss of £311,000). The directors have not recommended the payment of a dividend (2018: £nil).

#### **Directors**

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

H M Koschitzky  
F Hautman  
A Carlyle

H M Koschitzky is an overseas based director and is not required to notify his interest in group undertakings incorporated outside Great Britain to the company. He has no beneficial interest in the share capital of the group companies registered in Great Britain. F Hautman is also an overseas based director and has no beneficial interest in the share capital of group companies registered 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 Limited.

#### **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**

The Company is closely monitoring the evolution of the Covid-19 coronavirus and is following the World Health organisation and government advice. With regards to the business impact, the effect the virus will have on the global economy and the industry is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring the potential effects. The impact of Covid-19 has been considered an unadjusting post balance sheet event. As such, no adjustment to the 2019 accounts has been identified.

#### **Directors' responsibilities statement**

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

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

## **Ruberoid International Limited**

### **DIRECTORS' REPORT (Continued)**

#### **Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

#### ***Credit risk***

The company's principal financial assets are receivables from other group companies.

#### ***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 and thus continue to trade. The company continues to address the impact of Covid-19 on the business. Whilst the ongoing situation presents a number of uncertainties and challenges, the directors consider these on a regular basis and have prepared forecasts modelling a number of scenarios which demonstrate that the company will be able to continue to operate as a going concern for the foreseeable future. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements.

The company has net current liabilities of £10,152,000 (2018: £10,189,000). The company's creditor is its immediate parent, IKO Holdings Plc. The directors of IKO Holdings Plc have confirmed that they will not request repayment of the balance over this period. The Company's directors are satisfied that IKO Holdings Plc are in a position to provide the support needed.

#### **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 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.

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



**A Carlyle**

Director

29<sup>th</sup> September 2020



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUBEROID INTERNATIONAL LIMITED**

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

### **Opinion**

In our opinion the financial statements of Ruberoid International Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 16.

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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUBEROID INTERNATIONAL LIMITED (continued)**

### **Other information (continued)**

We have nothing to report in respect of these matters.

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
RUBEROID INTERNATIONAL LIMITED (continued)**

**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

Date: 29 September 2020

# Ruberoid International Limited

## PROFIT AND LOSS ACCOUNT For the year ended 31 December 2019

|  | Note | 2019<br>£'000 | 2018<br>£'000<br>Restated (see<br>notes 3 and 5) |
|--|------|---------------|--|
| Turnover                               | 3    | 33            | 34   |
| Gross Profit                           |      | 33            | 34   |
| Administrative expenses                |      | -             | (1)  |
| Other income                           |      | 4             | -  |
| <b>Operating profit</b>                |      | 37            | 33   |
| Interest receivable and similar income | 5    | -             | 187  |
| Interest payable and similar expenses  | 6    | -             | (531)  |
| <b>Profit/(loss) before tax</b>        | 7    | 37            | (311)  |
| Tax on profit/(loss)                   | 8    | -             | -  |
| <b>Profit/(loss) after tax</b>         |      | 37            | (311)  |

There were no recognised income or expenses for 2019 or 2018 other than those included in the profit and loss account, accordingly no separate statement of other comprehensive income is presented.

The notes on pages 13 to 21 form part of these financial statements.

All results derive from continuing operations.

# Ruberoid International Limited

## BALANCE SHEET As at 31 December 2019

|  | Note | 2019<br>£'000 | 2018<br>£'000 |
|--|------|---------------|---------------|
| <b>FIXED ASSETS</b>  |      |               |               |
| Investments  | 9    | 23,598        | 23,598        |
| <b>CURRENT ASSETS</b>  |      |               |               |
| Debtors: amounts falling due after more than one year                              | 10   | 5,544         | 5,511         |
| <b>CURRENT LIABILITIES</b> being Creditors:<br>amounts falling due within one year | 11   | (15,696)      | (15,700)      |
| <b>NET CURRENT LIABILITIES</b>   |      | (10,152)      | (10,189)      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                                       |      | 13,446        | 13,409        |
| <b>NET ASSETS</b>  |      | 13,446        | 13,409        |
| <b>CAPITAL AND RESERVES</b>  |      |               |               |
| Called up share capital  | 12   | -             | -             |
| Profit and loss account  | 13   | 13,446        | 13,409        |
| <b>SHAREHOLDERS' FUNDS</b>   |      | 13,446        | 13,409        |

The notes on pages 13 to 21 form part of these financial statements.

The financial statements of Ruberoid International Limited (Registration Number 02860994) were approved and authorised for issue by the Board and were signed on its behalf by:



**A Carlyle**

Director

Date: 29<sup>th</sup> September 2020

**Ruberoid International Limited**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**

**For the year ended 31 December 2019**

|   | <b>Called-up<br/>share<br/>capital<br/>£'000</b> | <b>Profit and<br/>loss account<br/>£'000</b> | <b>Total<br/>equity<br/>£'000</b> |
|---|--|--|-----------------------------------|
| <b>At 1 January 2018</b>  |  |  |                                   |
|   | -  | 13,720                                       | 13,720                            |
| Loss for the year and total comprehensive loss for the year     | -  | (311)  | (311)                             |
|   | <hr/>  | <hr/>  | <hr/>                             |
| <b>At 31 December 2018</b>                                      | -  | 13,409                                       | 13,409                            |
|   | -  | 37   | 37                                |
| Profit for the year and total comprehensive income for the year | -  | 37   | 37                                |
|   | <hr/>  | <hr/>  | <hr/>                             |
| <b>At 31 December 2019</b>                                      | -  | 13,446                                       | 13,446                            |
|   | <hr/> <hr/>                                      | <hr/> <hr/>                                  | <hr/> <hr/>                       |

The notes on pages 13 to 21 form part of these financial statements.

## **Ruberoid International Limited**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**

#### **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 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 Ruberoid International Limited 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 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;

The information is included in the consolidated financial statements of IKO U.K. Limited as at 31 December 2019 and these financial statements may be obtained from the registered office, see note 14.

##### **1.3 Consolidated financial statements**

The company is exempt by virtue of the Companies Act 2006 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.

##### **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 and thus continue to trade. The company continues to address the impact of Covid-19 on the business. Whilst the ongoing situation presents a number of uncertainties and challenges, the directors consider these on a regular basis and have prepared forecasts modelling a number of scenarios which demonstrate that the company will be able to continue to operate as a going concern for the foreseeable future, despite the company being in a net current liabilities position. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements.

The company's creditor is its immediate parent, IKO Holdings Plc. The directors of IKO Holdings Plc have confirmed that they will not request repayment of the balance over this period.

## Ruberoid International Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2019

#### 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 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:

- (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.



## Ruberoid International Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2019

#### 1. Accounting policies (continued)

##### 1.6 Financial instruments (continued)

- (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. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

##### (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.

##### 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.

## Ruberoid International Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2019

#### 1. Accounting policies (continued)

##### 1.6 Financial instruments (continued)

###### *Impairment of assets (continued)*

###### *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.

##### 1.7 Revenue recognition

Interest income is recognised in the profit and loss account using the effective interest method.

Dividend income is recognised when the company's right to receive payment is established.

##### 1.8 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.

##### 1.9 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.

## Ruberoid International Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### For the year ended 31 December 2019

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.

#### 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, estimates and assumptions 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 directors do not consider that the amounts recognised in the financial statements have been significantly affected by any critical judgements considered in the process of applying the Company's accounting policies.

##### 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

|  | 2019<br>£'000 | 2018<br>£'000<br>restated |
|--|---------------|---------------------------|
| Dividend income from fixed asset investments | 33            | 34                        |

In the current year the directors have presented dividends received from fixed asset investments as turnover as this more accurately represents the nature of the income received.

## Ruberoid International Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2019

#### 4. Employees

The company has no employees other than the directors, who received £ nil remuneration (2018: £nil) for their services to the company, being remunerated by other group companies which is not possible to allocate to this Company.

#### 5. Interest receivable and similar income

|   | 2019<br>£'000 | 2018<br>£'000<br>restated<br>(see note 3) |
|---|---------------|---|
| Interest receivable on loans to group companies | -             | 187                                       |

In the current year the directors have presented dividends received from fixed asset investments as turnover as this more accurately represents the nature of the income received.

#### 6. Interest payable and similar expenses

|  | 2019<br>£'000 | 2018<br>£'000 |
|--|---------------|---------------|
| Interest payable on loans from group companies | -             | 531           |

#### 7. Profit/(loss) before tax

The profit/(loss) before tax is stated after charging:

|                        | 2019<br>£'000 | 2018<br>£'000 |
|------------------------|---------------|---------------|
| Auditor's remuneration | -             | 1             |

Non audit fees payable to Deloitte LLP were nil in the current and prior years. Audit and non audit fees are borne by other group entities.

#### 8. Taxation

|   | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| <b>Corporation tax</b>                    |               |               |
| Current tax on profit/(loss) for the year | -             | -             |
| Adjustment in respect of previous periods | -             | -             |
|   | -             | -             |

#### Factors affecting current tax credit in the year:

The tax assessed for the year is lower than (2018: lower) the standard rate of corporation tax in the UK of 19% (2018: 19%). The actual current tax credit for the current year and credit for the preceding year differs for the reasons set out in the following reconciliation.

## Ruberoid International Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2019

#### 8. Taxation (continued)

|   | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| Profit/(loss) before tax  | 37            | (311)         |
| Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%) | 7             | (59)          |
| Effects of:   |               |               |
| (Income)/Expenses not deductible for tax purposes   | (7)           | 59            |
| Adjustment in respect of previous periods   | -             | -             |
| <b>Total tax credit for the year</b>  | -             | -             |

#### Factors that may affect future tax charges

The standard rate of tax applied to reported profit/(loss) was 19 per cent (2018 : 19 per cent)..

#### 9. Fixed asset investments

|  | Investments in<br>subsidiary<br>companies<br>£'000 |
|--|--|
| <b>Cost or valuation</b>               |  |
| At 1 January 2019 and 31 December 2019 | 23,598   |
| <b>Net book value</b>                  |  |
| At 1 January 2018 and 31 December 2018 | 23,598   |

#### Direct subsidiary undertakings

The following were 100% subsidiary undertakings of the company, unless otherwise stated.

| Name               | Country of<br>incorporation | Principal activity   | Registered address  |
|--------------------|-----------------------------|--|---|
| IKO NV             | Belgium                     | Manufacture and installation of waterproofing products and roofing | D'Herbouvillekaai 80, 2020 Antwerp                        |
| ATAB NV            | Belgium                     | Installation of roofing products                                   | Satenzozen 2 U002, 2550 Kontich                           |
| IKO Limited        | Ireland                     | Distribution of waterproofing products                             | Unit 502, Northwest Business Park, Ballycoolin, Dublin 15 |
| IKO Holdings BV    | Netherlands                 | Holding company  | Wielewaalweg 1, 4791 PD Klundert                          |
| Touwen & Co BV     | Netherlands                 | Manufacture of paints & wood preservatives                         | Wielewaalweg 1, 4791 PD Klundert, Netherlands             |
| IKO Insulations BV | Netherlands                 | Manufacture of insulation products                                 | Wielewaalweg 1, 4791 PD Klundert, Netherlands             |

## Ruberoid International Limited

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2019

#### 9. Fixed asset investments (continued)

| Name                      | Country of incorporation | Principal activity                             | Registered address                                    |
|---------------------------|--------------------------|--|---|
| IKO BV                    | Netherlands              | Manufacture & distribution of roofing products | Wielewaalweg 1, 4791 PD Klundert                      |
| Bitasco Trading BV        | Netherlands              | Distribution of roofing products               | Wielewaalweg 1, 4791 PD Klundert                      |
| Tortolani SA****          | Belgium                  | Installation of roofing products               | Rue de Bosquet 3, B-4890 Thirmister-Clermont, Belgium |
| Victor Tortolani SPRL**** | Belgium                  | Installation of roofing products               | Rue de Bosquet 3, B-4890 Thirmister-Clermont, Belgium |
| ASBO NV **                | Belgium                  | Distribution of corrugated sheets              | D'Herbouvillekaai 80, 2020 Antwerp                    |
| Asphaltco NV ***          | Belgium                  | Holding company                                | D'Herbouvillekaai 80, 2020 Antwerp                    |

\* The shareholding in Goldis Enterprises Inc is in non-voting, non-cumulative preference shares. All other shareholdings listed above are in ordinary share capital.

\*\* The shareholding in ASBO NV is 99.95%

\*\*\* The shareholding in Asphaltco NV is 99.50%

\*\*\*\* Victor Tortolani Sprl and Tortolani SA are subsidiary companies of Asphaltco NV

#### 10. Debtors

|                                    | 2019<br>£'000 | 2018<br>£'000 |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | 5,544         | 5,511         |

The amounts owed by group undertakings are unsecured and due for repayment on 31 December 2020. Interest is being charged at nil % per annum (2018: 3.5%).

#### 11. Creditors: Amounts falling due within one year

|                                     | 2019<br>£'000 | 2018<br>£'000 |
|-------------------------------------|---------------|---------------|
| Accruals and deferred income        | -             | 4             |
| Amounts owed to parent undertakings | 15,696        | 15,696        |
|                                     | 15,696        | 15,700        |

The amounts owed to group undertakings are unsecured and due for repayment on 31 December 2020. Interest is being charged at nil % per annum (2018: 3.5%).

#### 12. Called up share capital

|                                    | 2019<br>£'000 | 2018<br>£'000 |
|------------------------------------|---------------|---------------|
| Allotted, called up and fully paid |               |               |
| 2 Ordinary shares of £1 each       | -             | -             |

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

## **Ruberoid International Limited**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2019**

**13. Reserves**

**Profit & loss account**

Profit and loss account includes all current and prior year retained profits and losses net of dividends paid.

**14. Related party transactions**

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

**15. 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 Holdings Plc: (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

**16. Post balance sheet events**

The Company is closely monitoring the evolution of the Covid-19 coronavirus and is following the World Health organisation and government advice. With regards to the business impact, the effect the virus will have on the global economy and the industry is difficult to assess at this point in time, although the Company is constantly evaluating the situation and monitoring the potential effects. The impact of Covid-19 has been considered an unadjusting post balance sheet event. As such, no adjustment to the 2019 accounts has been identified