

Company Registration No. 02860994

RUBEROID INTERNATIONAL LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2021

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Ruberoid International Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

CONTENTS	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	4
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

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
The Hanover Building
Corporation Street
Manchester
M4 4AH
United Kingdom

Ruberoid International Limited

STRATEGIC REPORT

Introduction

The directors present their strategic report for the year ended 31 December 2021.

Business review

The company is the holding company of companies located in Belgium, The Netherlands, and Ireland, (we refer to Note 7), engaged principally in the manufacture and supply of a wide range of bituminous waterproofing systems, insulation and related products. The result for the year was £nil (2020: £38,000) which is in line with the directors' expectations and considered satisfactory. Results are expected to remain profitable or break even.

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. During 2021 several waves of price increases for raw materials were experienced by the subsidiary companies. The escalation of the Russian-Ukraine crisis in the first quarter of 2022, whilst having no direct impact on their operations, subsequently further pushed the price increases and availability issues for raw materials and extended the inflating price levels to other operating costs, including energy cost, transport cost and labour. The subsidiary companies are making significant effort to minimise margin erosion through regular oversight to ensure that the results of subsidiaries are monitored and any variances to budget are reviewed and investigated. There are no impairment issues in the subsidiary companies in the current year that pose a risk to the carrying value of the investment.

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 in which this holding company invests 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 £13,484,000 (2020: £13,484,000). The company made a profit of £nil (2020: £38,000).

Section 172

Ruberoid International Limited is part of a larger group, IKO Group, hereafter referred to as IKO.

IKO has six core 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 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 Limited, 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. In 2019 IKO PLC undertook a survey of its customers which identified that overall customers were 83% satisfied and advised they will continue to use IKO for reasons outside of price. Their customers valued its 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 2021 due to Covid-19, we are confident that our 2021 results can be attributed to the strong 2019 customer satisfaction results.

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.

Ruberoid International Limited

STRATEGIC REPORT (Continued)

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

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 Limited 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 subsidiaries collaborate with local communities where possible.

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 Limited 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 foreseeable future.

Streamlined Energy and Carbon Reporting

The company is exempt from Streamlined Energy and Carbon reporting. It has minimal energy use and has no UK subsidiaries.

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



F. Hautman

Director

6/10/2022

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

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 2021. Future developments are included within the Strategic Report on page 2.

Results and dividends

The profit for the year, after taxation, amounted to £nil (2020: £38,000). There were no dividends paid in the year (2020: £nil). The directors have not recommended the payment of a dividend (2020: £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

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.

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 which are wholly owned subsidiaries of the company's creditor. The credit risk is managed at the level of the operating subsidiaries. The trading receivables of operating subsidiaries are covered by group wide credit insurance.

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 position 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.

While the company has net current liabilities of £15,696,000 (2020: £15,696,000) the company's creditor is its immediate parent, IKO Holdings Plc. The directors of IKO Holdings Plc have confirmed in a letter of support that they will not request repayment of the balance over this period. The Company's directors are satisfied that IKO Holdings Plc is 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.

Post balance sheet events

There have been no significant events after the balance sheet date which would require disclosure in this report.

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



F. Nautman
Director

6/10/2022

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

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 2021 and of its result 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 14.

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 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.

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

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 and Tax Legislation; 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:

- 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.

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

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

6 October 2022

Ruberoid International Limited

PROFIT AND LOSS ACCOUNT **For the year ended 31 December 2021**

	Note	2021 £'000	2020 £'000
Turnover	3	-	38
Gross Profit		-	38
Administrative expenses		-	-
Profit before tax	5	-	38
Tax on profit	6	-	-
Profit after tax		-	38

There were no recognised income or expenses for 2021 or 2020 other than those included in the profit and loss account, accordingly no separate statement of other comprehensive income is presented.

The notes on pages 12 to 19 form part of these financial statements.

All results derive from continuing operations.

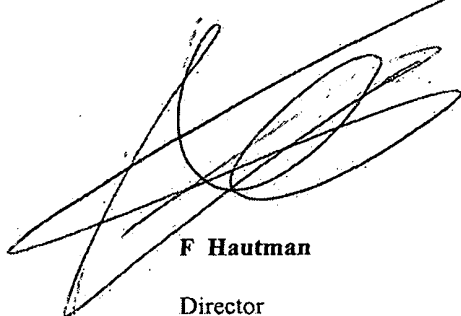
Ruberoid International Limited

BALANCE SHEET As at 31 December 2021

		2021 £'000	2020 £'000 Restated See note 8
	Note		
FIXED ASSETS			
Investments	7	23,598	23,598
Amounts owed by group undertakings	8	5,582	5,582
		<u>29,180</u>	<u>29,180</u>
CURRENT LIABILITIES: Creditors: amounts falling due within one year	9	(15,696)	(15,696)
NET CURRENT LIABILITIES		<u>(15,696)</u>	<u>(15,696)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,484</u>	<u>13,484</u>
NET ASSETS		<u>13,484</u>	<u>13,484</u>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account	11	13,484	13,484
SHAREHOLDER'S FUNDS		<u>13,484</u>	<u>13,484</u>

The notes on pages 12 to 19 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:



F Hautman

Director

Date: 6/10/2022

Ruberoid International Limited

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Called-up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2020	-	13,446	13,446
Profit for the year and total comprehensive income for the year	-	38	38
At 31 December 2020	-	13,484	13,484
Result for the year and total comprehensive income for the year	-	-	-
At 31 December 2021	-	13,484	13,484

The notes on pages 12 to 19 form part of these financial statements.

Ruberoid International Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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, United Kingdom.

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 2021 and these financial statements may be obtained from the registered office, see note 13.

1.3 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 13). 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.

While the company has net current liabilities of £15,696,000 (2020: £15,696,000). 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 is in a position to provide the support needed.

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.

Ruberoid International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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.
- (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).

Ruberoid International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 December 2021**

1. Accounting policies (continued)

1.6 Financial instruments (continued)

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.

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.

Ruberoid International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

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 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.

Ruberoid International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

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.

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 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

	2021 £'000	2020 £'000
Dividend income from fixed asset investments	-	38

4. Employees

The company has no employees (2020: nil) other than the directors, who received £nil remuneration (2020: £nil) for their services to the company, being remunerated by other group companies which is not possible to allocate to this Company.

5. Profit before tax

The profit before tax is stated after charging:

	2021 £'000	2020 £'000
Auditor's remuneration for auditing the financial statements	-	-

Non audit fees payable to Deloitte LLP were £nil in the current and prior years. Audit fees of £1,000 (2020: £1,000) are born by other group entities.

Ruberoid International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

6. Taxation

	2021	2020
	£'000	£'000
Corporation tax		
Current tax on profit for the year	-	-
Adjustment in respect of previous periods	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Factors affecting current tax credit in the year:

The tax assessed for the year is equal to (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). Legislation has been introduced in the Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. However, in the September 2022 Mini Budget it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 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.

	2021	2020
	£'000	£'000
Profit before tax	<u>-</u>	<u>38</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	-	7
Effects of:		
(Income) not deductible for tax purposes	-	(7)
Total tax credit for the year	<u>-</u>	<u>-</u>

7. Fixed asset investments

	Investments in subsidiary companies £'000
Cost or valuation	
At 1 January 2021 and 31 December 2021	<u>23,598</u>
Net book value	
At 1 January 2021 and 31 December 2021	<u>23,598</u>

Ruberoid International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

7 Fixed asset investments (continued)

Direct subsidiary undertakings

Name	Country of incorporation	Principal activity	Registered address	Proportion of ordinary share capital held
IKO NV	Belgium	Manufacture and installation of waterproofing products and roofing	D'Herbouvillekaai 80, 2020 Antwerp	100%
ATAB NV	Belgium	Installation of roofing products	Satenzozen 2 U002, 2550 Kontich	100%
IKO Limited	Ireland	Distribution of waterproofing products	Unit 502, Northwest Business Park, Ballycoolin, Dublin 15	100%
IKO Holdings BV	Netherlands	Holding company	Wielewaalweg 1, 4791 PD Klundert	100%

Indirect subsidiary undertakings

Name	Country of incorporation	Principal activity	Registered address	Proportion of ordinary share capital held
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	100%
IKO BV	Netherlands	Manufacture & distribution of roofing products	Wielewaalweg 1, 4791 PD Klundert	100%
Bitasco Trading BV	Netherlands	Distribution of roofing products	Wielewaalweg 1, 4791 PD Klundert	100%
ASBO NV	Belgium	Distribution of corrugated sheets	D'Herbouvillekaai 80, 2020 Antwerp	99.95%
Asphaltco NV	Belgium	Holding company	D'Herbouvillekaai 80, 2020 Antwerp	99.50%

8. Amounts owed by group undertakings

	2021 £'000	2020 £'000 Restated
Amounts owed by group undertakings	5,582	5,582

The interest rate on amounts owed by group undertakings is nil% per annum (2020: nil%). Amounts are unsecured and repayable on demand (2020: same). However, these balances are intended for continuing use in the business to support their day to day activities, and so should be reported as fixed assets. Accordingly, this has been reclassified from "Amounts owed by group undertakings" within debtors falling due within one year to "Amounts due by group undertakings" within fixed assets in the prior year financial statements.

Ruberoid International Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

9. Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to parent undertakings	15,696	15,696
	<u>15,696</u>	<u>15,696</u>

The interest rate on amounts owed to group undertakings is nil% per annum (2020: nil%). Amounts are unsecured and repayable on demand.

10. Called up share capital

	2021 £'000	2020 £'000
Allotted, called up and fully paid 2 Ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

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

11. Reserves

Profit & loss account

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

12. 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.

13. Ultimate controlling party

The company's controlling 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

14. Post balance sheet events

There have been no significant events after the balance sheet date which should be considered for a proper understanding of these financial statements.