IKO U.K. Limited

Directors' report and financial statements
Registered number 3897526
For the year ended 31 December 2009

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

Principal activities

IKO U K Limited is the holding company of an integrated group of companies engaged principally in the manufacture, distribution and installation of bitumen-based waterproofing systems and building products

The directors are not, at the date of this report, aware of any likely major changes in the company's activities in the next year

Business review

2009

As shown in the group's profit and loss account, the group's turnover has decreased by 2 3% from the prior year and the profit after tax amounted to £2,003,000 (2008 (£2,851,000) loss as restated)

An analysis of sales and profit/(loss) before taxation is given in note 2 to the financial statements

The balance sheet of the financial statements shows that the group's financial position at the year-end is £4,920,000 lower than prior year

The Group manages its operations on a country level because of the different competitive landscapes and the various business segments it operates For this reason, the company's directors believe that further key performance indicators for the group are not necessary or appropriate for an understanding of the development, performance or position of the business

Outlook for 2010

The group intends to continue its present operations in the future and emphasise the long-term view but does anticipate an impact of the economic and financial crisis on the group's operations and activities

Risks for 2010

Trading risks

The current economic climate and outlook in combination with the competitive pressure in the market place are potent threats to existing profit margins and overall profitability To manage these risks, the company continues to focus on cost efficieny and strives to provide added-value products and services to its customers, through innovation and continued focus on the maintenance of strong relationships with customers

Exchange risks

The company purchases raw materials from and sells products into international markets and is therefore exposed to currency movements on such transactions

Financial risks

The group has sufficient cash for its business needs, there is no exposure to future debt repayments or interest demands

Liability risks

There is no known exposure to legal claims as of 31 December 2009, other than those provided in the financial statements

Results and dividend

The group profit for the financial year after taxation amounted to £2,003,000 (2008 (£2,851,000) loss as restated)

The directors do not recommend the payment of a final dividend *(2008 £Nil)*

Directors' report *(continued)*

Directors
The directors who held office during the year and subsequently were as follows

HM Koschitzky
S Koschitzky
J Koschitzky
R Turner
F Hautman
D Koschitzky (appointed 9 March 2009)
M Vaughan (appointed 9 March 2009)

Directors' interests
None of the directors had any declarable beneficial interest in the share or loan capital of the Company or of any subsidiary undertaking during the year HM Koschitzky, S Koschitzky, J Koschitzky, D Koschitzky, M Vaughan and F Hautman are overseas based directors and are not required to notify interests in group undertakings incorporated outside of Great Britain to the Company

Employees
It is the group's policy to promote the health, safety and welfare of its employees, to provide equal opportunity in recruitment, and to maximise the opportunities for the employment, retention and development of disabled people consistent with their aptitudes and abilities and wherever possible to re-train employees who become disabled, so they can continue in their employment in another position The group has continued to place a high priority on the training and development of its employees and considerable emphasis has been placed on reviewing and improving health and safety procedures

The Board recognises the need for effective communication with, and the involvement of, employees to ensure good relations and the improvement of the group's performance and will continue to hold briefings and presentations when required

Research and development
It is the group's policy to enhance the performance of its products through continuous improvements and quality control in order to meet evolving building design criteria and international building standards

Charitable and political donations
Charitable donations in the UK totalled £nil (2008 £3,851) No political contributions were made (2008 nil)

Payment policy
It is the Company's general policy to abide by the terms of payment agreed with its suppliers The Company does not follow any code or standard payment practice

Directors' report *(continued)*

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

Auditors
With effect from 1 October 2009, Chadwick LLP merged its business with that of Mazars LLP, following which Chadwick LLP resigned as auditor to the company The directors have appointed Mazars LLP to fill the casual vacancy caused by their resignation and, in accordance with section 485 of the Companies Act 2006, a resolution to reappoint Mazars LLP will be put to the members

By order of the Board

F Hautman
Director

Appley Lane North
Appley Bridge
Wigan
Lancashire
WN6 9AB

Registered in England and Wales
Number 3897526

27 January 2011

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

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

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

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 group and parent company and of the profit or loss of the group and parent company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,

- make judgments and estimates that are reasonable and prudent,

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent 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 parent company and enable them to ensure that its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

MAZARS

Independent auditor's report to the members of IKO UK Limited

We have audited the financial statements of IKO UK Limited for the year ended 31 December 2009 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors 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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/UKNP

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of IKO UK Limited / continued...

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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

Mazars LLP

Mazars LLP, Chartered Accountants (Statutory auditor)

Kevin Simmons (Senior statutory auditor)

Tower Building
Water Street
Liverpool
L3 1PQ

28 January 2011

Group profit and loss account
for the year ended 31 December 2009

	Note	2009 £ 000	As restated 2008 £ 000
Turnover	2	**238,907**	244,475
Cost of sales		**(181,264)**	(190,206)
Gross profit		**57,643**	54,269
Net operating expenses	3	**(52,245)**	(52,423)
Operating profit		**5,398**	1,846
Profit on sale of fixed assets		**6**	31
Net interest payable	4	**(620)**	(4,183)
Other finance (charge)/income in respect of pensions	24,25	**(39)**	785
Profit/(loss) on ordinary activities before taxation	5	**4,745**	(1,521)
Taxation on profit on ordinary activities	8	**(2,286)**	(617)
Profit/(loss) on ordinary activities after taxation		**2,459**	(2,138)
Minority interest	20	**(456)**	(713)
Profit/(loss) for the financial year	9,19	**2,003**	(2,851)

There is no difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis

Movements in reserves are set out in note 19

Registered number: 3897526

Group balance sheet
at 31 December 2009

	Note		2009		As restated 2008
		£ 000	£ 000	£ 000	£ 000
Fixed assets					
Intangible assets	10				
Goodwill			**1,397**		4,315
Tangible assets	11		**63,239**		62,220
Investments	12		**6,419**		6,278
			71,055		72,813
Current assets					
Stocks	13	**26,551**		35,797	
Debtors (including £1,931,000 (2008 £3,806,000) due after more than one year)	14	**51,381**		66,404	
Cash		**18,628**		20,802	
		96,560		123,003	
Creditors amounts falling due within one year	15	**(47,026)**		(67,245)	
Net current assets			**49,534**		55,758
Total assets less current liabilities			**120,589**		128,571
Creditors amounts falling due after more than one year	16		**(47,052)**		(53,819)
Provision for liabilities and charges	17		**(4,223)**		(4,877)
Deferred taxation	17		**(2,277)**		(2,227)
Net assets before pension liability			**67,037**		67,648
Net pension liability – UK	24		**(10,690)**		(6,570)
Net pension liability – Ireland	25		**(711)**		(522)
Net assets			**55,636**		60,556
Capital and reserves					
Called up share capital	18		**47,537**		47,537
Merger reserve	19		**4,833**		4,833
Profit and loss account	19		**782**		5,431
Shareholders' funds			**53,152**		57,801
Minority interests	20		**2,484**		2,755
			55,636		60,556

These financial statements were approved by the board of directors on 27 January 2011 and were signed on its behalf by

F Hautman
Director

Company balance sheet
at 31 December 2009

	Note	£ 000	2009 £ 000	£ 000	2008 £ 000
Fixed assets					
Investments	12		**66,355**		66,355
Current assets					
Debtors (including £1,743,000 (2008 £1,743,000) due after more than one year)	14	**1,832**		2,851	
		1,832		2,851	
Creditors amounts falling due within one year	15	**(28)**		(28)	
Net current assets			**1,804**		2,823
Total assets less current liabilities			**68,159**		69,178
Creditors amounts falling due after more than one year	16		**(21,370)**		(22,674)
Net assets			**46,789**		46,504
Capital and reserves					
Called up share capital	18		**47,537**		47,537
Profit and loss account	19		**(748)**		(1,033)
Shareholders' funds			**46,789**		46,504

These financial statements were approved by the board of directors on 27 January 2011 and were signed on its behalf by

F Hautman
Director

Group cash flow statement

for the year ended 31 December 2009

	Note		2009		2008
		£ 000	**£ 000**	£ 000	£ 000
Net cash inflow from operating activities	23a		**20,770**		5,245
Returns on investments and servicing of finance	23b	**(1,462)**		(4,258)	
Taxation		**127**		(2,594)	
Capital expenditure and financial investment	23b	**(8,459)**		(6,776)	
			(9,794)		(13,628)
Net cash inflow/(outflow) before financing			**10,976**		(8,383)
Financing	23b		**(10,240)**		9,739
Increase in cash in the year			**736**		1,356

Reconciliation of net cash flow to movement in net debt

for the year ended 31 December 2009

	Note	2009	2008
		£ 000	£ 000
Increase in cash in the year		**736**	1,356
Cash outflow/ (inflow) from increase in net debt		**10,240**	(9,739)
Change in net debt resulting from cash flows	23c	**10,976**	(8,383)
New finance leases		**(59)**	-
Translation difference	23c	**177**	(661)
Movement in net debt in the year		**11,094**	(9,044)
Net debt at beginning of year		**(45,517)**	(36,473)
Net debt at end of year	23c	**(34,423)**	(45,517)

Group statement of total recognised gains and losses
for the year ended 31 December 2009

	2009 £ 000	As restated 2008 £ 000
Profit/(loss) for the financial year	**2,003**	(2,851)
Exchange adjustment	**(1,866)**	7,645
Actuarial loss recognised in pension schemes during the year (see notes 24 & 25)	**(6,648)**	(11,968)
Deferred tax relating to the actuarial loss	**1,862**	3,155
Restriction on recognition of pension surplus	-	692
Total recognised gains and losses relating to the year	**(4,649)**	(3,327)
Prior year adjustment (note 26)	**(207)**	-
Total gains and losses recognised since last financial statements	**(4,856)**	(3,327)

Group reconciliation of movements in shareholders' funds
for the year ended 31 December 2009

	2009 £ 000	As restated 2008 £ 000
Shareholders' funds at beginning of year (as previously stated)	**58,008**	61,178
Prior year adjustment (note 26)	**(207)**	(50)
Opening shareholders' funds (as restated)	**57,801**	61,128
Profit/(loss) for the financial year	**2,003**	(2,851)
Exchange adjustment	**(1,866)**	7,645
Actuarial loss recognised in pension schemes during the year (see notes 24 & 25)	**(6,648)**	(11,968)
Deferred tax relating to the actuarial loss	**1,862**	3,155
Restriction on recognition of pension surplus	-	692
Shareholders' funds at end of year	**53,152**	57,801

Company reconciliation of movements in shareholders' funds
for the year ended 31 December 2009

	Note	2009 £ 000	2008 £ 000
Profit/(loss) for the financial year	9	**285**	(1,002)
Movement in shareholders' funds		**285**	(1,002)
Shareholders' funds at beginning of year		**46,504**	47,506
Shareholders' funds at end of year		**46,789**	46,504

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

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

Basis of consolidation

The Group financial statements consolidate the financial statements of IKO U K Limited and all its subsidiary undertakings

The consolidated financial statements are based on financial statements of subsidiary undertakings which are coterminous with those of the parent company

Unless otherwise stated, the acquisition method of accounting has been adopted Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the group profit and loss account from the date of acquisition or up to the date of disposal Similarly, the cash flows of subsidiary undertakings acquired or disposed of in the year are included in the group cash flow statement from the date of acquisition or up to the date of disposal

In accordance with Section 408(3) of the Companies Act 2006, IKO U K Limited is exempt from the requirement to present its own profit and loss account The result for the financial period dealt with in the financial statements of IKO U K Limited is disclosed in note 9

Investments in subsidiary undertakings

In the Company's balance sheet, investments in subsidiary undertakings are stated at cost less provisions for permanent diminution in value Where the consideration for the acquisition of subsidiary undertakings includes the allotment of shares and the provisions of Section 612 of the Companies Act 2006 apply, the cost of the investment represents the nominal value of the shares issued, the minimum premium required to be transferred to the share premium account under Section 610, the fair value of any other consideration given and the costs of acquisition

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable new assets acquired) arising on business combinations in respect of acquisitions is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life Any excess of the aggregate of the fair value of the identifiable net assets acquired over the fair value of the consideration given (negative goodwill) is also capitalised and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered

Turnover

Turnover represents the amounts, excluding value added tax, derived from the provision of goods and services, including long term contracts, to external customers during the year

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation

With the exception of freehold land which is not depreciated, depreciation is provided to write off the cost of tangible assets, less their estimated residual values, by equal annual installments over their estimated useful economic lives as follows

Freehold buildings	50 years
Long leasehold properties	50 years
Short leasehold properties	Period of lease
Plant, machinery and vehicles	3 to 15 years

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings

Leased assets

Where the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter Future instalments under such leases, net of finance charges, are included in creditors Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight-line basis over the life of the lease

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value For work in progress and finished goods, cost is taken as production cost which includes an appropriate proportion of attributable overheads

Long term contracts

Amounts recoverable on contracts, which are included in debtors, are stated at cost plus attributable profit less any foreseeable losses The profit on each individual contract is the lower of profit earned to date and that forecast at completion Payments received on account are deducted from amounts recoverable on contracts Such amounts, which have been received and exceed amounts recoverable, are included in creditors

In determining the attributable profit on contracts to a particular accounting period the Group uses estimation techniques The principal estimation technique used is the preparation of profit forecasts on a contract by contract basis which enables an assessment to be made on the final out-turn on each contract Profit is then recognised when the outcome of the contract can be foreseen with reasonable certainty

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between results as stated in the financial statements and as computed for taxation purposes

Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'

Pensions

The Group operates both defined benefit and defined contribution pension schemes The assets of the schemes are held separately from those of the Group in independently administered funds Pension scheme assets are measured using market values Pension scheme liabilities are measured using a projected method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full The movement in the scheme and surplus/deficit is split between operating charges, finance items and in the group statement of total recognised gains and losses

The amounts charged to the profit and loss account in respect of defined contribution pension schemes represent the contributions payable to the scheme in the accounting period

Research and development

All expenditure except that capitalised on buildings and plant is charged against income as incurred

Prior year adjustment

The directors have adjusted the financial statements to recognise that the Ruberoid Holdings Limited defined benefit pension scheme in Ireland has not previously been accounted for in accordance with Financial Reporting Standard 17 The necessary amendments have been applied retrospectively as a prior year adjustment in accordance with Financial Reporting Standard 3 Details of the impact of the prior year adjustment are disclosed in note 26

2 Analysis of turnover, profit before interest and net assets

All turnover arose from one class of business The Group is focused on one core activity, namely the manufacture, distribution and installation of bituminous products

	2009 Total £ 000
Turnover by origin	
Total sales	**261,766**
Intra-group sales	**(22,859)**
Sales to third parties	**238,907**

	2008 Total £ 000
Turnover by origin	
Total sales	275,921
Intra-group sales	(31,446)
Sales to third parties	244,475

Notes (continued)

2 Analysis of turnover, profit before interest and net assets (continued)

	2009 £ 000	2008 £ 000
Turnover by destination		
United Kingdom and Europe	**236,748**	242,663
Rest of World	**2,159**	1,812
Sales to third parties	**238,907**	244,475

	2009 £ 000	As restated 2008 £ 000
Profit before interest	**8,286**	5,011
Group costs - amortisation of goodwill	**(2,882)**	(3,134)
Profit before interest	**5,404**	1,877
Net operating assets	**88,662**	101,758
Group assets – net goodwill	**1,397**	4,315
Net debt	**(34,423)**	(45,517)
Net assets	**55,636**	60,556

3 Net operating expenses

	2009 £ 000	As restated 2008 £ 000
Distribution costs	**26,487**	26,486
Administrative expenses	**25,031**	22,147
Other operating expenses	**727**	3,790
	52,245	52,423

Notes (continued)

4 Net interest payable

	2009 £ 000	2008 £ 000
Interest receivable and similar income		
Interest receivable from parent and fellow subsidiaries	106	252
Bank interest receivable	143	630
Sundry interest receivable	46	87
Exchange gain on foreign currency borrowings	627	-
	922	969
Interest payable and similar charges		
Interest payable to parent and fellow subsidiaries	(972)	(2,012)
On bank loans and overdrafts	(166)	(209)
On other loans	(404)	(651)
Exchange loss on foreign currency borrowings	-	(2,280)
	(1,542)	(5,152)
Net interest payable	(620)	(4,183)

5 Profit/(Loss) on ordinary activities before taxation

	2009 £ 000	2008 £ 000
Profit /(loss) on ordinary activities before taxation is stated		
After charging/ (crediting)		
Depreciation of tangible fixed assets	5,390	5,184
Amortisation of goodwill and intangibles	2,882	3,193
Profit on sale of fixed assets	(6)	(31)
Operating leases		
Hire of plant and machinery	262	65
Hire of other assets	616	533
Research and development	69	100

Auditors' remuneration

	2009 £ 000	2008 £ 000
Audit of these financial statements	23	23
Amounts receivable by auditors and their associates in respect of Audit of financial statements of subsidiaries pursuant to legislation	52	45
Amounts receivable by previous auditors and their associates in respect of Audit of financial statements of subsidiaries pursuant to legislation	-	60

Notes (continued)

6 Employees

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2009	2008
UK and Ireland	**632**	736
Mainland Europe	**626**	658
	1,258	1,394

The aggregate payroll costs of these persons were as follows

	£ 000	£ 000
Wages and salaries	**38,616**	40,607
Social security costs	**8,076**	8,252
Other pension costs	**2,281**	2,383
	48,973	51,242

7 Directors' emoluments

	2009	2008
	£ 000	£ 000
Remuneration	**153**	391
Pension contributions	**16**	89
	169	480

The aggregate of emoluments of the highest paid director were £153,000 (2008 £147,000) and company pension contributions of £16,000 (2008 £64,000) were made to his pension scheme

Retirement benefits are accruing to the following number of directors under

	Number of directors	
	2009	2008
Defined contribution schemes	**1**	2
Defined benefit schemes	**-**	1

Notes (continued)

8 Taxation

(a) Analysis of charge in year

		2009		As restated 2008
	£ 000	**£ 000**	£ 000	£ 000
UK corporation tax				
Current year	**602**		(147)	
Adjustments in respect of prior years	**(230)**		5	
		372		(142)
Overseas tax				
Current year	**1,355**		231	
Adjustments in respect of prior years	**232**		63	
		1,587		294
Total current tax		**1,959**		152
Deferred tax (see note 17)				
Origination and reversal of timing differences	**183**		(116)	
Adjustments in respect of prior years	**(42)**		163	
Deferred tax on defined benefit pension schemes	**186**		418	
		327		465
Tax charge on profit on ordinary activities		**2,286**		617

(b) Factors affecting the tax charge for the current period

The standard rate of tax for the year based on the UK standard rate of corporation tax is 28% *(2008 28 5%)* The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation

	2009	As restated 2008
	£ 000	£ 000
Current tax reconciliation		
Profit/(loss) on ordinary activities before taxation	**4,745**	(1,521)
Current tax at 28% (2008 28 5%)	**1,329**	(433)
Effects for		
Expenses not deductible for tax purposes	**310**	312
Goodwill amortisation	**706**	893
Profit not subject to current tax	**(182)**	60
Depreciation for period in deficit of capital allowances	**(262)**	(14)
Capital allowance in deficit of depreciation	**57**	6
Book profit in excess of capital gains profit	**-**	(36)
Tax losses utilised	**(15)**	(219)
Movement on other timing differences	**(116)**	(571)
Difference between UK and overseas tax rates	**130**	48
Group relief surrender	**-**	38
Adjustments to tax charge in respect of prior years	**2**	68
Total current tax charge (see above)	**1,959**	152

Notes (continued)

9 Profit/(loss) for the financial period

	2009 £ 000	As restated 2008 £ 000
Dealt with in the financial statements of		
IKO U K Limited	**285**	(1,002)
Subsidiary undertakings	**1,718**	(1,849)
	2,003	(2,851)

10 Intangible fixed assets

Group

	Goodwill £ 000
Cost	
At beginning of the year	**28,848**
Exchange adjustment	**(42)**
At end of year	**28,806**
Provision for amortisation and impairment	
At beginning of year	**24,533**
Exchange adjustment	**(6)**
Charge for year	**2,882**
At end of year	**27,409**
Net book value	
At 31 December 2009	**1,397**
At 31 December 2008	**4,315**

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises Goodwill is being amortised over 10 years

Notes *(continued)*

11 Tangible fixed assets

Group

	Land and buildings	Plant, machinery and vehicles	Total
	£ 000	£ 000	£ 000
Cost			
At beginning of the year	43,822	43,208	87,030
Exchange adjustment	(1,477)	(1,473)	(2,950)
Additions	2,793	5,850	8,643
Additions – Own work capitalised	-	35	35
Disposal	(27)	(2,802)	(2,829)
At end of year	45,111	44,818	89,929
Depreciation			
At beginning of year	(5,243)	(19,567)	(24,810)
Exchange adjustment	217	678	895
Charge for the year	(995)	(4,395)	(5,390)
Disposal	13	2,602	2,615
At end of year	(6,008)	(20,682)	(26,690)
Net book value			
At 31 December 2009	**39,103**	**24,136**	**63,239**
At 31 December 2008	38,579	23,641	62,220

	Group 2009	Group 2008
	£ 000	£ 000
Net book value of land and buildings comprises		
Freehold	**33,222**	32,663
Long leasehold	**5,643**	5,648
Short leasehold	**238**	268
	39,103	38,579

Notes *(continued)*

12 Investments

Group

	Equity accounted associate £ 000	Other investments £ 000	Total investments £ 000
At beginning of the year	165	6,113	6,278
Group share of dividend paid to associate	141	-	141
At end of the year	306	6,113	6,419

Equity accounted associate

In December 2007, the group disposed of 31 25% of the ordinary share capital of The Specialist Waterproofing Group, reducing its holding in the company to 25% As of the date of this transaction, the investment is recognised as an equity-accounted associate The group's share of dividend paid to associate represents 25% of the dividend paid to The Specialist Waterproofing Group, 75% being reflected in minority interests (note 20)

Other investments

On 1 January 2007 the group acquired 12,000 D preferred shares in Goldis Enterprise, Inc (a related company incorporated and registered in Canada) as consideration for the disposal of Blair Rubber Company, Inc and Hyload Inc

Company

	Shares in subsidiary undertakings £ 000
Cost	
At beginning and end of year	66,355

The principal operating companies, which are shown on pages 38 and 39 are wholly owned, either directly or indirectly, by IKO U K Limited except where indicated, and all holdings are of ordinary shares They are incorporated in Great Britain, unless their address is overseas in which case the country stated is the country of incorporation

13 Stocks

	Group 2009 £ 000	Group 2008 £ 000
Raw materials	**7,814**	9,421
Work in progress	**13,227**	17,754
Finished goods and goods for resale	**19,333**	26,658
	40,374	53,833
Payments on account	**(13,823)**	(18,036)
	26,551	35,797

Notes *(continued)*

14 Debtors

	Group 2009 £ 000	Company 2009 £ 000	Group 2008 £ 000	Company 2008 £ 000
Amounts falling due within one year				
Trade debtors	40,923	-	50,884	-
Amounts owed by parent and subsidiaries of other IKO groups	2,532	-	1,455	-
Taxation recoverable	297	-	3,478	1,108
Deferred taxation (note 17)	-	89	-	-
Other debtors	3,960	-	5,346	-
Prepayments and accrued income	1,738	-	1,435	-
	49,450	89	62,598	1,108
Amounts falling due after more than one year				
Amounts owed by parent and subsidiaries of other IKO groups	1,931	1,743	3,806	1,743
	51,381	1,832	66,404	2,851

15 Creditors: amounts falling due within one year

	Group 2009 £ 000	Company 2009 £ 000	Group 2008 £ 000	Company 2008 £ 000
Bank loans	1,710	-	1,810	-
Bank overdrafts	401	-	2,892	-
Loans from parent and subsidiaries of other IKO groups	3,888	-	7,679	-
Other loans	-	-	119	-
	5,999	-	12,500	-
Payments on account	1,676	-	1,754	-
Trade creditors	15,321	-	25,915	-
Other creditors	14,015	-	13,478	-
Corporation tax	303	-	1,274	-
Other tax and social security	3,701	-	4,941	-
Accruals	6,011	28	7,383	28
	47,026	28	67,245	28

16 Creditors: amounts falling due after more than one year

	Group 2009 £ 000	Company 2009 £ 000	Group 2008 £ 000	Company 2008 £ 000
Loans from parent and subsidiaries of other IKO groups	46,433	21,370	53,153	22,674
Other loans	619	-	666	-
	47,052	21,370	53,819	22,674

Notes *(continued)*

17 Provision for liabilities and charges

	Deferred taxation £ 000	Warranty provision £ 000	Environmental provision £ 000	Other provisions £ 000	Total £ 000
At beginning of year	2,227	972	2,427	1,478	7,104
Prior year adjustments	(42)	-	-	-	(42)
Exchange adjustment	(91)	(51)	(112)	(80)	(334)
Profit and loss account	183	(100)	(18)	(293)	(228)
At end of year	2,277	821	2,297	1,105	6,500

The warranty provision covers future product costs arising in the normal course of business from prior period sales The environmental provision largely relates to site clean up costs at locations of the group's non-UK operations Other provisions largely relate to pre-retirement obligations to employees in the group's non-UK operations

The amounts provided for deferred tax are as follows

	Group 2009 £ 000	Group 2008 £ 000
Accelerated capital allowances	2,575	2,324
Rolled over capital gain	533	533
Other timing differences	790	840
Tax losses carried forward	(1,621)	(1,470)
	2,277	2,227

There are no unprovided deferred tax liabilities No provision has been made in respect of additional taxation which may become payable in the event that retained profits of overseas subsidiary undertakings are distributed to the parent company The amount of such liability at 31 December 2009 would not be material

The deferred tax asset that has arisen in respect of the pension liabilities in accordance with FRS 17 is set out in notes 24 and 25 The movement on this account is as follows

	2009 £ 000	As restated 2008 £ 000
At beginning of year	(2,758)	-
Profit and loss account	186	418
Arising on actuarial loss in year	(1,862)	(3,371)
Arising on restriction of pension surplus	-	195
At end of year	(4,434)	(2,758)

These amounts are disclosed as part of the net pension liability

Company

	Deferred tax asset 2009 £ 000	2008 £ 000
At beginning of year	-	-
Prior year adjustment	195	-
Profit and loss account	(106)	-
At end of year	89	-

Notes *(continued)*

17 Provision for liabilities and charges / continued..

Company / continued...

The amounts provided for deferred tax are as follows

	2009 £ 000	2008 £ 000
Tax losses carried forward	**89**	-

There are no unprovided deferred tax liabilities

18 Share capital

	Number	£
Authorised		
Ordinary shares of £1 each	90,000,000	90,000,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	47,537,676	47,537,676

19 Reserves

Group

	Merger reserve £ 000	Profit and loss account £ 000	Total £ 000
At beginning of year (as previously stated)	**4,833**	**5,638**	**10,471**
Prior year adjustment (note 26)	-	(207)	**(207)**
At beginning of year (as restated)	**4,833**	5,431	**10,264**
Exchange adjustment	-	(1,866)	**(1,866)**
Actuarial loss recognised in the pension scheme during the year	-	(6,648)	**(6,648)**
Deferred tax relating to the actuarial loss	-	1,862	**1,862**
Profit for the financial year	-	2,003	**2,003**
At end of year	**4,833**	**782**	**5,615**

	2009 £ 000	As restated 2008 £ 000
Profit and loss reserve excluding pension liability	**12,183**	12,523
Pension liabilities	**(11,401)**	(7,092)
Profit and loss reserve	**782**	5,431

Company

	Profit and loss account £ 000
At beginning of year	(1,033)
Profit for the financial year	285
At end of year	(748)

Notes *(continued)*

20 Minority interests

	Minority interest £ 000
At beginning of year	2,755
Exchange adjustment	(36)
Share of profit after tax for financial year	456
Dividend paid	(691)
At end of year	**2,484**

21 Financial and capital commitments

(a) Commitments for capital expenditure at the end of the financial year, for which no provision has been made, are as follows

Group

	2009 £ 000	2008 £ 000
Contracted	**382**	240

Company

The company had £Nil capital commitments at 31 December 2009 *(2008 £Nil)*

(b) Annual commitments under non-cancellable operating leases are as follows

Group

	Land and buildings		Other		Total	
	2009 £ 000	2008 £ 000	**2009 £ 000**	2008 £ 000	**2009 £ 000**	2008 £ 000
Annual commitments under operating leases which expire						
Within one year	**197**	84	**222**	14	**419**	98
In second to fifth year	**263**	90	**357**	156	**620**	246
After five years	**103**	136	**-**	9	**103**	145
	563	310	**579**	179	**1,142**	489

Company

The company has no operating leases *(2008 £Nil)*

Notes *(continued)*

22 Contingent liabilities

Group

During the year ended 31 December 2007, Briggs Amasco Limited (see principal operating companies – page 38) received formal notification from a customer's solicitors that they would be expected to indemnify the customer against all claims and costs arising from work that they were subcontracted to undertake during the year ended 31 December 2002 The claim totals £2,000,000 The directors of Briggs Amasco Limited have taken legal advice and believe they have a strong claim against the action Based upon that legal advice, any provision deemed to be necessary has been recognised in the financial statements

Company

The company had no contingent liabilities at 31 December 2009 *(2008 £Nil)*

23 Notes to the cash flow statement

(a) Reconciliation of operating profit to operating cash flow

	2009	**As restated** 2008
	£ 000	£ 000
Operating profit	**5,398**	1,846
Amortisation and impairment of intangible fixed assets	**2,882**	3,193
Depreciation and impairment of tangible fixed assets	**5,390**	5,184
Decrease/(increase) in stocks	**7,790**	(6,347)
Decrease/(increase) in debtors	**9,370**	(1,710)
(Decrease)/increase in creditors	**(8,799)**	3,030
Movement in provisions	**(418)**	522
Movement in pension provisions	**(702)**	(341)
Movement in investments	**(141)**	(132)
	20,770	5,245

(b) Analysis of cash flows for headings netted in the cash flow statement

	2009	2008
	£ 000	£ 000
Returns on investments and servicing of finance		
Interest received	**933**	974
Interest paid	**(1,704)**	(5,232)
Dividends paid to minority shareholders	**(691)**	-
Net cash outflow for returns on investments and servicing of finance	**(1,462)**	(4,258)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(8,678)**	(7,048)
Sales of tangible fixed assets	**219**	272
Net cash outflow for capital expenditure and financial investment	**(8,459)**	(6,776)

Notes *(continued)*

(b) Analysis of cash flows for headings netted in the cash flow statement (continued)

	2009	2008
	£ 000	£ 000
Financing		
Net (repayment)/receipt of group borrowings	**(10,058)**	9,049
Net (repayment)/receipt of external loans during the year	**(182)**	690
Net cash inflow from financing	**(10,240)**	9,739

(c) Analysis of net debt

	At 31 December 2008	Cash flow	Acquisition (excluding cash and overdrafts)	Other non-cash changes	Exchange	At 31 December 2009
	£ 000	£ 000	£ 000	£ 000	£ 000	**£ 000**
Cash	20,802	(1,736)	-	-	(438)	**18,628**
Overdrafts	(2,892)	2,472	-	-	19	**(401)**
Loans from parent and subsidiaries of other IKO groups	(60,832)	10,058	-	-	453	**(50,321)**
Bank loans	(1,810)	-	-	-	100	**(1,710)**
Other loans	(785)	182	-	(59)	43	**(619)**
	(45,517)	10,976	-	(59)	177	**(34,423)**

24 Pensions - UK

The Group operates both defined contribution and defined benefit pension schemes The Group's defined benefit pension arrangements in the UK are operated through the Ruberoid PLC Staff Pension Scheme Group contributions payable for the year to this defined benefit scheme amounted to £1,115,000 *(2008 £1,158,000)*, of which £500,000 *(2008 £500,000)* was in respect of special contributions made to the scheme during the year

The Ruberoid PLC Staff Pension Scheme was closed to new members on 6 April 2003 A defined contribution scheme based on the stakeholder arrangement was introduced for staff from that date It has been agreed that an employer contribution rate of 17 5% pensionable pay will apply in future years

The latest full actuarial valuation of the Ruberoid PLC Staff Pension Scheme carried out at 6 April 2008 was updated to 31 December 2009 in accordance with FRS 17 by a qualified independent actuary For closed schemes under the projected unit method the current service cost will increase as the members of the scheme approach retirement

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

Notes *(continued)*

24 Pensions - UK (continued)

The principal assumptions used by the actuary to calculate the defined benefit scheme liabilities include

	At 31 December 2009	At 31 December 2008	At 31 December 2007
Discount rate	5 70%	6 70%	5 80%
Inflation rate	3 80%	3 20%	3 30%
Rate of increase to pensions in payments	3 70%	3 10%	3 20%
Revaluation in deferment	3 80%	3 20%	3 30%
Rate of increase in salaries	3 00%	3 00%	3 00%
Post retirement mortality assumption	125% 00 series tables with long cohort projection subject to a minimum rate of improvement of 0 5% p a		
Tax-free cash	No allowance has been made for members to take tax free cash		

Under the mortality tables adopted, the assumed future life expectancy at age 65 is as follows

Life expectancy at age 65	**At 31 December 2009**	At 31 December 2008	At 31 December 2007
Male currently aged 45	23 1	23 0	20 9
Female currently aged 45	25 4	25 3	23 5
Male currently aged 65	21 7	21 6	19 6
Female currently aged 65	24 1	24 1	22 4

	At 31 December 2009	At 31 December 2008	At 31 December 2007
Long term expected rate of return on the Scheme's assets net of expenses	7 1% p a	7 3% p a	7 1% p a

The assumptions are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale involved, may not necessarily be borne out in practice

Assets

The major categories of assets as a percentage of total assets are as follows

Asset category	**At 31 December 2009**	At 31 December 2008	At 31 December 2007
Equities	39%	38%	60%
Property	7%	8%	8%
Gilts	1%	0%	0%
Bonds	1%	0%	32%
Cash	1%	0%	0%
Bulk annuity policy	51%	54%	0%
Total	**100%**	**100%**	**100%**

Notes *(continued)*

24 Pensions - UK *(continued)*

The actual return on the Scheme's assets net of expenses over the period to the review date was approximately £10,260,000

The assets do not include any investment in the shares of any group companies

The expected return on assets is a weighted average of the assumed long term returns for the various asset classes Equity and property returns are developed based on the selection of an appropriate risk premium above the risk free rate which is measured in accordance with the yield on government bonds Bond returns are selected by reference to the yields on government and corporate debt as appropriate to the Scheme's holdings of these instruments

The value of the schemes' assets are measured in relation to market value and the expected rates of return on the assets are set out below

	Expected long term rates of return 2009	Expected long term rates of return 2008	Expected long term rates of return 2007
Equities	**9.00%**	8 30%	8 05%
Gilts/bonds	**5.30%**	-	5 30%
Property	**7.30%**	7 30%	7 05%
Other	-	-	4 80%
Cash	**4.00%**	4 15%	-
Annuities	**5.70%**	6 70%	-

Amounts recognised in the balance sheet at 31 December 2009

	Value at 31 December 2009 £ 000	Value at 31 December 2008 £ 000	Value at 31 December 2007 £ 000
Equities	**19,786**	15,523	33,610
Gilts	**221**	-	-
Bonds	**651**	-	17,944
Property	**3,626**	3,448	4,382
Cash	**269**	202	-
Bulk annuity policy	**25,688**	21,838	-
Other	-	-	49
Total market value of assets	**50,241**	41,011	55,985
Present value of funded scheme liabilities	**(65,088)**	(50,136)	(55,293)
Surplus/(deficit) in the scheme	**(14,847)**	(9,125)	692
Restriction in recognition of pension surplus	-	-	(692)
Deferred taxation (at 28% of the above – 2007 and earlier 30%)	**4,157**	2,555	-
Net pension liability	**(10,690)**	(6,570)	-

Notes *(continued)*

24 Pensions - UK *(continued)*

Amounts recognised in the Statement of Total Recognised Gains and Losses in the year

	2009 £ 000	2008 £ 000
Actuarial losses	**(6,110)**	(11,149)

Amounts recognised in the Profit and Loss Account in the year

	2009 £ 000	2008 £ 000
Current service cost	**413**	580
Interest cost	**3,300**	3,192
Expected return on assets	**(2,986)**	(3,946)
Total	**727**	(174)

Movement in deficit during the year

	2009 £ 000	2008 £ 000
Deficit in scheme at beginning of year	**(9,125)**	-
Current service cost	**(413)**	(580)
Contributions paid	**1,115**	1,158
Other finance (charge)/ income	**(314)**	754
Actuarial loss	**(6,110)**	(11,149)
Restriction on recognition of pension surplus	**-**	692
Deficit in scheme at end of year	**(14,847)**	(9,125)

Reconciliation of Assets and Defined Benefit Obligation

The change in assets over the period was as follows

	2009 £ 000	2008 £ 000
Fair value of assets at the beginning of the year	**41,011**	55,985
Expected return on assets	**2,986**	3,946
Group contributions	**1,115**	1,158
Contributions by Scheme participants	**117**	84
Benefits paid	**(2,262)**	(1,867)
Actuarial gain/(loss) on assets	**7,274**	(18,295)
Fair value of assets at the end of the year	**50,241**	41,011

Notes *(continued)*

24 Pensions - UK *(continued)*

The change in defined benefit obligation over the period was as follows

	2009	2008
	£ 000	£ 000
Defined benefit obligation at the beginning of the year	**50,136**	55,293
Current service cost	**413**	580
Contributions by Scheme participants	**117**	84
Interest cost	**3,300**	3,192
Benefits paid	**(2,262)**	(1,867)
Actuarial loss/ (gain) on defined benefit obligation	**13,384**	(7,146)
Defined benefit obligation at the end of the year	**65,088**	50,136

Summary of prior year amounts

	2009	2008	2007	2006	2005
	£ 000	£ 000	£ 000	£ 000	£ 000
Present value of defined benefit obligation	**(65,088)**	(50,136)	(55,293)	(56,860)	(57,531)
Scheme assets	**50,241**	41,011	55,985	53,690	48,176
Surplus/(deficit)	**(14,847)**	(9,125)	692	(3,170)	(9,355)
Experience gains and (losses) on Scheme liabilities	**241**	1,222	(768)	(466)	583
Experience adjustments on Scheme assets	**7,274**	(18,295)	(727)	1,584	5,487

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses is a loss of £12,031,000

The Group expects to contribute around £960,000 to the Scheme during the year ended 31 December 2010

Group contributions payable for the year to defined contribution schemes operated in the UK and overseas amounted to £1,051,000 *(2008 £1,225,000)*

25 Pensions - Ireland

The Groups defined pension arrangements in Ireland are operated through the Ruberoid Holdings Limited Scheme Group contributions payable for the year to this defined benefit scheme amounted to £nil *(2008 £202,455)*

The Ruberoid Holdings Limited Scheme was closed to future accrual with effect from 1 January 2009 and affected employers were offered entry to a new defined contribution scheme from that date At the same time, the cost of funding pension benefits was increased for both employees and the employer

The last full actuarial valuation of the Ruberoid Holdings Limited Scheme carried out at 1 January 2008 was updated to 31 December 2009 in accordance with FRS 17 by a qualified independent actuary

The principal assumptions used by the actuary to calculate the defined benefit scheme liabilities include

	At 31 December 2009	At 31 December 2008	At 31 December 2007
Discount rate	5 00%	5 75%	5 50%
Inflation rate	2 50%	1 75%	2 50%
Rate of increase to pensions in payments	2 50%	1 75%	2 50%
Rate of increase in salaries	2 25%	3 50%	4 25%
Post retirement mortality assumption (males)	108 5% PMA92 (c2025) adjusted for 3% reduction p a to mortality rate for each year post retirement		
Post retirement mortality assumption (females)	79 5% PFA92 (c2025) adjusted for 1 5% reduction p a to mortality rate for each year post retirement		

Under the mortality tables adopted, the assumed future life expectancy at age 65 is as follows

Life expectancy at age 65	**At 31 December 2009**	At 31 December 2008	At 31 December 2007
Male currently aged 65	24 6	24 6	24 6
Female currently aged 65	28 3	28 3	28 3

	At 31 December 2009	At 31 December 2008
Long term expected rate of return on the Scheme's assets net of expenses	5 7% p a	7 0% p a

The assumptions are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale involved, may not necessarily be borne out in practice

Notes *(continued)*

25 Pensions – Ireland *(continued)*

Assets

The major categories of assets as a percentage of total assets are as follows

Asset category	At 31 December 2009	At 31 December 2008
Equities	48%	43%
Property	2%	3%
Bonds	11%	14%
Cash	8%	7%
Bulk annuity policy	31%	33%
Total	**100%**	**100%**

The actual return on the Scheme's assets net of expenses over the period to the review date was approximately £422,000

The assets do not include any investment in the shares of any group companies

The assumption for the expected return on the Scheme's assets is derived as a weighted average of the expected returns on each asset class The expected returns on each class are based on market conditions at the relevant accounting date, allowing for the risk premium expected on each asset class where appropriate For bonds, the gross redemption yield at the start of the year on an appropriate long dated bond was used For equities, a risk premium of 3% pa in excess of the gross redemption yield on the long bond was used For property a risk premium of 2% pa in excess of the gross redemption yield on the long bond was used For cash an assumed rate of return of 2% was used

Amounts recognised in the balance sheet at 31 December 2009

	Value at 31 December 2009 £ 000	Value at 31 December 2008 £ 000
Equities	1,811	1,386
Bonds	435	458
Property	60	98
Cash	288	230
Bulk annuity policy	1,166	1,062
Total market value of assets	3,760	3,234
Present value of funded scheme liabilities	(4,748)	(3,960)
Surplus/(deficit) in the scheme	(988)	(726)
Deferred taxation (at 28% of the above)	277	204
Net pension liability	(711)	(522)

Notes *(continued)*

25 Pensions – Ireland *(continued)*

Amounts recognised in the Statement of Total Recognised Gains and Losses in the year

	2009	2008
	£ 000	£ 000
Actuarial losses	**(538)**	(819)

Amounts recognised in the Profit and Loss Account in the year

	2009	2008
	£ 000	£ 000
Current service cost (net of employee contributions)	**-**	69
Interest cost	**166**	200
Expected return on assets	**(124)**	(231)
Gains on curtailments and settlements	**(318)**	-
Total	**(276)**	38

Movement in deficit during the year

	2009	2008
	£ 000	£ 000
Deficit in scheme at beginning of year	**(726)**	(71)
Current service cost	**-**	(69)
Contributions paid	**-**	202
Other finance (charge)/ income	**(42)**	31
Actuarial loss	**(538)**	(819)
Gains on curtailments	**318**	-
Deficit in scheme at end of year	**(988)**	(726)

Reconciliation of Assets and Defined Benefit Obligation

The change in assets over the period was as follows

	2009	2008
	£ 000	£ 000
Fair value of assets at the beginning of the year	**3,234**	4,342
Expected return on assets	**124**	231
Group contributions	**-**	203
Contributions by Scheme participants	**-**	56
Benefits paid	**-**	(405)
Actuarial gain/(loss) on assets	**402**	(1,193)
Fair value of assets at the end of the year	**3,760**	3,234

Notes *(continued)*

25 Pensions – Ireland *(continued)*

The change in defined benefit obligation over the period was as follows

	2009 £ 000	2008 £ 000
Defined benefit obligation at the beginning of the year	**3,960**	4,413
Current service cost (net of employee contributions)	-	69
Contributions by Scheme participants	-	56
Interest cost	**166**	200
Benefits paid	-	(405)
Actuarial loss/ (gain) on defined benefit obligation	**940**	(373)
Gains on curtailments and settlements	**(318)**	-
Defined benefit obligation at the end of the year	**4,748**	3,960

Summary of prior year amounts

	2009 £ 000	2008 £ 000
Present value of defined benefit obligation	**(4,748)**	(3,960)
Scheme assets	**3,760**	3,234
Surplus/(deficit)	**(988)**	(726)
Experience gains and (losses) on Scheme liabilities	**121**	(307)
Experience adjustments on Scheme assets	**260**	(1,125)

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses is a loss of £1,039,000

26 Prior year adjustment

The directors have adjusted the financial statements to account for the Ruberoid Holdings Limited defined benefit pension scheme in accordance with Financial Reporting Standard 17 The application of this accounting policy has been applied retrospectively to prior periods The effect of the prior year adjustment is to reduce the group's reported loss for the year ended 31 December 2008 from (£3,284,000) as previously stated by £433,000 to (£2,851,000) The group's accumulated profit and loss reserve at 31 December 2008 has decreased from £5,638,000 as previously stated by £207,000 to £5,431,000 This movement is reflected in the statement of total recognised gains and losses and is analysed below

	£ 000
Decrease in reported loss for the year ended 31 December 2008	**433**
Actuarial loss recognised in the statement of total recognised gains and losses in the year ended 31 December 2008 (net of related deferred tax asset)	**(590)**
Decrease in opening reserves as at 1 January 2008	**(50)**
Total recognised in the group statement of total recognised gains and losses	**(207)**

27 Related party transactions

The company has taken advantage of the exemption under Financial reporting Standard 8 not to provide information on related party transactions with other undertakings within the IKO U K Limited Group

The loan ASBO NV received from IKO Europe NV has decreased to € 331,250 at 31 December 2009 (2008 € 2,156,250) Interest charged by IKO Europe NV in 2009 amounted to €71,037 (2008 €131,787)

The loan ASPHALTCO NV received from IKO Europe NV was repaid in full during the year (2008 €250,000) Interest charged by IKO Europe NV in 2009 amounted to €3,706 (2008 €18,938)

The loan ATAB NV received from IKO Europe NV has decreased to €4,4078,812 at 31 December 2009 (2008 €9,951,562) Interest charged by IKO Europe NV in 2009 amounted to €267,643 (2008 € 661,338)

The loan Iko Holdings BV (Consolidated) received from IKO Europe NV has decreased to € 24,610,000 at 31 December 2009 (2008 €28,391,955) Interest charged by IKO Europe NV in 2009 amounted to €743,003 (2008 €1,620,962)

The loan IKO Plc received from IKO Europe NV was repaid in full during the year (2008 €2,669,800) Interest charged by IKO Europe NV in 2009 amounted to €93,621 (2008 € nil)

The loan IKO Plc received from IKO Europe NV was repaid in full during the year (2008 £5,000,000) Interest charged by IKO Europe NV in 2009 amounted to £121,415 (2008 £347,273)

The loan The Waterproofing Group Plc received from IKO Europe NV was repaid in full during the year (2008 £3,000,000) Interest charged by IKO Europe NV in 2009 amounted to £58,192 (2008 £199,751)

IKO Plc received a new non-interest bearing loan from IKO Sales Limited during the year of €2,669,800 (2008 £nil)

IKO Plc received a new non-interest bearing loan from IKO Sales Limited during the year of £7,000,000 (2008 £nil)

The non-interest bearing loan IKO Holdings Plc received from IKO Sales Limited has remained at €12,015,447 on 31 December 2008 and 31 December 2009

The loan IKO Holdings Plc received from IKO Sales Limited remained at $2,500,000 on 31 December 2008 and 31 December 2009

IKO Holdings BV received a non-interest bearing loan in the year from IKO Europe of £2,056,000 (2008 £nil)

IKO Plc received a non-interest bearing loan in the year from IKO Europe of £1,090,341 (2008 £nil)

Briggs Amasco Limited received a non-interest bearing loan in the year from IKO Europe of £507,546 (2008 £nil)

IKO Europe BV made a non-interest bearing loan in the year to IKO Holdings NV of €350,000 (2008 £nil)

The loan IKO Europe NV received from Ruberoid Building Products Limited has increased to €2,669,425 at 31 December 2009 (2008 € 1,300,000) Interest charged by Ruberoid Building Products Limited in 2009 amounted to €19,823 (2008 €90,386)

The loan IKO Europe NV received from Briggs Amasco Ltd was repaid in full in the year (2008 £1,000,000) Interest charged by Briggs Amasco Limited in 2009 amounted to £6,670 (2008· £49,470)

28 Controlling parent companies

The company's immediate controlling company is IKO Sales Limited IKO Sales Limited is incorporated and registered in Canada

The company's ultimate controlling company is IKO Enterprises Limited which is incorporated and registered in Canada

Neither of the above prepares consolidated financial statements

Principal operating companies

United Kingdom and Ireland

IKO PLC **including Permanite** Appley Lane North, Appley Bridge, Wigan, Lancashire, WN6 9AB Tel 01257 255 771 Fax 01257 252 514 Email sales@ikogroup co uk http //www ikogroup co uk	Manufacture of waterproofing products Also at Chesterfield and Matlock
The Waterproofing Group Plc Appley Lane North, Appley Bridge, Wigan, Lancashire, WN6 9AB Tel 01257 255 771 Fax 01257 252 514 Email' sales@ikogroup co uk http //www ikogroup co uk	Manufacture and supply of bitumen-based waterproofing systems, roofing membranes and building products
Ruberoid Building Products Limited including Irish Roofing Felts Unit 502, Northwest Business Park, Ballycoolin, Dublin 15, Ireland Tel (3531) 885 5090 Fax (3531) 885 5858 Email info@ruberoid ie http //www ruberoid ie	Distribution of waterproofing products Also at Ballyclare, Cork and Limerick
Briggs Amasco Limited **Including Hyflex Roofing, Aperture and Briggs Amasco Maintenance** Amasco House, 101 Powke Lane, Cradley Heath, West Midlands B64 5PX Tel 0121 502 9600 Fax 0121 502 9601 Email asmith@briggsamasco co uk	Roofing and cladding services Branches at Aberdeen, Belfast, Birmingham Bridgend, Bristol, Cork, Glasgow, Hull, London, Manchester, Newcastle, Norwich, Plymouth, Liverpool and Southend

Mainland Europe

Atab NV **Asbo NV (70%)** d'Herbouvillekaai 80, 2020 Antwerp, Belgium Tel (32) 3 248 3000 Fax 03 248 3777 http //www atab com	Manufacture and installation of waterproofing products Also at Beveren, Brussels, Gistel
Asphaltco SA (99.5%) Vilvoordelaan 92, 1830 Machelen, Belgium Tel (32) 2 251 8400 Fax (32) 2 252 4800	Manufacture of building chemicals Distribution and installation of waterproofing products
K&L Invest (75%) Rue des Chevaliers 16, 1050 Ixelles, Belgium Tel (32) 2 652 0025 Fax (32) 2 652 1185	Installation of waterproofing products

Principal operating companies *(continued)*

Nebiprofa BV **Bitasco BV** **Braber BV** **IKO Insulations BV** **Spectraroof BV** Wielewaalweg 1, 4791 PD Klundert The Netherlands Tel (31) 168 409309 Fax (31) 168 409311 Email verkoop@nebiprofa com http //www nebiprofa com	Distribution of roofing products
Touwen & Co BV Oostzijde 300, 1500 EE Zaandam, The Netherlands Tel (31) 75 635 00 11 Fax (31) 75 631 16 72	Manufacture of paints and wood preservative