Company Registration No. 08188653

IKO INSULATIONS UK LIMITED

Annual Report and Financial Statements

for the year ended 31 December 2017

SATURDAY
A7IERLK1
A07 10/11/2018 #381
COMPANIES HOUSE

IKO INSULATIONS UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

CONTENTS

	Page
Directors' report	2
Directors' responsibilities statement	2
Statement of Comprehensive Income	7
Balance Sheet	8
Notes to the financial statements	9

IKO INSULATIONS UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A B Williamson (resigned 23/07/2018)
D F M Theuns
F Hautman

SECRETARY

TCSS Limited

REGISTERED OFFICE

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

AUDITOR

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF
United Kingdom

IKO INSULATIONS UK LIMITED

DIRECTORS' REPORT
For the year ended 31 December 2017

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 2017.

Principal activity

The principal activity of the company is manufacturing and sale of insulation products. The Company did not yet trade as it was in the process of finalizing the construction of a factory, which became operational in March 2018.

Results and dividends

The loss for the year, after taxation, amounted to £1,490,324 (2016: £108,735). The loss in the year was largely due to administrative expenses, specifically forex losses, salaries and management fee's. We expect the company to become profitable in 2019, following the commencement of the factory operations in March 2018.

During the year there has been a large increase in creditors: amounts falling due within one year, this was cash advanced from other group undertakings to enable the construction of the new site which is included within assets under construction until this is brought into use (see note 10).

Directors

The directors who served during the year and thereafter were:

A.B Williamson (resigned 23/07/2018)
D F M Theuns
F Hautman

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 period. 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; 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.

DIRECTORS' REPORT (Continued)
For the year ended 31 December 2017

Going concern

The financial statements have been prepared on a going concern basis which assumes the company will have sufficient funds available to continue to pay its debts as and when they fall due and thus continue to trade. The directors have a reasonable expectation that the company has adequate availability of financial resources to continue in operational existence for the foreseeable future based on its forecasts and projections. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements.

Company funding is provided by IKO Europe NV, no specific terms on reimbursement have been agreed, however, IKO Europe NV has no intention to request refund of the loan in short term.

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.

During the year Deloitte LLP have expressed their willingness to continue as auditor of the company.

Small companies exemption

In preparing this report, the director has taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006. The company is exempt from preparing a strategic report.

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

F Hautman
Director

Date: 9 November 2018

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

IKO INSULATIONS UK LIMITED

INDEPNDANT AUDITOR'S REPORT TO THE MEMBERS OF IKO INSULATIONS LIMITED
For the year ended 31 December 2017

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of IKO Insulations UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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 statement of comprehensive income;
- the statement of financial position; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

INDEPNDANT AUDITOR'S REPORT TO THE MEMBERS OF IKO INSULATIONS LIMITED (Continued)
For the year ended 31 December 2017

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

INDEPNDANT AUDITOR'S REPORT TO THE MEMBERS OF IKO INSULATIONS LIMITED (Continued)
For the year ended 31 December 2017

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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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.

J Boardman

Jane Boardman BSc FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
9 NOV 2018

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover		-	102,000
Cost of sales		(54,696)	-
Gross profit		(54,696)	102,000
Administrative expenses		(1,279,013)	(211,519)
Operating loss		(1,333,709)	(109,519)
Interest payable and expenses		(156,614)	-
Interest receivable and similar income		-	25
Loss before tax		(1,490,323)	(109,494)
Tax on loss	3	-	759
Total comprehensive loss for the year		(1,490,323)	(108,735)

There were no recognised income or expenses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on the following pages form part of these financial statements.

IKO INSULATIONS UK LIMITED

STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Intangible assets		1	1
Tangible assets	4	27,013,921	9,235,336
		27,013,922	9,235,337
CURRENT ASSETS			
Stocks	5	789,578	-
Debtors: amounts falling due within one year	6	449,338	329,030
Cash at bank and in hand		658,171	539,249
		1,897,087	868,279
Creditors: amounts falling due within one year	7	(29,933,966)	(9,636,249)
NET CURRENT LIABILITIES		(28,036,879)	(8,767,970)
TOTAL ASSETS LESS CURRENTLIABILITIES		(1,022,957)	467,367
PROVISIONS FOR LIABILITIES			
Deferred tax		(30)	(30)
NET (LIABILITIES)/ASSETS		(1,022,987)	467,337
CAPITAL AND RESERVES			
Called up share capital		400,100	400,100
Profit and loss account		(1,423,087)	67,237
SHAREHOLDERS' (DEFICIT)/FUNDS		(1,022,987)	467,337

The company's financial statements of IKO Insulations UK Limited (Registration Number 08188653) have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

F Hautman

Director

Date: 9 November 2018

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

The company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is Appley Lane North, Appley Bridge, Wigan, WN6 9AB.

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of 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 IKO Insulations UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates..

The following principal accounting policies have been applied consistently in the current and prior year.

1.2 Going concern

The financial statements have been prepared on a going concern basis which assumes the company will have sufficient funds to continue to pay its debts as and when they fall due and thus continue to trade. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on its forecasts and projections. In making their assessment, the directors have considered a period of at least 12 months from the date of signing these financial statements.

The directors have sought and received confirmation from IKO Europe NV to confirm that the intercompany loan (we refer to Note 8) will not be recalled in the 12 months from the signing date, therefore providing support to the company for the foreseeable future.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised: actual shipment of goods

1.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2017

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any unaccumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as detailed below.

Assets under construction are not depreciated until they are brought into use. Freehold land is not depreciated.

The estimated useful lives range as follows:

Freehold buildings	50 years
Fixtures, Fitting & Equipment	3 to 15 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans to and from related parties and investments in non-puttable ordinary shares.

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.

1. Accounting policies (continued)

1.6 Financial instruments (continued)

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).

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

1. Accounting policies (continued)

1.6 Financial instruments (continued)

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.

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans to and from related parties.

Financial assets that are measured at cost and fair value are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

Raw materials, consumables and goods for resale are valued on a purchase cost on a first in, first out basis.

Work in progress and finished goods are valued on the basis of the cost of direct materials and labour plus attributable overheads based on a normal level of activity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

1. Accounting policies (continued)

1.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

1.19 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

2. Employees

In 2017 the company had no employees other than the directors, who received no remuneration (2016: £nil). Total employee remuneration was as follows:

	2017	2016
	£	£
Wages and salaries	186,044	-
Social security costs	20,484	-
Other pension costs	10,197	-
	216,725	-

Note, all costs in 2017 relate to recharge costs of staff who are employed elsewhere in the group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

3. Taxation

	2017 £	2016 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustments in respect of previous periods	-	(759)
Total deferred tax	-	(759)
Taxation on loss	-	(759)

Despite the tax losses carried forward, no deferred tax asset has been recognised yet.

Factors affecting current tax charge in the year:

The tax assessed for the year is lower than (2016: lower) the standard rate of corporation tax in the UK of 19,25 % (2016: 20%). The differences are explained below:

	2017 £	2016 £
Loss before tax	(1,409,054)	(109,494)
Loss multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	(271,243)	(21,899)
Effects of:		
Expenses not deductible	90,239	9,034
Income not taxable	-	(9,687)
Tax losses	181,004	22,552
Adjustments to tax charge in respect of prior periods	-	(759)
Total tax charge for the year	-	(759)

Despite the tax losses carried forward, no deferred tax asset has been recognised yet. The company made significant capital expenditure in 2017 for the factory. Production started in March 2018 and recognition of the deferred tax asset will be reassessed once the company becomes profitable because of production.

Factors that may affect future tax charges

Finance Act 2016, which was substantively enacted on 6 September 2016, included provisions to reduce the rate of corporation tax to 17% from 1 April 2020. Accordingly, deferred tax balances will be revalued to the lower rate of 17% once recognized in these accounts. To the extent that the deferred tax reverses before 1 April 2020 then the impact on the deferred tax would be reassessed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

4. Tangible fixed assets

	Freehold Land £	Fixtures, Fitting & Equipment £	Assets under construction £	Total £
Cost or valuation				
At 1 January 2017	5,405,026	1,000	3,829,310	9,235,336
Additions	-	2,291	17,776,294	17,776,295
At 31 December 2017	5,405,026	3,291	21,605,604	27,013,921
Depreciation				
At 1 January 2017 and 31 December 2017	-	-	-	-
Net book value				
At 31 December 2017	5,405,026	3,291	21,605,604	27,013,921
At 31 December 2016	5,405,026	3,291	21,605,604	27,013,921

5. Stocks

	2017 £	2016 £
Raw Materials	789,578	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

6. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	416,714	300,520
Other debtors	32,623	28,510
	449,337	329,030

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	374,706	86,714
Amounts owed to group undertakings	29,549,742	9,543,780
Taxation and social security	9,517	-
Accruals and deferred income	30	5,755
	29,933,995	9,636,249

Amounts owed to group undertakings represent intercompany funding provided by IKO Europe NV, no specific terms on reimbursement have been agreed, however, IKO Europe NV has no intention to request refund of the loan in short term.

Interest is chared on intercompany fundings at 0.75% per annum (2016: same).

8. Related party transactions

As at the year end the amounts owed by/to group undertakings are summarised below;

Amounts owed by group undertakings

	2017 £	2016 £
IKO Sal.Ltd Can	100	100
IKO PLC	416,614	300,420
	416,714	300,520

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2017

8. **Related party transactions (continued)**

Amounts owed to group undertakings

	2017 £	2016 £
I.G. Machine & Fibers Ltd	(17,101)	-
IKO Europe NV	(28,631,812)	(9,426,693)
IKO Insulations B.V.	(377,125)	(98,531)
IKO Insulations SAS	(95,161)	-
IKO PLC	(51,434)	(21,927)
IKO S & E GmbH	(372,480)	-
Revaluation €/£	(4,629)	3,371
	(29,549,742)	(9,543,780)

9. **Controlling party**

The company is a subsidiary undertaking of Freemantle Investments Limited. The company's ultimate controlling party is IKO Enterprises Limited. Both companies are incorporated in Canada.

No other financial statements include the results of this company.