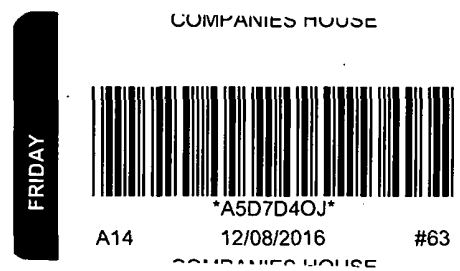


Everbuild Building Products Limited

Report and Financial Statements

31 December 2015



Directors

Paul Schuler
Daniel Lang

Registered Office

The Sika Building
Watchmead
Welwyn Garden City
Hertfordshire
AL7 1BQ

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Bankers

Lloyds Bank plc
Lisbon House
2nd Floor
116 Wellington Street
Leeds
LS1 4LT

Solicitors

DAC Beachcroft LLP
3 Hardman Street
Manchester
M3 3HF

Registered No. 02890352

Strategic report

Principal activity and review of the business

The principal activity of the company is the manufacture, packaging and marketing of a wide range of sealants, adhesives and building products.

The company was acquired by Sika Limited, a UK subsidiary of Sika AG, on 14 June 2013. Sika AG is a Swiss-based global manufacturer of building chemicals.

On a comparison between 2015 and 2014, turnover growth continued reflecting current market conditions and a deliberate strategy to focus on growth combined with slightly increasing margins. In general, it was noted that the market as such developed into a more competitive manner as competition started focussing on a more price aggressive strategy in order to gain market share. However, due to the positioning of the company with respect to service levels and product portfolio, market shares could even be increased. Operational profitability increased compared to previous year, however it has to be noted that sale of intangible assets significantly impacted profitability positively in 2014.

In conclusion, the Directors believe the company enters the new financial year in a very strong position and confidently expects to achieve increased turnover.

The company's key financial and other performance indicators during the period were as follows:

	<i>Unit</i>	<i>2015</i>	<i>2014</i>
Turnover	£	93,651,072	87,066,854
Turnover growth	£	6,584,218	15,862,569
Gross margin	%	30	29
Profit before tax	£	6,665,474	8,218,748

Future Developments

The UK merchant market is expected to become more competitive as competition pursues its price aggressive strategies by continuing to reduce product prices on the market. Furthermore, the impact of Brexit on the construction industry remains unclear. However, the company is well prepared for these upcoming challenges and pursues its strategy of further market penetration by continuous product launches and cross selling between its brands. The dual brand strategy is seen as a strategic advantage in the market as it allows the company to penetrate the independent merchant market as well as national merchant chains.

Strategic report (continued)

Principal risks and uncertainties

Price, credit, liquidity and cash flow risks

The company operates in a competitive market environment, whereas prices of goods are seen as one of the crucial factors. Price competitiveness is ensured by constantly improving efficiency in the manufacturing and logistics processes, which allows maintaining and improving margins. Furthermore, the company strives to provide a high standard of service levels to its customers ensuring stock availability and on time delivery on all its goods, which can be seen as a competitive advantage to its competitors.

The company's principal financial instruments comprise bank balances, trade debtors, trade creditors and loans to the company. The main purpose of these instruments is to raise funds for the company's operations and finance the company's operations.

Trade debtors are managed in respect of credit and cash flow risk policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

By order of the Board



Daniel Lang
Director

8th August 2016

Director's report

The directors present their report and financial statements for the year ended 31 December 2015.

Results and dividends

The profit for the period after taxation amounted to £5,121,479 (2014: £6,366,370). A dividend of £3,700,000 was paid during the year (2014: £12,000,000). On 31st May 2016, the directors recommended a final dividend payment to the parent of £7,000,000.

Director

The directors who served the company during the period were as follows:

P Schuler

D Lang

Political and charitable contributions

During the period the company made charitable donations of £1,598.

Disabled employees

The company does all that is practicable to meet its responsibilities towards the employment and training of disabled people. Where an employee becomes disabled, every effort is made to provide continuity of employment in the same job or a suitable alternative.

Employee Involvement

The company seeks to provide employees with information that concerns them. The company continues to involve staff in the decision making process and communicates regularly with them during the year.

The company's aim for all its staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job and to provide equal opportunity, regardless of sex, religion or ethnic origin.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow director and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Post Balance Sheet events

On 31st May 2016, the Directors declared and paid a dividend of £7,000,000

Re-appointment of auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

By order of the Board

Daniel Lang
Director

8th August 2016



Statement of director's responsibilities

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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Everbuild Building Products Limited

We have audited the financial statements of Everbuild Building Products Limited for the year ended 31 December 2015 which comprises the Profit and Loss account, Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet and the related notes 1 to 22. 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) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 5, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any material misstatements or uncertainties we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of the profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (including FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Director's Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

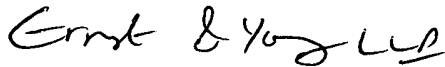
Independent auditors' report

to the members of Everbuild Building Products Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Eddie Diamond (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
Leeds

9 August 2016

Profit and loss account

for the period ended 31 December 2015

		2015	2014
	Notes	£000	£000
Turnover	2	93,651	87,067
Cost of sales		(65,993)	(61,503)
Gross profit		27,658	25,564
Administrative expenses		(20,766)	(19,835)
Operating profit	3	6,892	5,729
Profit on sale of intangibles		-	2,690
Interest payable and similar charges	7	(227)	(200)
Profit on ordinary activities before taxation		6,665	8,219
Tax	8	(1,544)	(1,852)
Profit for the financial period		5,121	6,367

All amounts relate to continuing activities.

Statement of Comprehensive Income

for the period ended 31 December 2015

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Profit for the financial year	5,121	6,367
<i>Other Comprehensive Income</i>		
<i>Deferred tax rate change on revaluation reserve</i>	68	-
<i>Total Other comprehensive income</i>	68	-
<i>Total Comprehensive Income for the year</i>	5,189	6,367

Statement of changes in Equity

at 31 December 2015

	Share capital	Share premium	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total Equity
	£000	£000	£000	£000	£000	£000
<i>At 1 January 2014</i>	21	3	9	2,717	16,580	19,330
<i>Profit for the financial year</i>	-	-	-	-	6,367	6,367
<i>Total comprehensive income for the year</i>	-	-	-	-	6,367	6,367
<i>Equity dividends paid (Note 9)</i>	-	-	-	-	(12,000)	(12,000)
<i>At 31 December 2014</i>	21	3	9	2,717	10,947	13,697
<i>Profit for the financial year</i>	-	-	-	-	5,121	5,121
<i>Other comprehensive income</i>	-	-	-	68	-	68
<i>Total comprehensive income for the year</i>	-	-	-	68	5,121	5,189
<i>Equity dividends paid (Note 9)</i>	-	-	-	-	(3,700)	(3,700)
<i>At 31 December 2015</i>	21	3	9	2,785	12,368	15,186

Balance sheet

at 31 December 2015

Registered No. 02890352

	Notes	2015 £000	2014 £000
Fixed assets			
Tangible assets	11	8,460	9,120
Current assets			
Stocks	12	7,405	8,287
Debtors	13	15,846	15,844
Cash at bank and in hand		289	312
		<u>23,540</u>	<u>24,443</u>
Creditors: amounts falling due within one year	14	<u>(16,344)</u>	<u>(19,376)</u>
Net current assets		<u>7,196</u>	<u>5,067</u>
Total assets less current liabilities		<u>15,656</u>	<u>14,187</u>
Creditors: amounts falling due after more than one year	14	<u>(470)</u>	<u>(490)</u>
Net assets		<u>15,186</u>	<u>13,697</u>
Capital and reserves			
Called up share capital	15	21	21
Share premium account	16	3	3
Capital redemption reserve	16	9	9
Revaluation reserve	16	2,785	2,717
Profit and loss account	16	<u>12,368</u>	<u>10,947</u>
Shareholders' funds		<u>15,186</u>	<u>13,697</u>

Approved by the board on 8th August 2016 and signed on its behalf by


 Daniel Lang
 Director

Notes to the financial statements

at 31 December 2015

1. Accounting policies

Statement of compliance

Everbuild Building Products Limited is a limited company incorporated in England.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 reduced disclosure framework, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The company has taken a number of exemptions under the reduced disclosure framework within FRS102, these are:

- The requirement to present a statement of cash flows and related notes
- The requirements relating to certain disclosures in respect of related party transactions.
- The requirements relating to certain disclosures in respect of key management personnel
- The requirements relating to certain disclosures in respect of financial instruments

Going concern

The financial statements have been prepared on a going concern basis. The directors have made an assessment of the company's ability to continue as a going concern, covering 12 months from the date the financial statements were signed. From this review, the going concern basis was considered appropriate.

Revenue recognition

Turnover represents amounts chargeable, net of value added tax and rebates, in respect of the sale of goods and services to customers. Turnover is recognised on despatch of goods and services to customers in line with agreed Incoterms.

Tangible (fixed) assets

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class		Depreciation method and rate
Land	–	Not depreciated
Buildings	–	2% straight line basis
Fixture and fittings	–	25% reducing balance basis
Plant and machinery	–	25% reducing balance basis
Motor vehicles	–	25% reducing balance basis

All assets are held at cost with the exception of property and buildings, which are held at valuation. On transition to FRS102, the revaluation was used as the deemed cost.

The company's policy is to undertake a professional property valuation at least every five years, and in other years where it is considered there has been a material change in value.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements (continued)

at 31 December 2015

The company have carried out a review of all PP&E, and do not have any adjustments to report under the new Financial Reporting Standard 102- reduced disclosure.

Inventories

Inventory is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income Tax

Income tax includes all domestic and foreign taxes that are based on taxable profit. Any Income tax will be disclosed as per the Financial Reporting Standard 102- reduced disclosure format.

Foreign currency Translation

As the company predominately sell in the UK, they operate a GBP functional currency.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leases

The company have no financial leases to disclose. All leases have been classified as operational as there is no transfer of ownership at the end of the lease period, and no option to purchase the assets. As such, rentals paid under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised to the profit and loss account as they period in which they become payable in accordance with the rules of the scheme.

Borrowing costs

All borrowing costs (Interest and other costs associated with borrowing funds) are recognised in the Profit and loss account in the year in which they incurred.

The company only participates in financing agreements with the Group Treasury.

There are no financial leases to disclose.

Notes to the financial statements (continued)

at 31 December 2015

Basic Financial Instruments

The basic financial instruments being disclosed by the company include: debtors, creditors, cash and ordinary shares. The company holds no financial instruments that would fall under section 12 of FRS102.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Stock Provision- Excess and obsolete stock

Excess stock comprises usable material available in quantities that exceed one year's consumption / sales supply at historical consumption rates. Obsolete material comprises products that are no longer usable. Causes of obsolete stock include changes in production requirements, irreparable damage, and expiration of shelf life.

Bad Debt Provision

The probable amount of bad debt loss to be recorded as an individual allowance for "Accounts receivable" is either:

- the amount disputed by the debtor or for which legal steps have been initiated based on their overdue collection or other negative information; or
- the amount considered at least partially uncollectable based on proceedings of receivership, bankruptcy, or settlement agreements.

For all other receivables which, at the time of evaluation, do not present a conclusive risk requiring an individual allowance, a general allowance is set up according to percentages based on an ageing of the accounts receivable. The starting point for determination of the age of a receivable is the due date.

Notes to the financial statements (continued)

at 31 December 2015

2. Turnover

During the period 10.99% of the company's turnover related to exports (Year ended 31 December 2014 – 10.43%)

An analysis of turnover by geographical market is given below:

	2015 £000	2014 £000
Sales		
UK	83,358	77,975
Europe	7,752	6,821
Rest of world	2,541	2,271
	<u>93,651</u>	<u>87,067</u>

All revenue is from the sale of goods.

An analysis of overseas sales by continent, for the period under review, is given below:

	2015 £000	2014 £000
Africa	498	405
South America	382	190
Australasia	421	269
Asia	1013	995
North America	227	412
	<u>2,541</u>	<u>2,271</u>

3. Operating profit

This is stated after charging / (crediting):

	2015 £000	2014 £000
Auditors' remuneration	<u>44</u>	<u>43</u>
Depreciation of tangible fixed assets	1,174	1,097
Profit on sale of intangibles	-	2,690
Foreign currency gain	(255)	(475)
Operating lease rentals – plant and machinery	464	394
– other assets	291	267
	<u>291</u>	<u>267</u>

4. Auditor's remuneration

	2015 £000	2014 £000
Audit of the financial statements	35	34
Other fees to auditors		
Taxation compliance services	9	9
	<u>44</u>	<u>43</u>

Notes to the financial statements (continued)

at 31 December 2015

5. Director's remuneration

	2015 £000	2014 £000
Remuneration	-	-
Company contributions paid to defined contribution pension schemes	-	-
During the period the number of directors who were receiving benefits and share incentives was as follows:		
	No.	No.
Members of defined contribution pension schemes	-	-

Following the company joining the Sika Group, two Directors were appointed, neither of whom received any remuneration from the company during the period. The Directors did not provide specific services to the Company during this period.

6. Staff costs

The aggregate payroll costs were as follows:

	2015 £000	2014 £000
Wages and salaries	9,718	9,114
Social security costs	920	892
Other pension costs	307	173
	<u>10,945</u>	<u>10,179</u>

The average number of persons employed by the company (including the director) during the period, analysed by category was as follows:

	2015 No.	2014 No.
Administration and support	36	41
Production	200	192
Sales, marketing and distribution	71	63
	<u>307</u>	<u>296</u>

Notes to the financial statements (continued)

at 31 December 2015

7. Interest payable and similar charges

	2015 £000	2014 £000
Interest paid to group companies	224	178
Interest on bank borrowings	3	22
	<u>227</u>	<u>200</u>

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015 £000	2014 £000
Current tax:		
UK corporation tax on the profit for the period	1,467	1,831
Adjustments in respect of previous years	29	18
Total current tax	<u>1,496</u>	<u>1,849</u>
Deferred tax:		
Origination and reversal of timing differences	(19)	32
Adjustments in respect of previous periods	51	(27)
Effect of changes in tax rates and laws	16	(2)
Total tax per income statement	<u>1,544</u>	<u>1,852</u>

(b) Factors affecting the total tax charge

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>6,665</u>	<u>8,219</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (year ended 31 December 2014 – 21.49%)	1,350	1,766
Effects of:		
Expenses not deductible for tax	106	97
Income not taxable	(8)	-
Effects of changes in tax rates and laws	16	(2)
Adjustment to tax charge in respect of previous periods	80	(9)
Total tax for the period (note 8(a))	<u>1,544</u>	<u>1,852</u>

Notes to the financial statements (continued)

at 31 December 2015

(c) Deferred tax

The movement in the deferred tax liability in the period is as follows:

	<i>£000</i>
Provision at start of period	490
Adjustment in respect of prior years	51
Deferred tax charged to the income statement for the period	(3)
Deferred tax charge in OCI for the period	(68)
At 31 December 2015	<u>470</u>

Analysis of deferred tax

	<i>2015</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Fixed asset timing difference	481	495
Short term timing differences	(11)	(5)
Total deferred tax	<u>470</u>	<u>490</u>

Finance Act 2013 was enacted on 2 July 2013 and introduced a reduction in the rate of corporation tax to 20% from 1 April 2015. Finance Act 2014 was enacted on 17 July 2014 and introduced a reduction in the rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. As a result, the amount of deferred tax has been adjusted to reflect the enactment of this Act with no significant impact on these financial statements.

The UK Budget announced in March 2016 further reduces the corporation tax rate to 17% from 1 April 2020. This reduction was not substantively enacted at the balance sheet date and the reduction is not expected to have a material impact on these financial statements

9. Dividends

	<i>2015</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Dividend paid £177.45 per share (2014: £575.51 per share)	<u>3,700</u>	<u>12,000</u>

The directors recommend a dividend of £7,000,000 to be paid during the next financial year.

Notes to the financial statements (continued)

at 31 December 2015

10. Tangible fixed assets

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Fixtures and fittings</i>	<i>Motor vehicles</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost or valuation:					
At 31 December 2014	7,035	9,722	1,690	14	18,461
Additions	–	238	307	–	545
Disposal of asset	–	(54)	–	–	(54)
At 31 December 2015	7,035	9,906	1,997	14	18,952
Depreciation:					
At 31 December 2014	1,001	7,077	1,250	13	9,341
Charge for the period	342	691	140	1	1,174
Disposal of asset	–	(23)	–	–	(23)
At 31 December 2015	1,343	7,745	1,390	14	10,492
Net book value:					
At 31 December 2015	5,692	2,161	607	–	8,460
At 31 December 2014	6,034	2,645	440	1	9,120

Leased assets

There are no leased assets held in the company (31 December 2014 – nil).

Revaluations

The Freehold land and buildings class of fixed assets was revalued on 14th June 2013 by two independent Chartered Surveyors. Based on the two surveys the Directors took the average of the two professional valuations and concluded that an appropriate valuation is £6,375,000 and a carrying amount at historical cost of £3,166,878. The depreciation on this historical cost is £888,000 (31 December 2014 – £710,000).

An estimated tax charge of £706,000 would arise in the event of the sale of the freehold property based on the estimated market value at which it is included within the financial statements.

11. Stocks

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
Raw materials and consumables	3,116	3,461
Finished goods and goods for resale	4,289	4,826
	<u>7,405</u>	<u>8,287</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Notes to the financial statements (continued)

at 31 December 2015

The amount of stock recognised as an expense in the period was £60,459,000 (2014: £56,576,000)

The amount of stock provided for in the profit and loss account in the period was £1,463 (2014: £3,936).

12. Debtors

	2015 £000	2014 £000
Trade debtors	14,313	15,397
Amounts owed from parent company	43	49
Amounts owed from other related party/ group companies	924	180
Other debtors	307	53
Prepayments and accrued income	259	165
	<u>15,846</u>	<u>15,844</u>

13. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	7,024	6,255
Amounts owed to parent company	604	290
Amounts owed to other related party/ group companies	359	1,092
Loan from Group companies	5,966	9,400
Corporation tax	504	793
Other taxes and social security costs	593	690
Other creditors	37	20
Accruals and deferred income	1,257	836
	<u>16,344</u>	<u>19,376</u>

14. Creditors: amounts falling due after one year

	2015 £000	2014 £000
Deferred Tax liability	470	490
	<u>470</u>	<u>490</u>

15. Issued share capital

	No.	2015 £000	No.	2014 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	20,851	21	20,851	21
		<u>21</u>		<u>21</u>

Notes to the financial statements (continued)

at 31 December 2015

16. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Revaluation reserve

This reserve represents the revaluation excess of the company's premises net of the deferred tax liability.

17. Capital commitments

Amounts contracted for but not provided on the financial statements amounted to £23,251 (31 December 2014 – £50,707).

18. Pensions

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the company to the scheme and amounted to £306,663 (31 December 2014 – £172,794)

Contributions totalling £38,476 (31 December 2014 – £15,684) were payable to the scheme at the end of the year and are included in creditors.

19. Other financial commitments

At 31 December 2015 the company had total commitments under non-cancellable operating leases as set out below:

	2015		2014	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	–	508	–	526
In two to five years	–	872	–	791
Over five years	–	–	–	–
	–	1,380	–	1,317

20. Related party transactions

During the year the group entered into transactions, in the ordinary course of business, with other related parties. As explained in note 1, exemption has been taken from disclosing transactions with related parties and information about key management personnel. Balances with related parties have been disclosed in notes 12 and 13.

Notes to the financial statements (continued)

at 31 December 2015

21. Ultimate parent undertaking and controlling party

In the opinion of the directors, the company's immediate parent undertaking is Sika Limited, a company incorporated in England. The company's ultimate and controlling party is Sika AG, which is incorporated in Baar, Switzerland, and prepares group financial statements. Copies of the group financial statements of Sika AG are available from Sika AG, Zugerstrasse 50, 6340 Baar, Switzerland.

22. First time adoption of FRS 102- Reduced disclosure

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014.

The impact from the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2014

	<i>£000</i>
Equity Shareholders funds at 1 January 2014 under previous UK GAAP	20,010
Increase in deferred tax liability	(680)
Equity Shareholders funds at 1 January 2014 under FRS 102	<u>19,330</u>

Reconciliation of equity at 31 December 2014

	<i>£000</i>
Equity Shareholders funds at 31 December 2014 under previous UK GAAP	14,377
Increase in deferred tax liability	(680)
Equity Shareholders funds at 31 December 2014 under FRS 102	<u>13,697</u>

The following were changes in accounting policies arising from the transition to FRS 102:

Deferred Tax

A deferred tax liability has been recognised on the revaluation reserve as per the requirements of FRS102. Under previous UK GAAP, no such liability was recorded. The impact was to increase the deferred tax liability by £680,000 at 31 December 2014 and at 1 January 2014.