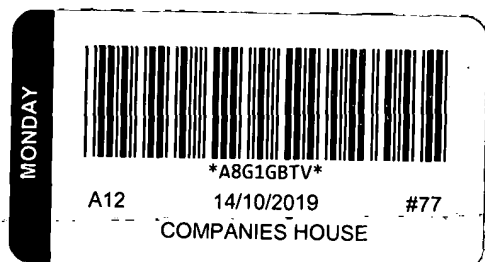


Everbuild Building Products Limited

Everbuild Building Products Limited

Report and Financial Statements

31 December 2018



COMPANY INFORMATION

Directors

P Schuler
DE Lang

Registered Number

02890352

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

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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 comparison between 2017 and 2018, the momentum of turnover growth from previous years was maintained. The Market remained rather price sensitive as competitors continued following a more price aggressive strategy. However, the focus of the company on innovation, product portfolio and service levels secured the company's strong position in the UK market.

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

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

	<i>Unit</i>	<i>2018</i>	<i>2017</i>
Turnover	£	118,257,612	110,653,938
Turnover growth	£	7,603,674	8,770,004
Gross margin	%	29	28
Profit before tax	£	6,143,000	3,398,000

Future Developments

The UK merchant market is expected to grow further in the next year (although growth may slow down) despite ongoing uncertainties re Brexit negotiations with the European Union. As such, it is expected that market participants will continuously be challenged in respect to a competitive environment but also in respect of margin developments based on devaluation of British Pound as well as increasing raw material prices worldwide. However, the company is well prepared for the challenges and pursues its strategy of further market penetration by continuous product launches and cross selling between its brands. The multiple brand strategy is seen as strategic advantage in the market.

Everbuild Building Products Limited

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.

Despite the competitive market environment, both the recent developments on commodity markets (which impacted raw material prices) and the weakening of the British Pound (since the UK voted to leave the EU) resulted into a general increase of price levels in the merchant market. As being in the industry and construction sector in general, the company is also faced with those recent developments. The company balances those impacts with a mixture of specific price increases and efficiency gains in order to maintain margin.

As the uncertainties surrounding Brexit remain, the company has been preparing for all possible outcomes in order to mitigate risks. This includes stock levels which are continuously being monitored in order to maintain supply to our customers.

The company's principal financial instruments comprises of 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.

This report was approved by the board on 26 /09 /19 / and signed on its behalf



DE Lang
Director

26th September 2019

Directors' report

The directors present their report and financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Results and dividends

The profit for the year after taxation amounted to £4,886,000 (2017: £2,634,000).

A dividend of £2,500,000 was paid during the year (2017: £4,483,000). The directors recommended a final dividend payment to the parent of £3,000,000.

Directors

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

P Schuler
DE Lang

Political and charitable contributions

During the year the company made charitable donations of £16,113.

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.

Everbuild Building Products Limited

Directors' report (continued)

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

The directors who held office at the date of approval of the Report of the Directors confirm that, so far as each person was aware, there is no relevant audit information of which the Company's auditors are unaware. Having made enquiries of fellow director and the company's auditor, each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Re-appointment of auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the Board

DE Lang
Director

26th September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Everbuild Building Products Limited

Opinion

We have audited the financial statements of Everbuild Building Products Limited for the year ended 31 December 2018 which comprises the Statement of Total Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its 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.

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 below. 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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Everbuild Building Products Limited

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

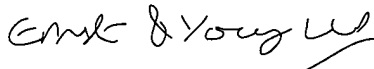
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Everbuild Building Products Limited

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Eddie Diamond (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, (Registered Auditor)
Leeds
4 October 2019

Statement of Total Comprehensive Income

for the year ended 31 December 2018

		2018	2017
	<i>Notes</i>	£000	£000
Turnover	3	118,258	110,654
Cost of sales		<u>(83,753)</u>	<u>(80,530)</u>
Gross profit		34,505	30,124
Administrative expenses		<u>(28,035)</u>	<u>(26,453)</u>
Operating profit	4	6,470	3,671
Interest payable and similar charges	7	<u>(327)</u>	<u>(273)</u>
Profit on ordinary activities before taxation		6,143	3,398
Tax	8	<u>(1,257)</u>	<u>(764)</u>
Profit for the financial year		<u>4,886</u>	<u>2,634</u>
Other Comprehensive Income			
Revaluation of Freehold property		1,681	-
Total Comprehensive Income for the year		<u>6,567</u>	<u>2,634</u>

The notes on pages 12 to 20 form part of these financial statements.

Statement of financial position

For the year ended 31 December 2018

	Notes	2018 £000	2017 £000
Fixed assets			
Tangible assets	10	10,248	8,847
Current assets			
Stocks	11	11,026	10,392
Debtors	12	19,104	19,505
Cash at bank and in hand		183	327
		<u>30,313</u>	<u>30,224</u>
Creditors: amounts falling due within one year	13	<u>(25,165)</u>	<u>(27,704)</u>
Net current assets		<u>5,148</u>	<u>2,520</u>
Total assets less current liabilities		15,396	11,367
Creditors: amounts falling due after more than one year	14	<u>(486)</u>	<u>(524)</u>
Net assets		<u>14,910</u>	<u>10,843</u>
Capital and reserves			
Called up share capital	15	21	21
Share premium account		3	3
Capital redemption reserve		9	9
Revaluation reserve		4,500	2,819
Retained earnings		<u>10,377</u>	<u>7,991</u>
Shareholders' funds		<u>14,910</u>	<u>10,843</u>

Approved by the board on 26th September 2019 and signed on its behalf by


DE Lang
 Director

Statement of changes in Equity

For the year ended 31 December 2018

	Share capital	Share premium	Capital redemption reserve	Revaluation reserve	Income Statement	Total Equity
	£000	£000	£000	£000	£000	£000
<i>At 1 January 2017</i>	21	3	9	2,819	9,840	12,692
<i>Profit for the financial year</i>	-	-	-	-	2,634	2,634
<i>Total comprehensive income for the year</i>	-	-	-	-	2,634	2,634
<i>Equity dividends paid (Note 9)</i>	-	-	-	-	(4,483)	(4,483)
<i>At 31 December 2017</i>	21	3	9	2,819	7,991	10,843
<i>Profit for the financial year</i>	-	-	-	-	4,886	4,886
<i>Other comprehensive income</i>	-	-	-	1,681	-	1,681
<i>Total comprehensive income for the year</i>	-	-	-	1,681	4,886	6,567
<i>Equity dividends paid (Note 9)</i>	-	-	-	-	(2,500)	(2,500)
<i>At 31 December 2018</i>	21	3	9	4,500	10,377	14,910

Notes to the financial statements

For the year ended 31 December 2018

1. General information

Everbuild Building Products Limited (the "Company") is a company incorporated in England and Wales. The registered office is The Sika Building, Watchmead, Welwyn Garden City, Hertfordshire, AL7 1BQ.

2. Accounting policies

2.1 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

2.2 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.

2.3 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.

2.4 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.

Everbuild Building Products Limited

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.

2.5 Stocks

Stocks 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.

2.6 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position date.

2.7 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.

2.8 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 statement of financial position date.

All differences are taken to the income statement account.

2.9 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 income statement on a straight-line basis over the lease term.

2.10 Pensions

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

2.11 Borrowing costs

All borrowing costs (Interest and other costs associated with borrowing funds) are recognised in the income statement 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.

2.12 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.

2.13 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 statement of financial position 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.

2.14 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.

2.15 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.

Everbuild Building Products Limited

3. Turnover

During the year 13.34% of the company's turnover related to exports (2017: 13.30%)

An analysis of turnover by geographical market is given below:

	2018	2017
	£000	£000
Sales		
UK	102,471	95,935
Europe	9,015	8,646
Rest of world	6,772	6,073
	<u>118,258</u>	<u>110,654</u>

All revenue is from the sale of goods.

4. Operating profit

This is stated after charging / (crediting):

	2018	2017
	£000	£000
Auditors' remuneration	<u>27</u>	<u>30</u>
Depreciation of tangible fixed assets	1,354	1,376
Foreign currency (gain) / loss	211	275
Operating lease rentals – plant and machinery	484	493
– other assets	<u>308</u>	<u>322</u>

5. Auditor's remuneration

	2018	2017
	£000	£000
Audit of the financial statements	27	30
Other fees to auditors		
Taxation compliance services	14	7
	<u>41</u>	<u>37</u>

Everbuild Building Products Limited

6. Staff costs

The aggregate payroll costs (including the directors) were as follows:

	2018	2017
	£000	£000
Wages and salaries	12,075	11,452
Social security costs	1,162	1,085
Other pension costs	570	530
	<u>13,807</u>	<u>13,067</u>

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

	2018	2017
	No.	No.
Administration and support	24	36
Production	244	220
Sales, marketing and distribution	70	79
	<u>338</u>	<u>335</u>

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

7. Interest payable and similar charges

	2018	2017
	£000	£000
Interest paid to group companies	327	262
Interest on bank borrowings	-	11
	<u>327</u>	<u>273</u>

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2018	2017
	£000	£000
Current tax:		
UK corporation tax on the profit for the year	1,268	764
Adjustments in respect of previous years	27	(12)
Total current tax	<u>1,295</u>	<u>752</u>
Deferred tax:		
Origination and reversal of timing differences	(42)	(11)
Adjustments in respect of previous years		22
Effect of changes in tax rates and laws	4	1
Total tax per income statement	<u>1,257</u>	<u>764</u>

Everbuild Building Products Limited

(b) Factors affecting the total tax charge

	2018	2017
	£000	£000
Profit on ordinary activities before tax	6,143	3,398
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	1,167	654
Effects of:		
Expenses not deductible for tax	59	100
Income not taxable	-	-
Effects of changes in tax rates and laws	4	1
Adjustment to tax charge in respect of previous years	27	9
Total tax for the year (note 8(a))	1,257	764

(c) Deferred tax

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

	£000
Provision at start of year	524
Adjustment in respect of prior years	
Deferred tax charged to the income statement for the year	(38)
At 31 December 2018	486

Analysis of deferred tax

	2018	2017
	£000	£000
Fixed asset timing difference	504	538
Short term timing differences	(18)	(14)
Total deferred tax	486	524

The UK corporation tax rate reduced from 21% to 20% on 1 April 2015. In September 2016, legislation was substantively enacted to further reduce the main rate of corporation tax to 19% from April 2017 and 17% from April 2020. As these reductions to the rate were substantively enacted at the balance sheet date, the deferred tax balances have been calculated using 17% being the rate which would be in application when the company anticipates the temporary differences to unwind.

Everbuild Building Products Limited

9. Dividends

	2018	2017
	£000	£000
Dividend paid £119.90 per share (2017: £215.00 per share)	2,500	4,483

The directors recommend a dividend of £3,000,000 to be paid during the next financial year.

10. Tangible fixed assets

	<i>Freehold land and buildings</i> £000	<i>Plant and machinery</i> £000	<i>Fixtures and fittings</i> £000	<i>Motor vehicles</i> £000	<i>Total</i> £000
Cost or valuation:					
At 1 January 2018	7,035	12,053	2,842	14	21,944
Additions		880	194	-	1,074
Disposal of asset	-	-	-	-	-
At 31 December 2018	7,035	12,933	3,036	14	23,018
Depreciation:					
At 1 January 2018	2,025	9,212	1,846	14	13,097
Charge for the year	341	741	272	-	1,354
Disposal of asset	-	-	-	-	-
Revaluation as at 31 December 2018	(1,681)	-	-	-	(1,681)
At 31 December 2018	685	9,953	2,118	14	12,770
Net book value:					
At 31 December 2018	6,350	2,980	918	-	10,248
At 31 December 2017	5,010	2,841	996	-	8,847

Leased assets

There are no leased assets held in the company (2017: £nil).

Revaluations

The Freehold land and buildings class of fixed assets was revalued on 19th February 2019 by an independent Chartered Surveyor at £6,350,000. The Directors concluded that this is an appropriate valuation as at 31 December 2018. The carrying amount at historical cost of £3,166,878. The depreciation on this historical cost is £1,422,000 (31 December 2017 – £1,244,000).

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.

Everbuild Building Products Limited

11. Stocks

	2018	2017
	£000	£000
Raw materials and consumables	4,923	4,162
Finished goods and goods for resale	6,103	6,230
	<u>11,026</u>	<u>10,392</u>

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

The amount of stock recognised as an expense in the year was £77,167,488 (2017: £73,980,325)

The amount of stock provided for in the income statement in the year was £81,475 (2017: £45,722).

12. Debtors

	2018	2017
	£000	£000
Trade debtors	16,796	17,220
Amounts owed from parent company	158	47
Amounts owed from other related party/ group companies	1,807	1,245
Other debtors	-	622
Prepayments and accrued income	343	371
	<u>19,104</u>	<u>19,505</u>

13. Creditors: amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	8,291	10,183
Amounts owed to parent company	655	816
Amounts owed to other related party/ group companies	1,555	1,557
Loan from Group companies	13,096	13,772
Corporation tax	122	99
Other taxes and social security costs	647	560
Other creditors	52	64
Accruals and deferred income	747	653
	<u>25,165</u>	<u>27,704</u>

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14. Creditors: amounts falling due after one year

	2018	2017
	£000	£000
Deferred Tax liability	486	524
	<u>486</u>	<u>524</u>

15. Issued share capital

	No.	2018	No.	2017
		£000		£000
Allotted, called up and fully paid				
Ordinary shares of £1 each	20,851	<u>21</u>	20,851	<u>21</u>
		<u>21</u>		<u>21</u>

16. Capital commitments

Amounts contracted for but not provided on the financial statements amounted to £612,238 (2017: £183,000).

17. 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 £569,573 (2017: £530,096)

Contributions totalling £53,592 (2017: £59,267) were payable to the scheme at the end of the year and are included in creditors.

18. Other financial commitments

At 31 December 2018 the company had total commitments under non-cancellable operating leases as set out below:

	2018		2017	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	–	474	–	336
In two to five years	–	319	–	622
	<u>–</u>	<u>793</u>	<u>–</u>	<u>958</u>

19. 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 2.1, 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.

20. 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.