

S A V United Kingdom Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2008



Company Registration No. 00513621

S A V United Kingdom Limited

DIRECTORS AND OFFICERS

DIRECTORS

L C Fabricius

P E Fabricius

J O Hansen

P M Davies

SECRETARY

L C Fabricius

COMPANY NUMBER

00513621 (England and Wales)

REGISTERED OFFICE

Scandia House

131 Armfield Close

West Molesey

Surrey

KT8 2JR

S A V United Kingdom Limited

DIRECTORS' REPORT

The directors present their report and financial statements of S A V United Kingdom Limited for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the supply of heating and plumbing systems.

DIRECTORS

The following directors have held office since 1 January 2008:

L C Fabricius
P E Fabricius
J O Hansen
P M Davies

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

Baker Tilly UK Audit LLP were appointed auditors to the company in accordance with Section 385 of the Companies Act 1985. They have indicated their willingness to continue in office.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



L C Fabricius
Director

24 April 2009

S A V United Kingdom Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 proper accounting records which 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 requirements of the Companies Act 1985. 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 AUDITOR'S REPORT TO THE MEMBERS OF S A V UNITED KINGDOM LIMITED

We have audited the financial statements on pages 5 to 15. The company was exempt from audit in the year ended 31 December 2007 and consequently the corresponding figures are unaudited.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP
BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW
24 April 2009

S A V United Kingdom Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2008

		2008	2007
	Notes	£	Unaudited £
TURNOVER	1	5,731,970	4,423,889
Cost of sales		4,125,268	2,886,647
Gross profit		1,606,702	1,537,242
Other operating expenses	2	1,595,654	1,174,543
OPERATING PROFIT		11,048	362,699
Investment income	3	6,178	3,694
		17,226	366,393
Interest payable		1,324	4,222
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	15,902	362,171
Taxation	6	(14,348)	109,032
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		30,250	253,139

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

S A V United Kingdom Limited

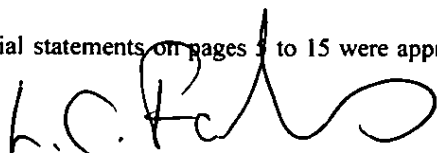
BALANCE SHEET

31 December 2008

	Notes	2008 £	2007 Unaudited £
FIXED ASSETS			
Intangible assets	8	-	338
Tangible assets	9	182,022	58,144
Investments	10	38,000	38,000
		<u>220,022</u>	<u>96,482</u>
CURRENT ASSETS			
Stocks		592,125	427,940
Debtors	11	1,156,309	1,299,009
Cash at bank and in hand		67,660	447,292
		<u>1,816,094</u>	<u>2,174,241</u>
CREDITORS: Amounts falling due within one year	12	1,524,365	1,793,720
		<u>291,729</u>	<u>380,521</u>
NET CURRENT ASSETS			
		511,751	477,003
TOTAL ASSETS LESS CURRENT LIABILITIES			
		511,751	477,003
PROVISIONS FOR LIABILITIES AND CHARGES	13	(4,498)	-
		<u>507,253</u>	<u>477,003</u>
CAPITAL AND RESERVES			
Called up share capital	14	50,000	50,000
Other reserves	15	10,344	10,344
Profit and loss account	15	446,909	416,659
		<u>507,253</u>	<u>477,003</u>
SHAREHOLDERS' FUNDS	16	507,253	477,003

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 3 to 15 were approved by the board of directors and authorised for issue on 24 April 2009



L C Fabricius

Director

S A V United Kingdom Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention. The accounts present information about the company as an individual undertaking and not about its group as the company has taken advantage of the exemption from preparing group accounts in respect of small and medium sized groups contained in S248 Companies Act 1985.

PATENTS

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life.

RESEARCH AND DEVELOPMENT

Expenditure on research and development is written off against profits in the period in which it is incurred.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Leasehold improvements	over the period of the lease
Plant and machinery	over 3 to 5 years

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

STOCK

Stock is valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax balances are not discounted.

LEASED ASSETS

The annual rentals on 'operating leases' are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

The company operates a defined contribution scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

TURNOVER

Turnover represents the value, net of Value Added Tax, of goods sold and services provided to customers.

S A V United Kingdom Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

1. TURNOVER

	2008	2007 Unaudited
Percentage of turnover relating to non-UK markets	3%	6%

2. OTHER OPERATING EXPENSES

	2008 £	2007 Unaudited £
Distribution costs	259,405	274,459
Administrative expenses	1,336,249	900,084
	<u>1,595,654</u>	<u>1,174,543</u>

3. INVESTMENT INCOME

	2008 £	2007 Unaudited £
Bank interest	<u>6,178</u>	<u>3,694</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2008 £	2007 Unaudited £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of intangible assets	338	1,704
Depreciation of tangible assets:		
Charge for the year:		
owned assets	46,904	31,472
Profit on disposals	(1,000)	(9,450)
Operating lease rentals:		
Land and buildings	53,666	46,496
Auditors' remuneration	<u>18,000</u>	<u>-</u>

5. DIRECTORS' REMUNERATION

	2008 £	2007 Unaudited £
Amounts paid to directors	<u>202,660</u>	<u>130,905</u>

The amounts paid to directors is a proportion of the directors' total remuneration and represents the amounts received by the directors for services to this company.

During the year, 1 (2007: 1) director accrued benefits under money purchase pension schemes.

S A V United Kingdom Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2008

6. TAXATION	2008	2007
	£	Unaudited £
Domestic current year tax		
U.K. corporation tax	(22,465)	99,919
Current tax charge	(22,465)	99,919
Deferred tax		
Deferred tax charge/credit current year	8,117	9,113
	(14,348)	109,032
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	15,902	362,171
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 21.00% (2007: 30.00%)	3,339	108,651
Effects of:		
Non deductible expenses	4,641	5,963
Depreciation in excess of capital allowances	(6,135)	(4,855)
Adjustments to previous periods re R&D payment	(23,753)	-
Effects of marginal rate	-	(9,840)
Other tax adjustments	(557)	-
	(25,804)	(8,732)
Current tax charge	(22,465)	99,919
7. DIVIDENDS	2008	2007
	£	Unaudited £
Ordinary:		
Interim paid - Nil (2007 - £2.06)	-	103,121

S A V United Kingdom Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2008

8. INTANGIBLE FIXED ASSETS

	<i>Patents</i> £
Cost	
1 January 2008 and 31 December 2008	22,429
Amortisation	
1 January 2008	22,091
Charge in the year	338
31 December 2008	22,429
Net book value	
31 December 2008	-
31 December 2007	338

9. TANGIBLE FIXED ASSETS

	<i>Land and buildings</i> £	<i>Plant and machinery</i> £	<i>Total</i> £
Cost			
1 January 2008	27,830	302,135	329,965
Additions	-	170,782	170,782
Disposals	-	(19,817)	(19,817)
31 December 2008	27,830	453,100	480,930
Depreciation			
1 January 2008	27,830	243,991	271,821
Charge in the year	-	46,904	46,904
Disposals	-	(19,817)	(19,817)
31 December 2008	27,830	271,078	298,908
Net book value			
31 December 2008	-	182,022	182,022
31 December 2007	-	58,144	58,144

S A V United Kingdom Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2008

10. FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings and participating interests</i>
	£
Cost	
1 January 2008 and 31 December 2008	<u>38,000</u>

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
Subsidiary undertakings			
Cimberio (CIM) Limited	England	Ordinary	38

The directors consider Cimberio (CIM) Limited to be a subsidiary of the company as it holds a participating interest and the companies are managed on a unified basis.

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<i>Capital and reserves</i>	<i>Profit/(loss) for the year</i>
	£	£
Cimberio (CIM) Limited	<u>540,716</u>	<u>10,725</u>

S A V United Kingdom Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2008

11. DEBTORS	2008	2007
	£	Unaudited £
Due within one year:		
Trade debtors	941,515	1,179,499
Other debtors	214,794	115,891
Deferred tax asset	-	3,619
	<u>1,156,309</u>	<u>1,299,009</u>

The 2008 deferred taxation balance is a net liability and so accordingly, the above balance is included in the provision for liabilities and charges (see note 13) in the balance sheet.

12. CREDITORS: Amounts falling due within one year	2008	2007
	£	Unaudited £
Trade creditors	735,376	580,665
Amounts owed to group undertakings	503,410	793,833
Corporation tax	-	99,919
Other taxes and social security costs	190,599	215,304
Other creditors	94,980	103,999
	<u>1,524,365</u>	<u>1,793,720</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation £</i>
Balance at 1 January 2008	(3,619)
Transfer from profit and loss account	8,117
Balance at 31 December 2008	<u>4,498</u>

Deferred taxation provided in the financial statements is as follows:

	2008	2007
	£	£
Excess of tax allowances over depreciation	<u>4,498</u>	<u>(3,619)</u>

S A V United Kingdom Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2008

14. SHARE CAPITAL	2008	2007
	£	Unaudited £
Authorised:		
500,000 ordinary shares of £1 each	500,000	500,000
Allotted, issued and fully paid:		
50,000 ordinary shares of £1 each	50,000	50,000

15. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account</i> £
1 January 2008	416,659
Retained profit for the year	30,250
31 December 2008	446,909

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2008	2007
	£	Unaudited £
Profit for the financial year	30,250	253,139
Dividends	-	(103,121)
Net addition to shareholders' funds	30,250	150,018
Opening shareholders' funds	477,003	326,985
Closing shareholders' funds	507,253	477,003

17. CAPITAL COMMITMENTS

At the year end the company was committed to non-cancellable expenditure of £10,000 for new computer software.

S A V United Kingdom Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2008

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008	2007
	£	Unaudited £
Land and buildings expiring in the first to second year	66,691	-
expiring in the second to fifth year	-	66,691
	<u>66,691</u>	<u>66,691</u>

19. PENSION COMMITMENTS

DEFINED CONTRIBUTION

	2008	2007
	£	£
Contributions payable by the company for the year	<u>6,563</u>	<u>3,587</u>

20. TRANSACTIONS WITH DIRECTORS

Included in other debtors is an amount of £61,573 (2007: £1,862) due from Mr L Fabricius, an amount of £5,225 (2007: £22,769) due from Mr J Hansen and an amount of £6,260 (2007: £6,260) due from Mr P Davies. All are directors of the company. The maximum overdrawn positions of their loan accounts were £61,573, £22,917 and £6,260 respectively.

21. CONTROL

The company's ultimate and immediate parent company is SAV Holding (UK) Limited, a company registered in England.

S A V United Kingdom Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2008

22. RELATED PARTY TRANSACTIONS

During the year the company recharged administration and distribution expenses of £272,947 (2007: £347,252) to Cimberio (CIM) Limited ("CIM"), a company related by common control. In addition, the company made purchases of £240,396 (2007: £362,793) from CIM. At the year end, the company owed £445,698 (2007: £439,255) to CIM.

Administration and distribution expenses of £189,664 (2007: £208,426) were also recharged to FAR United Kingdom Limited ("FAR"), a fellow subsidiary. In addition, the company made purchases of £613,621 (2007: £944,839) from FAR. At the year end SAV United Kingdom Limited owed £56,365 (2007: £353,231) to FAR.

The company invoices customers on behalf of Cimberio (CIM) Limited and FAR United Kingdom Limited. These are treated as sales and trade debtors within the related companies and therefore excluded from sales and trade debtors in the accounts of SAV United Kingdom Limited. At the year end, CIM and FAR had trade debtors of £246,985 and £104,046 respectively, relating to amounts invoiced on their behalf by the company.

The company owed £1,347 (2007: £1,347) to SAV Holding (UK) Limited, immediate parent company, at the year end.