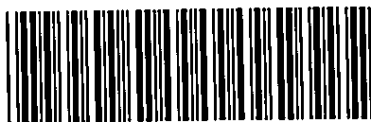


Addis Housewares Limited

Abbreviated Accounts

31 December 2008

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COMPANIES HOUSE

Addis Housewares Limited

Registered No: 2881663

Directors

R J Tucker
M Lee-Smith
M Godfrey
T Seviour
R Cash
S Grainger

Secretary

R J Tucker

Auditors

Clay Shaw Thomas Ltd
Ty Atebion
2 Ffordd Yr Hen Gae
Bocam Park
Bridgend
CF35 5LJ

Bankers

Halifax Bank of Scotland
New Ueberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

Solicitors

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

Registered Office

Zone 3 Waterton Point
Brocastle Avenue
Waterton Industrial Estate
Bridgend
CF31 3US

Directors report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the company continues to be the manufacture and sale of household and light commercial products.

Business review

Details of the trading activities and financial position of the company are shown on pages 5 and 6.

Once more the relatively new operation at Bridgend showed improvements during the year. Low stock and high service levels have been complimented by very tight control of overheads. A reduction in complexity, improvement in quality of sales and new product introductions has resulted in an improvement in the gross margin hence an increase in profit for the year.

Dividends and transfers to reserves

The directors do not propose the payment of a dividend for the year (2007: £nil). The profit for the year of £3,080,000 (2007: £348,000) was transferred to reserves.

Directors

The directors who held office during the year were as follows:

R Tucker

W Jones (resigned 18.03.09)

M Lee-Smith

M Godfrey

T Seviour (appointed 26.02.08)

R Cash (appointed 26.02.08)

S Grainger (appointed 26.02.08)

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Employee information

The company continued its procedures for communicating and consulting with employees during the year, including involving them in matters which affect their interest as employees.

The policy of the company is to achieve a high standard of health, safety and welfare at work for all employees.



Mr R Tucker - Secretary

Date 5/5/09

Directors report

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Clay Shaw Thomas Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Independent auditors' report

to Addis Housewares Limited

Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts, together with the financial statements of Addis Housewares Limited for the year ended 31 December 2008 under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985.

It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

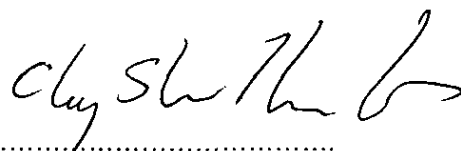
Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practice Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Ty Atebion
Bocam Park
Bridgend
CF35 5LJ
Date 6/5/09


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CLAY SHAW THOMAS LIMITED
Chartered Accountants &
Registered Auditors

Abbreviated profit and loss account

for the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Gross profit		4,426	4,534
Distribution costs		(3,247)	(3,236)
Administration expenses		(832)	(1,005)
Operating profit	2	347	293
Profit on disposal of fixed assets	3	1	25
Group company loans released	3	2,747	-
Interest receivable and similar income		73	126
Interest payable and similar charges	5	(88)	(96)
Profit on ordinary activities before taxation		3,080	348
Tax on profit/(loss) on ordinary activities	7	-	-
Profit for the year		3,080	348

All of the activities of the company are classed as continuing.

Statement of total recognised gains and losses

for the year ended 31 December 2008

	2008 £000	2007 £000
Profit for the financial year being total recognised gains and losses relating to the year.	3,080	348
Actuarial (loss)/gain on defined benefit pension scheme	(1,630)	290
	1,450	638

Abbreviated Balance Sheet

As at 31 December 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Tangible assets	8	323	318
Current assets			
Stocks	9	1,012	1,046
Debtors	10	6,727	7,266
Cash at bank and in hand		158	85
		<u>7,897</u>	<u>8,397</u>
Creditors: amounts falling due within one year	11	(4,415)	(7,787)
Net current assets		<u>3,482</u>	<u>610</u>
Total assets less current liabilities		<u>3,805</u>	<u>928</u>
Creditors: amounts falling due after more than one year	12	-	(33)
Net assets excluding pension liability		<u>3,805</u>	<u>895</u>
Pension liability	16	(5,877)	(4,417)
Net assets including pension liability		<u>(2,072)</u>	<u>(3,522)</u>
Capital and reserves			
Called up share capital	13	6,000	6,000
Profit and loss account	14	(8,072)	(9,522)
Equity shareholders' funds	14	<u>(2,072)</u>	<u>(3,522)</u>

The abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part V11 of the Companies Act 1985

These abbreviated accounts were approved by the board of directors on 5/5/09. and were signed on its behalf by:



Mr R Tucker - Director



Mr M Lee-Smith - Director

Notes to the Abbreviated Accounts

As at 31 December 2008

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is 90% owned and its parent publishes a consolidated cash flow statement.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures and fittings	-	3 to 10 years
Plant and machinery	-	3 to 7 years
Motor vehicles	-	4 years.

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

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leased assets

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

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

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

Revenue grants receivable are credited to the profit and loss account in the period in which they become receivable.

Notes to the Abbreviated Accounts

As at 31 December 2008

1. Accounting policies (continued)

Pension costs

The company operates a defined benefit pension scheme, the Addis Housewares Limited Pension Scheme, covering the majority of its permanent employees. The scheme funds are administered by trustees and are independent of the company's finances. The scheme contributions are paid to the scheme in accordance with the recommendations of independent actuaries.

The difference between the market value of the assets of the scheme and the present value of its liabilities is shown as an asset or liability on the company's balance sheet. Any difference between the expected return on assets and that actually achieved is recognised in the statement of total recognised gains and losses, along with the differences which arise from experience or assumption changes.

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account when incurred.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the period in which it is incurred. Upon completion of a formal launch plan, development costs on the project are capitalised within plant and machinery and depreciated on the basis set out above.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Stocks held on consignment are those where the risks and rewards are not passed on to the company. These stocks are not included in the balance sheet and are expensed in the profit and loss account in the period in which they are consumed.

Deferred tax

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 have occurred at that date will result in an obligation to pay more, or a 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.
- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled into replacement assets and charged to tax only where the replacement assets are sold.

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.

Turnover

Turnover represents the amounts derived from the provision of goods and services to customers, excluding value added tax and trade discounts.

Notes to the Abbreviated Accounts

As at 31 December 2008

Related parties

The company has taken advantage of the exemption under Financial Reporting Standard 8 from the requirement to disclose transactions with Addis group companies.

2. Operating profit

The operating profit is stated after charging/(crediting):

	2008 £000	2007 £000
Auditors' remuneration:		
Audit	17	17
Non-audit services	3	6
Depreciation of tangible fixed assets:		
Owned	49	256
Under finance lease	14	15
Redundancy costs	58	78
Amount payable under operating leases in respect of:		
Plant and machinery	123	210

3. Exceptional items reported after operating profit

	2008 Total £000	2007 Total £000
Profit on disposal of fixed assets	1	25
Release of loan from group companies	2,747	-

The exceptional profit of £1,000 arises from the disposal of machinery and equipment.

During the year various long standing loan balances between group companies were written off.

There is no tax effect in the profit and loss account relating to these exceptional non-operating items due to the availability of current year tax losses and due to the nature of the loan relationship transaction not being subject to Corporation Tax.

Notes to the Abbreviated Accounts

As at 31 December 2008

4. Interest payable and similar charges

	2008 £000	2007 £000
On finance lease agreements	3	7
Bank interest	85	89
	<u>88</u>	<u>96</u>

5. Staff numbers and costs

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

	<i>Number of employees</i>	
	2008	2007
Manufacturing	19	19
Distribution	43	45
Administration	5	6
	<u>67</u>	<u>70</u>

The aggregate payroll costs in respect of the above was as follows:

	2008 £000	2007 £000
Wages and salaries	1,996	2,044
Social security costs	201	189
	<u>2,197</u>	<u>2,233</u>

6. Remuneration of directors

	2008 £000	2007 £000
Directors' emoluments	351	266

Notes to the Abbreviated Accounts

As at 31 December 2008

7. Taxation

a) There was no Corporation Tax payable in this or the prior period due to the availability of previous year's trading losses

b) Factors affecting the current tax credit for the year

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 28% (2007:28%)

The differences are explained below:

	2008 £000	2007 £000
Profit/(loss) on ordinary activities before tax	3,080	348
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2007: 28%)	862	97
Effect of:		
Movement in loan balance between group companies	(769)	-
Capital allowance/depreciation timing difference	(83)	(85)
Other timing differences	1	(7)
Pension contribution FRS 17	(20)	(107)
Group relief surrendered		
Unrelieved tax losses	9	102
Total current tax	-	-

c) Factors that may affect future tax charges

There is an unrecognised deferred tax asset of £3,127,000 (2007 - 2,755,000) that consists of tax trading losses in the main Addis Houseware's trade of £4,178,000 (2007 - £4,092,000), tax losses in the Emsa trade of £211,000 (2007 - £211,000) and the pension liability of £5,877,000 (2007: £4,400,000) and accelerated capital allowances. The related deferred tax asset has not been recognised as the directors consider that the recognition criteria as set out in FRS 19 have not been met.

Notes to the Abbreviated Accounts

As at 31 December 2008

8. Tangible fixed assets

	<i>Plant and machinery £000</i>	<i>Motor vehicles £000</i>	<i>Fixtures and fittings £000</i>	<i>Construction in progress £000</i>	<i>Total £000</i>
Cost:					
At 1 January 2008	5,149	6	607	-	5,762
Additions	-	-	-	68	68
Transfer	48	-	20	(68)	-
Disposals	-	-	-	-	-
At 31 December 2008	5,197	6	627	-	5,830
Depreciation:					
At 1 January 2008	4,995	5	444	-	5,444
Charge for year	37	1	25	-	63
On disposals	-	-	-	-	-
At 31 December 2008	5,032	6	469	-	5,507
Net book value:					
At 31 December 2008	165	-	158	-	323
At 31 December 2007	154	1	163	-	318

The total net book value above includes £110,000 (2007: £124,000) in respect of plant and machinery acquired under finance leases

9. Stocks

	<i>2008 £000</i>	<i>2007 £000</i>
Raw materials and consumables	119	101
Work in progress	6	43
Finished goods and goods for resale	887	902
	1,012	1,046

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

Notes to the Abbreviated Accounts

As at 31 December 2008

10. Debtors

	2008	2007
	£000	£000
Trade debtors	2,276	2,819
Amounts owed by group undertakings	4,286	4,286
Corporation tax	62	62
Other debtors	20	55
Prepayments and accrued income	83	44
	<u>6,727</u>	<u>7,266</u>

11. Creditors: amounts falling due within one year

	2008	2007
	£000	£000
Bank loans and overdrafts	1,022	955
Trade creditors	1,509	1,733
Amounts owed to group and related undertakings	180	2,826
Other taxes and social security	407	430
Other creditors	12	11
Accruals	1,252	1,787
Obligations under finance leases and hire purchase contracts (note 14)	33	45
	<u>4,415</u>	<u>7,787</u>

Bank loans and overdrafts are secured by fixed and floating charges over the assets of the company.

12. Creditors: amounts falling due after more than one year

	2008	2007
	£000	£000
Obligations under finance leases and hire purchase contracts	-	33

Obligations under finance leases and hire purchase contracts are repayable as follows:

	2008	2007
	£000	£000
Within one year (note 13)	33	45
Within two to five years	-	33
	<u>33</u>	<u>78</u>

Notes to the Abbreviated Accounts

As at 31 December 2008

13. Called up share capital

	2008	2007
	£000	£000
Authorised, allotted, called up and fully paid: 6,000,000 Ordinary shares of £1 each	6,000	6,000

14. Reconciliation of movements in shareholders' funds

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2007	6,000	(10,160)	(4,160)
Profit for the year	-	348	348
Actuarial gains on defined benefit pension scheme	-	290	290
At 1 January 2008	6,000	(9,522)	(3,522)
Profit for the year	-	3,080	3,080
Actuarial loss on defined benefit pension scheme	-	(1,630)	(1,630)
At 31 December 2008	6,000	(8,072)	(2,072)

15. Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings		Plant and machinery	
	2008	2007	2008	2007
	£000	£000	£000	£00
Operating leases which expire:				
Within one year	-	-	23	-
In the second to fifth years inclusive	-	-	100	159
After 5 years	245	220	-	-
	245	220	123	159

Notes to the Abbreviated Accounts

As at 31 December 2008

16. Pension scheme

Financial Reporting Standard 17 – Retirement Benefits governs the calculation and reporting of retirement benefit costs in company accounts. The disclosures below relate to the Addis Housewares Ltd Pension Scheme.

During the period the Company contributed £100,000 into the scheme. The PPF levy for the 2008/09 tax year was paid directly by the Scheme.

The latest actuarial valuation of the Addis Housewares Limited Pension Scheme took place on 31 March 2007. The principal assumptions used by the independent qualified actuary in updating the valuation for FRS 17 purposes were:

Main financial assumptions

	31 December 2008 (% p.a.)	31 December 2007 (% p.a.)
Inflation	2.6	3.4
Rate of increase to pensions in payment	3.0	3.0 and 3.6
Discount rate for scheme liabilities	6.6	5.70

The Scheme's net pension liabilities and expected rate of return on its investments at 31 December 2008 and 31 December 2007 were analysed as follows:

	Long term rate of return expected at 31 December 2008 (% p.a.)	Value at 31 December 2008 £M	Long term rate of return expected at 31 December 2007 (% p.a.)	Value at 31 December 2007 £M
Equities	9.0	12.3	7.5	18.5
Bonds	6.0	2.2	5.0	2.0
Other	4.5	1.5	4.5	0.7
Total market value of assets/ average return	8.2	16.0	7.2	21.2
Present value of scheme liabilities		21.99		25.6
Surplus (deficit) in scheme		(5.9)		(4.4)

Notes to the Abbreviated Accounts

As at 31 December 2008

16. Pension scheme (continued)

Analysis of amount credited/(charged) to other finance income/ (charges):

	2008 £M	2007 £M
Expected return on pension scheme assets	1.5	1.4
Interest on pension scheme liabilities	(1.4)	(1.3)
Net return	0.1	0.1

Analysis of amount recognised in statement of total recognised gains and losses (STRGL):

	2008 £M	2007 £M
Actual return less expected return on pension scheme assets	(6.0)	0.3
Experience gains and losses arising on the scheme liabilities	0.2	0.6
Changes in assumptions underlying the present value of the scheme liabilities	4.2	(0.6)
Actuarial loss recognised in STRGL	(1.6)	0.3

Analysis of movement in deficit during the year:

	2008 £M	2007 £M
Deficit in scheme at the beginning of the year	(4.4)	(5.1)
Current service cost	-	-
Contributions	0.1	0.3
Other finance income	0.1	0.1
Actuarial gain /(loss)	(1.6)	0.3
Deficit in scheme at the end of the year	(5.8)	(4.4)

Notes to the Abbreviated Accounts

As at 31 December 2008

17. Ultimate parent company and controlling party

In the opinion of the directors the ultimate controlling party is Herr Wulf, who together with his family interests, holds a 75.1% controlling interest in the company's immediate parent undertaking, Addis Group Limited.

The smallest and largest groups into which the results of the company are consolidated are Addis Group Limited. Copies of the group financial statements which include the company are available from Addis Group Limited, Zone 3 Waterton Point, Brocastle Avenue, Waterton Industrial Estate, Bridgend, CF31 3US.