

Addis Housewares Limited

Report and Financial Statements

31 December 2014

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COMPANIES HOUSE



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Directors

R J Tucker
M Lee-Smith
M Godfrey
M Simmons
T Seviour
S Grainger
D Rand

Secretary

R J Tucker

Auditors

Clay Shaw Thomas Ltd
2 Oldfield Road
Bocam Park
Bridgend
CF35 5LJ

Bankers

Halifax Bank of Scotland
New Uberior 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

Strategic report

The directors present their strategic report for the year ended 31 December 2014.

Business review

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

Details of the trading activities and financial position of the company are shown on pages 7 and 8.

The company's turnover for the year increased from £17.4m to £20.3m, a growth of 16%.

The profit and loss account of the company is set out on page 7 and shows a profit for the year ended 31 December 2014 of £1,534,000, compared with a profit for the year ended 31 December 2013 of £507,000.

We are pleased to report that 2014 was another year of progress for the Addis business. Once again we saw an improvement in both our profit and sales. We had service levels of >99% and a quality failure rate that almost did not register. All product categories within the business developed satisfactorily with a significantly higher level of innovation driving sales and profitability. Within the sales sectors a particularly strong performance was seen within the Grocery, Variety, Hardware and Department store sectors. Within our trading categories Laundry, Waste management, Cleaning, Sinkware, Food storage and Home organisation all showed strong performances with excellent year on year growth in sales and profitability.

Principal risks and uncertainties

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.



Mr R Tucker - Secretary

Date 25/3/2015.

Registered No: 2881663

Directors report

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

Directors

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

R Tucker
M Lee-Smith
M Godfrey
M Simmons
T Seviour
S Grainger
D Rand

Dividends and transfers to reserves

The directors do not propose the payment of a dividend for the year (2013: £nil). The profit for the year of £1,534,000 (2013: £507,000) was transferred to reserves.

Going concern

Since the period end, the company has been profitable and cash generative. The company's forecasts also show that it is expected to continue to be profitable and cash generative at an operating level over the foreseeable future. However the company is committed to significant funding of a defined benefit pension scheme. As a result the company will need to carefully manage its cash flow to ensure that there are sufficient funds to meet the contributions required by the scheme.

After enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

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.

Directors report

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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 that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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.

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

Clay Shaw Thomas Limited are deemed to be re-appointed under s487(2) of the Companies Act 2006.



Mr R Tucker - Secretary

Date 25/3/2015.

Independent auditors' report

to the members of Addis Housewares Limited

We have audited the financial statements of Addis Housewares Limited for the year ended 31 December 2014. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Section 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 Directors' Responsibilities Statement set out on page 4, 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2014 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.

Opinion on other matters prescribed by the Companies Act 2006

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

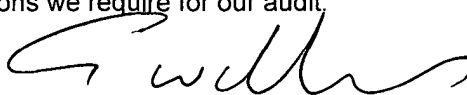
Independent auditors' report

to the members of Addis Housewares 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, 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.



MR D GWYN J WILLIAMS B.A.,
F.C.A (Senior Statutory Auditor)
For and on behalf of
CLAY SHAW THOMAS LTD
Chartered Accountants
and Statutory Auditor

2 Oldfield Road
Bocam Park
Bridgend
CF35 5LJ

26/3/2015

Profit and loss account

For the year ended 31 December 2014

	Notes	2014 £000	2013 £000
Turnover	2	20,313	17,440
Cost of sales		(14,954)	(12,999)
Gross profit		5,359	4,441
Distribution costs		(4,021)	(3,492)
Administration expenses		(517)	(516)
Operating profit	3	821	433
Interest receivable and similar income	4	211	141
Interest payable and similar charges	5	(69)	(67)
Profit on ordinary activities before taxation		963	507
Tax on profit/(loss) on ordinary activities	9	571	-
Profit for the year	17	1,534	507

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

Statement of total recognised gains and losses

for the year ended 31 December 2014

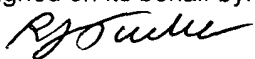
	2014 £000	2013 £000
Profit for the financial year	1,534	507
Actuarial gain (deficit) on defined benefit pension scheme	(2,474)	60
Deferred tax credit re defined benefit pension scheme	2,112	-
Total recognised gains and losses relating to the year.	1,172	567

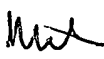
Balance Sheet

As at 31 December 2014

	2014 Notes	2013 £000	£000
Fixed assets			
Tangible assets	10	630	741
Current assets			
Stocks	11	1,698	1,591
Debtors	12	8,701	8,571
Cash at bank and in hand		269	342
		<u>10,668</u>	<u>10,504</u>
Creditors: amounts falling due within one year	13	(4,782)	(6,006)
Net current assets		<u>5,886</u>	<u>4,498</u>
Total assets less current liabilities		<u>6,516</u>	<u>5,239</u>
Government grants	15	(86)	(55)
Net assets excluding pension liability		<u>6,430</u>	<u>5,184</u>
Pension liability	19	(8,160)	(8,086)
Net assets including pension liability		<u>(1,730)</u>	<u>(2,902)</u>
Capital and reserves			
Called up share capital	16	6,000	6,000
Profit and loss account	17	(7,730)	(8,902)
Equity shareholders' funds	17	<u>(1,730)</u>	<u>(2,902)</u>

These financial statements were approved by the board of directors on 25/3/2015 and were signed on its behalf by:


Mr R Tucker - Director


Mr M Lee-Smith – Director

Company registration number: 2881663

Notes to the financial statements

As at 31 December 2014

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.

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 100% 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

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 financial statements

As at 31 December 2014

1. Accounting policies (cont)

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 net of deferred tax. 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 first in first out basis 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 that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- 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 over into replacement assets and charged to tax only where the replacement assets are sold.
- 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.

Notes to the financial statements

As at 31 December 2014

Turnover

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

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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

The company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

Going concern

Since the period end, the company has been profitable and cash generative. The company's forecasts also show that it is expected to continue to be profitable and cash generative at an operating level over the foreseeable future. However the company is committed to significant funding of a defined benefit pension scheme. As a result the company will need to carefully manage its cash flow to ensure that there are sufficient funds to meet the contributions required by the scheme.

After enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

2. Turnover

Turnover arises solely from the principal activities of the company.

The company has not disclosed an analysis of turnover by market as the directors consider that this will be seriously prejudicial to the company.

3. Operating profit

The operating profit is stated after charging/(crediting):	2014	2013
	£000	£000
Auditors' remuneration:		
Audit	19	19
Non-audit services	12	15
Depreciation of tangible fixed assets-owned	151	126
Release of grant	(16)	(9)
Amount payable under operating leases in respect of		
Plant and machinery	181	169
Other	164	261
	<u> </u>	<u> </u>

Notes to the financial statements

As at 31 December 2014

4. Interest receivable and similar income

	2014 £000	2013 £000
Pension finance returns	210	140
Bank interest	1	1
	<u>211</u>	<u>141</u>

5. Interest payable and similar charges

	2014 £000	2013 £000
Bank interest	69	67
Pension finance charge	-	-
	<u>69</u>	<u>67</u>

6. 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>	
	2014	2013
Manufacturing	22	20
Distribution	41	39
Administration	4	4
	<u>67</u>	<u>63</u>

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

	2014 £000	2013 £000
Wages and salaries	1,995	1,790
Social security costs	259	181
	<u>2,254</u>	<u>1,971</u>

7. Remuneration of directors

	2014 £000	2013 £000
Directors' emoluments	575	556
Remuneration of highest paid director:		
Total remuneration (including pension contributions)	<u>146</u>	<u>136</u>

Notes to the financial statements

As at 31 December 2014

8. Financial instrument

The company's local currency is pounds sterling but some of the purchases are denominated in US dollars and in Euros. As a result the company is subject to foreign currency exchange risk due to movement between the exchange rates. The company seeks to reduce the risk by entering into forward contracts. The company had contracts for the following sums in place at the year end:

US \$: 6.0M

Euros €: 6.5M

9. Taxation

a) Analysis of tax credit for the year

	2014 £000	2013 £000
Current tax:		
UK corporation tax for the period	-	-
Total current tax credit	-	-
Deferred tax:		
Origination and reversal of timing differences	643	-
Movement in deferred tax asset in relation to pension scheme deficit	(72)	-
Total deferred tax credit	571	-
Tax credit on profit on ordinary activities	571	-

b) Factors affecting tax credit for the year

The current tax assessed for the year is different to the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2014 £000	2013 £000
Profit/(loss) on ordinary activities before tax	1,534	507
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK 20% (2013: 20%)	307	101
Effect of:		
Capital allowance/depreciation timing difference	(22)	(32)
Other adjusting differences	-	(27)
Unrelieved tax losses	(255)	(8)
Pension contributions relief in excess of net pension cost charge	(30)	(34)
Total current tax credit	-	-

Notes to the financial statements

As at 31 December 2014

10. Tangible fixed assets

	<i>Plant and machinery</i> £000	<i>Fixtures and fittings</i> £000	<i>Construction in progress</i> £000	<i>Total</i> £000
Cost:				
At 1 January 2014	5,821	678	-	6,499
Additions	-	-	40	40
Transfer	37	3	(40)	-
Disposals	-	-	-	-
At 31 December 2014	5,858	681	-	6,539
Depreciation:				
At 1 January 2014	5,166	592	-	5,758
Charge for year	123	28	-	151
On disposals	-	-	-	-
At 31 December 2014	5,289	620	-	5,909
Net book value:				
At 31 December 2014	569	61	-	630
At 31 December 2013	655	86	-	741

11. Stocks

	<i>2014</i> £000	<i>2013</i> £000
Raw materials and consumables	237	236
Work in progress	5	5
Finished goods and goods for resale	1,456	1,350
	1,698	1,591

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

12. Debtors

	<i>2014</i> £000	<i>2013</i> £000
Trade debtors	2,996	2,994
Amounts owed by group undertakings	4,566	5,179
Corporation tax	62	62
Deferred tax asset	643	-
Other debtors	368	263
Prepayments and accrued income	66	73
	8,701	8,571

Notes to the financial statements

As at 31 December 2014

12. Debtors (cont)

The debtors above include the following amounts falling due after more than one year:

	2014 £000	2013 £000
Amounts owed by group undertakings	<u>4,286</u>	<u>4,286</u>

13. Creditors: amounts falling due within one year

	2014 £000	2013 £000
Bank loans and overdrafts	1,340	1,895
Trade creditors	1,434	1,667
Other taxes and social security	512	444
Other creditors	322	1,041
Accruals and deferred income	1,174	959
	<u>4,782</u>	<u>6,006</u>

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

14. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2014 £000	2013 £000
Included in debtors(note 12)	<u>643</u>	<u>-</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	Amount recognised		Amount unrecognised	
	2014 £000	2013 £000	2014 £000	2013 £000
Excess of taxation allowances over depreciation on fixed assets	29	-	-	7
Tax losses available	<u>614</u>	<u>-</u>	<u>-</u>	<u>734</u>
Balance carried forward	<u>643</u>	<u>-</u>	<u>-</u>	<u>741</u>

The directors have updated the forecasts and reviewed the recoverability of the deferred tax asset in relation to both the tax losses noted above and the pension scheme deficit. Following this review, the directors consider that the deferred tax asset in relation to the tax losses above and pension deficit will be utilised in the foreseeable future and have therefore recognised in full the deferred tax year in relation to tax losses of £643,000 (2013: £734,000 unrecognised) and a deferred tax asset of £2,040,000 (2013: £1,617,200 unrecognised) in relation to the pension deficit. In accordance with the requirements of Financial Reporting Standard 17: Retirement Benefits (FRS 17), the deferred tax assets in relation to the pension deficit has been netted off the pension scheme deficit (see note 19).

Notes to the financial statements

As at 31 December 2014

14. Deferred taxation (cont)

The movement in this deferred tax asset during the year is set out as below:

	2014 £000	2013 £000
At 1 January 2014	-	-
Charged to the profit and loss account	571	-
Amount recognised in statement of total recognised gains and losses	<u>2,112</u>	<u>-</u>
At 31 December 2014	<u>2,683</u>	<u>-</u>

15. Government grants

	2014 £000	2013 £000
<i>Received and receivable:</i>		
At 1 January 2014	64	-
Receivable during the year	<u>47</u>	<u>64</u>
At 31 December 2014	111	64
<i>Amortisation:</i>		
At 1 January 2014	9	-
Credit to profit and loss account	<u>16</u>	<u>9</u>
At 31 December 2014	25	9
Net balance at 31 December 2014	<u>86</u>	<u>55</u>

16. Called up share capital

	2014 £000	2013 £000
Authorised, allotted, called up and fully paid: 6,000,000 Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

Notes to the financial statements

As at 31 December 2014

17. Reconciliation of movements in shareholders' funds

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2013	6,000	(9,469)	(3,469)
Profit for the year	-	507	507
Actuarial gain on defined benefit pension scheme	-	60	60
At 1 January 2014	6,000	(8,902)	(2,902)
Profit for the year	-	1,534	1,534
Actuarial loss on defined benefit pension scheme	-	(2,474)	(2,474)
Movement on deferred tax asset relating to the defined benefit pension scheme deficit	-	2,112	2,112
At 31 December 2014	6,000	(7,730)	(1,730)

18. Commitments

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

	Land and buildings		Plant and machinery	
	2014	2013	2014	2013
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	-	-	11	11
In the second to fifth years inclusive	198	245	145	107
After 5 years	-	-	-	-
	198	245	156	118

19. Pension scheme

Financial Reporting Standard 17 – Retirements 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 £150,000 to the scheme. The PPF levy for the 2013/14 tax year was paid directly by the Scheme.

The latest actuarial valuation of the Addis Housewares Limited Pension Scheme took place on 29 January 2015. The principal assumptions used by the independent qualified actuary in updating the valuation for FRS 17 purposes were:

Notes to the financial statements

As at 31 December 2014

19. Pension scheme (cont)

Actuarial assumptions

The pension scheme assets are stated at their market values at the respective balance sheet dates and the main assumptions for the Scheme used by the actuary were:

	2014	2013
	%	%
Discount rate	4.2	5.0
Expected return on scheme at the end of the year	7.9	8.4
Increases in salaries		
Inflation rate (RPI)	2.8	3.3
Inflation rate (CPI)	1.8	2.3
Mortality	S2PMA/S2PFA	S1PMA/S1PFA

The assumed life expectations on retirement at 65 are:

	2014	2013
Retiring today:		
Males	84.8	84.7
Females	86.8	87.0
Retiring in 20 years:		
Males	85.7	85.5
Females	87.9	88.1

The company's policy is to recognise actuarial gains and losses immediately in full each year.

(a) Amounts recognised in the profit and loss account:

	2014	2013
	£000	£000
Current Service Cost	-	-
Interest on obligation	1,310	1,320
Expected return on scheme assets	(1,520)	(1,460)
Total expense	(210)	(140)

(b) Amounts recognised in the statement of total recognised gains and losses (STRGL):

	2014	2013
	£000	£000
Actuarial (loss)/gain on scheme assets	(790)	(750)
Actuarial (loss)/ on scheme liabilities	(1,680)	810
Actuarial (loss)/ gain recognised in the STRGL	(2,470)	60

Notes to the financial statements

As at 31 December 2014

19. Pension scheme (cont)

(c) Cumulative amount of actuarial gains and losses recognised in STRGL:

	2014 £000	2013 £000
Actuarial (loss)/gain recognised in the STRGL	(5,768)	(3,294)

(d) Amounts recognised in the balance sheet:

	2014 £000	2013 £000
Present value of funded obligations	(28,590)	(26,840)
Fair value of scheme assets	18,390	18,750
	(10,200)	(8,090)
Related deferred tax asset (see note 14)	2,040	-
	8,160	(8,090)

(e) Reconciliation of the present value of the defined benefit obligation:

	2014 £000	2013 £000
Present value of obligation at beginning of the year	(26,840)	(27,600)
Current service cost	-	-
Interest cost	(1,310)	(1,320)
Actuarial (loss)/gain on scheme liabilities	(1,680)	810
Benefits paid	1,240	1,270
Present value of obligation at end of the year	(28,590)	(26,840)

(f) Reconciliation of fair value of scheme assets:

	2014 £'000	2013 £'000
Fair value of scheme assets at beginning of the year	18,750	19,150
Expected return on scheme assets	1,520	1,460
Actuarial (loss)/gain on scheme assets	(790)	(760)
Contributions by the company	150	170
Contributions by members	-	-
Benefits paid	(1,240)	(1,270)
Fair value of scheme assets at end of the year	18,390	18,750

Notes to the financial statements

As at 31 December 2014

19. Pension scheme (cont)

(g) Scheme assets:

The Scheme's net pension liabilities and expected rate of return on its investments at 31 December 2014 and 31 December 2013 were analysed as follows:

	<i>Long term rate of return expected at 31 December 2014 (% p.a.)</i>	<i>Value at 31 December 2014 £M</i>	<i>Long term rate of return expected at 31 December 2013 (% p.a.)</i>	<i>Value at 31 December 2013 £M</i>
Diversified growth fund	8.0	18.1	8.5	18.5
Other	2.0	0.3	2.0	0.2
Total market value of assets/ average return	7.9	18.4	8.4	18.7

(h) Expected return on scheme assets:

The overall expected return on assets is calculated as the weighted average of the expected returns on each individual asset class. The expected return on the diversified growth fund is the sum of inflation, the dividend yield, economic growth and investments expenses. The expected return on other assets is broadly the current interest rate set by the Bank of England.

(i) Actual return on scheme assets:

The actual return on scheme assets was a return of 5.3% (2013 – 5.4%).

(j) History of assets and liabilities:

	<i>2014 £000</i>	<i>2013 £000</i>	<i>2012 £000</i>	<i>2011 £000</i>	<i>2010 £000</i>
Present value of funded obligation	(28,590)	(26,840)	(27,600)	(26,330)	(25,490)
Fair value of scheme assets	18,390	18,750	19,150	18,650	20,200
Surplus / (shortfall)	(10,200)	(8,090)	(8,450)	(7,680)	(5,290)

(k) Estimated contributions:

The employer's best estimate of contributions to be paid to the schemes by the company next year is £150,000.

Notes to the financial statements

As at 31 December 2014

20. Related party transactions

Addis Housewares Limited is a 100% subsidiary of Addis Group Limited, and as such has taken advantage of the exemption stated in FRS8 which does not require the disclosure of transactions between group companies if at least 100% of the voting rights are held within the group.

Group consolidated financial statements are prepared and are available from Addis Group Limited, Zone 3 Waterton Point, Brocastle Avenue, Waterton Industrial Estate, Bridgend, CF31 3US.

Emsa GmbH owns a 24.9% interest in Addis Group Limited and is itself controlled by Herr Wulf together with his family. During the year, the company purchased goods in the normal course of business from Emsa GmbH for £601,000 (2013: £597,000). All transactions were undertaken at normal market prices.

During the year the company entered into an agreement with Emsa GmbH for the further advance payments for goods and services. This agreement was funded in full by an unsecured interest free loan which is repayable as goods and services are provided from Emsa GmbH to Addis Housewares Limited.

Included within amounts due from group undertakings as at the balance sheet date, there was a net amount due from Emsa GmbH of £314,000 (2013 : £811,000). This is a Euro loan, translated to Sterling at the exchange rate ruling at the balance sheet date.

21. Ultimate parent company and controlling party

The ultimate parent undertaking of Addis Housewares Limited is Addis Group Limited, a company registered in England and Wales.

In the opinion of the directors the ultimate controlling party is Herr Wulf, who together with his family interests, holds a 70.1% controlling interest in the company's immediate parent undertaking, Addis Group Limited.