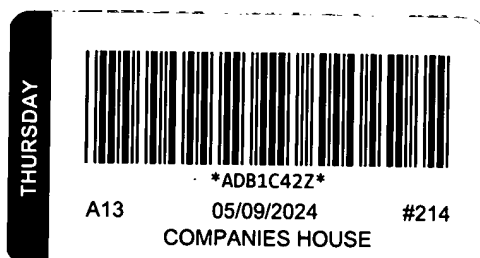


**COMPANY REGISTRATION NUMBER: 02881663**

**Addis Housewares Limited**  
**Financial Statements**  
**For the year ended**  
**31 December 2023**



# **Addis Housewares Limited**

## **Financial Statements**

**Year ended 31 December 2023**

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# **Addis Housewares Limited**

## **Officers and Professional Advisers**

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|                               |                                                                                                                            |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>The board of directors</b> | Mr M Lee-Smith<br>Mr D Rand<br>Mr M Simmons<br>Mr R J Tucker<br>Mr M Godfrey<br>Mr L B Major                               |
| <b>Company secretary</b>      | Mr R J Tucker                                                                                                              |
| <b>Registered office</b>      | Zone 3 Waterton Point<br>Brocastle Avenue<br>Waterton Industrial Estate<br>Bridgend<br>CF31 3US                            |
| <b>Auditor</b>                | Clay Shaw Thomas Ltd<br>Chartered accountants & statutory auditor<br>2 Oldfield Road<br>Bocam Park<br>Bridgend<br>CF35 5LJ |
| <b>Bankers</b>                | Halifax Bank of Scotland<br>New Ueberior House<br>11 Earl Grey Street<br>Edinburgh<br>EH3 9BN                              |
| <b>Solicitors</b>             | Acuity Law<br>3 Assembly Square<br>Britannia Quay<br>Cardiff<br>CF10 4PL                                                   |

# Addis Housewares Limited

## Strategic Report

### Year ended 31 December 2023

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The directors present their strategic report for the year ended 31 December 2023.

#### Principal activity

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 15 to 18.

The company's turnover increased from £38.18m for the year ended 31 December 2022 to £38.81m for the year ended 31 December 2023.

The income statement of the company is set out on page 15 and shows a profit before tax for the year ended 31 December 2023 of £1,451,529 compared with a profit for the year ended 31 December 2022 of £1,106,759.

#### Development and performance

We are pleased to report that 2023 was another year of progress for the Addis business. Once again, we saw an improvement in our sales and profit. Our service levels remained strong at 99.0%, as did our product quality failure rate at 99.9%. All product categories (Cleaning, Laundry, Sinkside, Bathroom, Kitchen, Home Organisation and Waste Management) in the business grew strongly. Within the sales sectors, particular growth was seen in Export, Grocery, General Merchants, Hardware, Garden Centres and Department Stores.

#### 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, currency risk, 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.

#### Financial key performance indicators

The financial key performance indicators for the year were as follows:

|                   | 2023              | 2022       |
|-------------------|-------------------|------------|
| Turnover          | <b>38,812,441</b> | 38,175,461 |
| Profit before Tax | <b>1,451,529</b>  | 1,106,759  |
| EBITDA            | <b>2,432,654</b>  | 1,918,180  |

#### Non-financial key performance indicators

The company continues to monitor its operational efficiency with focus on stock turnover periods. The average stock holding period for the company is 44 days compared to 39 days in the prior year.

The company also monitors its quality metrics with the products sold having very low defect rates, product returns, or customer complaints. This reflects the effectiveness of the company's quality control processes.

The company also maintains an excellent health and safety record with compliance to regulations and no serious workplace accidents or lost time through injuries to report.

# **Addis Housewares Limited**

## **Strategic Report *(continued)***

### **Year ended 31 December 2023**

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#### **Section 172(1) statement**

Statement by the Board of Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006.

The Board of Directors of Addis Housewares Limited consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Act) in the decisions taken during the year ended 31 December 2023.

We are proud of the ways in which the company has provided employment, training and financial rewards for its owners and employees for over 200 years since the company was founded in 1780 by an English entrepreneur, William Addis.

*In a highly competitive market, we aim to stand out from our competitors by virtue of quality, reliability and the greatest customer care that our reputation is built upon.*

We make strategic decisions based on long-term objectives. In particular, this has meant significant investment in our business and its people. We acknowledge that, in order to progress to the next phase in the company's future, it is likely that we will continue to expand our existing business and add to the prestige product portfolio that we have. We continue to explore possibilities along these lines. Our aim continues to be to maximise the company's ability to grow profits to fund continued investment for the future of the business and job security for the employees.

#### **Our employees**

We rely on the hard work, commitment and enthusiasm of our staff which is fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our team members receive. We provide comprehensive training and career development support. The health, safety and well-being of our employees is one of our primary considerations in the way we do business.

The company is to continue investing in training all staff for the purpose of meeting its long term goal of growth through exceeding our customers' expectations in every aspect, by striving to be a world class provider of houseware products, with great design, quality & service.

#### **Our suppliers and customers**

We meet our manufacturing partners regularly throughout the year and take the appropriate action to prevent involvement in modern slavery, corruption, bribery and breaches of competition law. Our business model prioritises quality and customer satisfaction. We have built and will maintain a reputation for transparency and fair dealing with customers and suppliers.

#### **Our community and the Environment**

Our plan takes into account the impact of the Company's operations on the community and environment and our wider social responsibilities, and in particular how we comply with environmental legislation and pursue waste-saving opportunities and react promptly to local community concerns.

# Addis Housewares Limited

## Strategic Report *(continued)*

Year ended 31 December 2023

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### Section 172(1) statement continued

#### Business conduct and corporate governance

As the Board of Directors, our intention is to behave responsibly and ensure that the management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan, that reflects our responsible behaviour. As the Board of Directors, our intention is to to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

This report was approved by the board of directors on 20th May 2024 and signed on behalf of the board by:



Mr R J Tucker  
Director

Registered office:  
Zone 3 Waterton Point  
Brocastle Avenue  
Waterton Industrial Estate  
Bridgend  
CF31 3US

# **Addis Housewares Limited**

## **Directors' Report**

### **Year ended 31 December 2023**

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The directors present their report and the financial statements of the company for the year ended 31 December 2023.

#### **Directors**

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

Mr M Lee-Smith  
Mr D Rand  
Mr M Simmons  
Mr R J Tucker  
Mr M Godfrey  
Mr L B Major

#### **Dividends**

The directors do not propose the payment of a dividend for the year (2022: £nil).

#### **Future developments**

Since the period end, the company has continued to be profitable at an operating level. The company's forecasts also show that it is expected to remain 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.

# Addis Housewares Limited

## Directors' Report *(continued)*

### Year ended 31 December 2023

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#### Greenhouse gas emissions and energy consumption

Principal measures taken to increase energy efficiency:

Addis Housewares is a market-leading, independently owned company with a 230-year history of designing and supplying household products.

We supply a wide range of domestic and commercial products across a diverse range of markets, including waste management, cleaning, laundry, food storage, sink side and storage solutions.

Addis Housewares recognises that its trading activities have an impact on the environment, and we have recognised this as part of its core values and environmental policies.

Addis has expanded its range of eco-friendly products using 100% recycled polypropylene (PP) plastic and recycled hundreds of tonnes over the years, reducing the amount of CO2 emissions.

The company continues to monitor its energy consumption with the aim of reducing our carbon footprint.

Our other energy saving initiatives include:

- using LED lighting throughout the premises.
- the purchase of 100% electric vehicles.
- optimise heating, ventilation, and air conditioning (HVAC) systems for energy efficiency.
- improve transport efficiency such as consolidation of shipments to minimise vehicles on the road.
- supply chain optimisation such as collaboration with suppliers to reduce emissions and stock management systems to reduce storage space requirements.

#### Current reporting year (January - December)

|                                                                        | 2023  |
|------------------------------------------------------------------------|-------|
|                                                                        | £     |
| Total emissions generated through combustion of gas (tCO2e)            | 57    |
| Total emissions generated through use of purchased electricity (tCO2e) | 64    |
| Total emissions generated through business transport (tCO2e)           | 3,752 |
| Total gross emissions (tCO2e)                                          | 3,873 |
| Intensity ratio / total gross emissions (kgCO2e per sq ft)             | 52    |

The company has taken exemption for first year reporting and as such, has not included comparative figures in the above table.

#### Research and development

The company does not undertake material activities in the field of research and development.

# **Addis Housewares Limited**

## **Directors' Report** *(continued)*

**Year ended 31 December 2023**

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### **Business relationships**

The directors foster the company's business relationships with suppliers, customers, and other stakeholders as part of their duty to act in the best interest of the company.

The directors prioritise maintaining positive relationships with suppliers by ensuring timely payments, honouring contracts, and continuing open communication. This positively impacts decisions related to procurement, such as negotiating better terms, securing reliable sources of materials, or exploring strategic partnerships with key suppliers.

The directors recognise the importance of customer satisfaction and loyalty in driving revenue and sustaining the company's growth. They invest in customer service, product quality, and marketing efforts to strengthen these relationships. Decisions regarding product development, pricing strategies, or market expansion are influenced by the need to maintain or enhance customer satisfaction and retention.

The directors also consider the interests of other stakeholders, such as employees, shareholders, and the communities in which the company operates. The Directors continue to hold positive relationships with these stakeholders, and aim to mitigate business risks, enhance the company's reputation, and create long-term value.

### **Disclosure of information in the strategic report**

This information is shown in the strategic report under s414C(11) on page 1.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 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.

# Addis Housewares Limited

## Directors' Report *(continued)*

**Year ended 31 December 2023**

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### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 20th May 2024 and signed on behalf of the board by:



Mr R J Tucker  
Director

Registered office:  
Zone 3 Waterton Point  
Brocastle Avenue  
Waterton Industrial Estate  
Bridgend  
CF31 3US

# **Addis Housewares Limited**

## **Independent Auditor's Report to the Members of Addis Housewares Limited**

**Year ended 31 December 2023**

---

### **Opinion**

We have audited the financial statements of Addis Housewares Limited (the 'company') for the year ended 31 December 2023 which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and the related notes, 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, including 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 state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **Addis Housewares Limited**

## **Independent Auditor's Report to the Members of Addis Housewares Limited (continued)**

**Year ended 31 December 2023**

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### **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 our report, we do not express any form of assurance conclusion thereon.

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 this 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 the 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 the 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.

# **Addis Housewares Limited**

## **Independent Auditor's Report to the Members of Addis Housewares Limited** *(continued)*

**Year ended 31 December 2023**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

# **Addis Housewares Limited**

## **Independent Auditor's Report to the Members of Addis Housewares Limited *(continued)***

**Year ended 31 December 2023**

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### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including UK Companies Act, employment law, health & safety regulations and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgments made by management in its significant accounting estimates; and
  - We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and reviewing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

# **Addis Housewares Limited**

## **Independent Auditor's Report to the Members of Addis Housewares Limited** *(continued)*

### **Year ended 31 December 2023**

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **Addis Housewares Limited**

### **Independent Auditor's Report to the Members of Addis Housewares Limited** *(continued)*

**Year ended 31 December 2023**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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.



Mr David Gwyn J. Williams B.A., F.C.A (Senior Statutory Auditor)

23/05/2024

For and on behalf of  
Clay Shaw Thomas Ltd  
Chartered accountants & statutory auditor  
2 Oldfield Road  
Bocam Park  
Bridgend  
CF35 5LJ

# Addis Housewares Limited

## Income Statement

Year ended 31 December 2023

|                                              | Note      | 2023<br>£           | 2022<br>£    |
|----------------------------------------------|-----------|---------------------|--------------|
| <b>Turnover</b>                              | <b>4</b>  | <b>38,812,441</b>   | 38,175,461   |
| Cost of sales                                |           | <b>(29,496,967)</b> | (29,971,865) |
| <b>Gross profit</b>                          |           | <b>9,315,474</b>    | 8,203,596    |
| Distribution costs                           |           | <b>(5,846,834)</b>  | (4,997,928)  |
| Administrative expenses                      |           | <b>(1,293,300)</b>  | (1,550,163)  |
| Other operating income                       | <b>5</b>  | <b>12,266</b>       | 12,816       |
| <b>Operating profit</b>                      | <b>6</b>  | <b>2,187,606</b>    | 1,668,321    |
| Other interest receivable and similar income | <b>10</b> | <b>14,812</b>       | –            |
| Interest payable and similar expenses        | <b>11</b> | <b>(750,889)</b>    | (561,562)    |
| <b>Profit before taxation</b>                |           | <b>1,451,529</b>    | 1,106,759    |
| Tax on profit                                | <b>12</b> | <b>(365,213)</b>    | (203,317)    |
| <b>Profit for the financial year</b>         |           | <b>1,086,316</b>    | 903,442      |

All the activities of the company are from continuing operations.

The notes on pages 19 to 32 form part of these financial statements.

# **Addis Housewares Limited**

## **Statement of Comprehensive Income**

**Year ended 31 December 2023**

---

|                                                          | <b>2023</b>      | <b>2022</b> |
|----------------------------------------------------------|------------------|-------------|
|                                                          | <b>£</b>         | <b>£</b>    |
| Profit for the financial year                            | <b>1,086,316</b> | 903,442     |
| Remeasurement of the net defined benefit plan            | <b>(675,000)</b> | 5,030,000   |
| Tax relating to components of other comprehensive income | <b>1,049,700</b> | (955,700)   |
| <b>Other comprehensive income for the year</b>           | <b>374,700</b>   | 4,074,300   |
| <b>Total comprehensive income for the year</b>           | <b>1,461,016</b> | 4,977,742   |

**The notes on pages 19 to 32 form part of these financial statements.**

---

# Addis Housewares Limited

## Balance Sheet

31 December 2023

|                                                                    | Note | 2023<br>£         | 2022<br>£    |
|--------------------------------------------------------------------|------|-------------------|--------------|
| <b>Fixed assets</b>                                                |      |                   |              |
| Tangible assets                                                    | 13   | 1,275,981         | 1,285,484    |
| <b>Current assets</b>                                              |      |                   |              |
| Stocks                                                             | 14   | 3,378,633         | 3,115,825    |
| Debtors                                                            | 15   | 14,699,120        | 15,926,677   |
| Cash at bank and in hand                                           |      | 2,331,745         | 2,104,039    |
|                                                                    |      | <b>20,409,498</b> | 21,146,541   |
| <b>Creditors: amounts falling due within one year</b>              | 16   | <b>3,920,978</b>  | 6,733,724    |
| <b>Net current assets</b>                                          |      | <b>16,488,520</b> | 14,412,817   |
| <b>Total assets less current liabilities</b>                       |      | <b>17,764,501</b> | 15,698,301   |
| <b>Creditors: amounts falling due after more than one year</b>     | 17   | <b>38,451</b>     | 51,267       |
| <b>Net assets excluding defined benefit pension plan liability</b> |      | <b>17,726,050</b> | 15,647,034   |
| Defined benefit pension plan liability                             | 19   | (15,538,000)      | (14,920,000) |
| <b>Net assets including defined benefit pension plan liability</b> |      | <b>2,188,050</b>  | 727,034      |
| <b>Capital and reserves</b>                                        |      |                   |              |
| Called up share capital                                            | 21   | 500,575           | 500,575      |
| Profit and loss account                                            | 22   | 1,687,475         | 226,459      |
| <b>Shareholders funds</b>                                          |      | <b>2,188,050</b>  | 727,034      |

These financial statements were approved by the board of directors and authorised for issue on ~~20th May 2024~~, and are signed on behalf of the board by:



Mr M Lee-Smith  
Director



Mr R J Tucker  
Director

Company registration number: 02881663

The notes on pages 19 to 32 form part of these financial statements.

**Addis Housewares Limited**  
**Statement of Changes in Equity**  
**Year ended 31 December 2023**

|                                                          |           | Called up<br>share capital<br>£ | Profit and<br>loss account<br>£ | <b>Total<br/>£</b>      |
|----------------------------------------------------------|-----------|---------------------------------|---------------------------------|-------------------------|
| <b>At 1 January 2022</b>                                 |           | 500,575                         | (4,751,283)                     | (4,250,708)             |
| Profit for the year                                      |           |                                 | 903,442                         | 903,442                 |
| Other comprehensive income for the year:                 |           |                                 |                                 |                         |
| Remeasurement of the net defined benefit plan            | <b>19</b> | –                               | 5,030,000                       | 5,030,000               |
| Tax relating to components of other comprehensive income | <b>12</b> | –                               | (955,700)                       | (955,700)               |
| <b>Total comprehensive income for the year</b>           |           | –                               | 4,977,742                       | 4,977,742               |
| <b>At 31 December 2022</b>                               |           | 500,575                         | 226,459                         | <b>727,034</b>          |
| Profit for the year                                      |           |                                 | 1,086,316                       | <b>1,086,316</b>        |
| Other comprehensive income for the year:                 |           |                                 |                                 |                         |
| Remeasurement of the net defined benefit plan            | <b>19</b> | –                               | (675,000)                       | <b>(675,000)</b>        |
| Tax relating to components of other comprehensive income | <b>12</b> | –                               | 1,049,700                       | <b>1,049,700</b>        |
| <b>Total comprehensive income for the year</b>           |           | –                               | 1,461,016                       | <b>1,461,016</b>        |
| <b>At 31 December 2023</b>                               |           | <u>500,575</u>                  | <u>1,687,475</u>                | <u><b>2,188,050</b></u> |

**The notes on pages 19 to 32 form part of these financial statements.**

# **Addis Housewares Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2023**

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### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Zone 3 Waterton Point, Brocastle Avenue, Waterton Industrial Estate, CF31 3US, Bridgend.

### **2. Statement of compliance**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom & Republic of Ireland' (FRS102), and with the Companies Act 2006.

### **3. Accounting policies**

#### **Basis of preparation**

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

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements are presented in Sterling (£).

#### **Going concern**

Since the period end, the company has continued to be profitable at an operating level. The company's forecasts also show that it is expected to remain 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.

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Addis Group Limited which can be obtained from Addis Group Limited, Zone 3, Waterton Point, Brocastle Avenue, Waterton Industrial Estate, Bridgend, CF31 3US. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

# **Addis Housewares Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2023**

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### **3. Accounting policies *(continued)***

#### **Judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **(a) Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **(i) Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes to the accounts for the carrying amount of the property plant and equipment and for the useful economic lives for each class of assets.

##### **(ii) Stock Provisions**

The company sells household and light commercial products and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of the stock and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future use of raw materials.

##### **(iii) Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

##### **(iv) Defined benefit pension scheme**

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management rely on the advice and estimates provided by the actuary, of these factors, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

# **Addis Housewares Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2023**

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### **3. Accounting policies *(continued)***

#### **Foreign currency**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account. 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.

#### **Revenue recognition**

Turnover represents the amounts derived from the sale of household and light commercial products to customers, net of value added tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from commissions are recognised on an accrual basis in accordance with the substance of the relevant agreement. The revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the entity, and the amount of revenue can be measured reliably.

#### **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 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 exception:

- 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.

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

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#### 3. Accounting policies *(continued)*

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                       |                                                        |
|-----------------------|--------------------------------------------------------|
| Plant and machinery   | - 3 to 10 years straight line and 15% reducing balance |
| Fixtures and fittings | - 3 to 10 years straight line                          |

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.

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

##### **Stocks**

Raw materials and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

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#### 3. Accounting policies *(continued)*

##### Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

##### 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.

##### Defined benefit plans

The company operates a defined benefit pension scheme, the Addis Housewares Limited Pension Scheme, which is closed to new members. 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 changes in equity, along with differences which arise from experience or assumption changes.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 4. Turnover

Turnover arises from:

|                               | 2023              | 2022              |
|-------------------------------|-------------------|-------------------|
|                               | £                 | £                 |
| Sale of goods and commissions | <u>38,812,441</u> | <u>38,175,461</u> |

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

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#### 4. Turnover *(continued)*

Turnover arises solely from the principal activities of the company.

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

#### 5. Other operating income

|                         | 2023          | 2022          |
|-------------------------|---------------|---------------|
|                         | £             | £             |
| Government grant income | <u>12,266</u> | <u>12,816</u> |

#### 6. Operating profit

Operating profit or loss is stated after charging/crediting:

|                                        | 2023            | 2022             |
|----------------------------------------|-----------------|------------------|
|                                        | £               | £                |
| Depreciation of tangible assets        | 245,048         | 249,859          |
| Impairment of trade debtors            | 10,226          | (29,654)         |
| Operating lease rentals                | 983,311         | 855,464          |
| Defined contribution plans expense     | 269,419         | 158,812          |
| Government grants                      | 12,266          | 12,816           |
| Net (gains)/losses on foreign exchange | <u>(12,721)</u> | <u>(458,002)</u> |

#### 7. Auditor's remuneration

|                                                                              | 2023          | 2022          |
|------------------------------------------------------------------------------|---------------|---------------|
|                                                                              | £             | £             |
| Fees payable for the audit of the financial statements                       | <u>28,000</u> | <u>25,250</u> |
| Fees payable to the company's auditor and its associates for other services: |               |               |
| Taxation advisory services                                                   | <u>3,950</u>  | <u>3,750</u>  |

#### 8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

|                      | 2023       | 2022      |
|----------------------|------------|-----------|
|                      | No.        | No.       |
| Production staff     | 41         | 33        |
| Distribution staff   | 44         | 45        |
| Administrative staff | 16         | 17        |
|                      | <u>101</u> | <u>95</u> |

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

#### 8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

|                       | 2023             | 2022             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 3,257,544        | 2,956,149        |
| Social security costs | 293,700          | 281,398          |
| Other pension costs   | 269,419          | 158,812          |
|                       | <u>3,820,663</u> | <u>3,396,359</u> |

#### 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

|                                                             | 2023           | 2022           |
|-------------------------------------------------------------|----------------|----------------|
|                                                             | £              | £              |
| Remuneration                                                | 654,087        | 685,476        |
| Company contributions to defined contribution pension plans | 171,396        | 80,123         |
|                                                             | <u>825,483</u> | <u>765,599</u> |

The number of directors who accrued benefits under company pension plans was as follows:

|                            | 2023     | 2022     |
|----------------------------|----------|----------|
|                            | No.      | No.      |
| Defined contribution plans | <u>6</u> | <u>6</u> |

Remuneration of the highest paid director in respect of qualifying services:

|                                                             | 2023           | 2022           |
|-------------------------------------------------------------|----------------|----------------|
|                                                             | £              | £              |
| Aggregate remuneration                                      | 163,943        | 194,452        |
| Company contributions to defined contribution pension plans | 47,898         | —              |
|                                                             | <u>211,841</u> | <u>194,452</u> |

#### 10. Other interest receivable and similar income

|                                       | 2023          | 2022     |
|---------------------------------------|---------------|----------|
|                                       | £             | £        |
| Interest on cash and cash equivalents | <u>14,812</u> | <u>—</u> |

#### 11. Interest payable and similar expenses

|                                        | 2023           | 2022           |
|----------------------------------------|----------------|----------------|
|                                        | £              | £              |
| Interest on banks loans and overdrafts | 37,021         | 61,562         |
| Pension finance charge                 | 713,868        | 500,000        |
|                                        | <u>750,889</u> | <u>561,562</u> |

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

#### 12. Tax on profit

##### Major components of tax expense

|                                                                      | 2023<br>£      | 2022<br>£      |
|----------------------------------------------------------------------|----------------|----------------|
| <b>Current tax:</b>                                                  |                |                |
| UK current tax expense                                               | 292,097        | 168,681        |
| Adjustments in respect of prior periods                              | 32             | 5,602          |
| Total current tax                                                    | <u>292,129</u> | <u>174,283</u> |
| <b>Deferred tax:</b>                                                 |                |                |
| Origination and reversal of timing differences                       | 73,084         | 72,734         |
| Movement in deferred tax asset in relation to pension scheme deficit | —              | (43,700)       |
| Total deferred tax                                                   | <u>73,084</u>  | <u>29,034</u>  |
| <b>Tax on profit</b>                                                 | <u>365,213</u> | <u>203,317</u> |

##### Tax recognised as other comprehensive income or equity

Tax relating to components of other comprehensive income has resulted in a credit of £1,049,700 (2022: Debit £955,700), which is made up as follows.

The impact of the change in the tax rate from 19% to 25% has resulted in a credit of £926,950 (2022: £nil).

The tax relating to the remeasurement of the defined benefit plan has resulted in a further credit of £122,750 (2022: Debit £955,700).

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 23.52% (2022: 19%).

|                                                                                    | 2023<br>£      | 2022<br>£      |
|------------------------------------------------------------------------------------|----------------|----------------|
| Profit on ordinary activities before taxation                                      | 1,451,529      | 1,106,759      |
| Profit on ordinary activities by rate of tax                                       | 341,408        | 210,284        |
| Adjustment to tax charge in respect of prior periods                               | 32             | 5,602          |
| Effect of expenses not deductible for tax purposes                                 | 4,170          | 6,791          |
| Effect of capital allowances and depreciation                                      | (2,540)        | 12,056         |
| Effect of different UK tax rates on some earnings                                  | (33,851)       | (14,355)       |
| Deferred grant income                                                              | (2,885)        | (2,435)        |
| Defined benefit pension scheme                                                     | (14,205)       | (43,660)       |
| Deferred tax: Origination and reversal of timing differences                       | 73,084         | (14,666)       |
| Deferred tax: Movement in deferred tax asset in relation to pension scheme deficit | —              | 43,700         |
| Tax on profit                                                                      | <u>365,213</u> | <u>203,317</u> |

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

#### 12. Tax on profit *(continued)*

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021. This confirmed an increase to the corporation tax rate from 19% to 25% with effect from 1 April 2023. Based on the pro-rata application of the tax rates across two tax years, the effective rate of corporation tax for the year ended 31 December 2023 is 23.52%.

#### 13. Tangible assets

|                            | Plant and<br>machinery<br>£ | Fixtures and<br>fittings<br>£ | Total<br>£       |
|----------------------------|-----------------------------|-------------------------------|------------------|
| <b>Cost</b>                |                             |                               |                  |
| At 1 January 2023          | 3,060,669                   | 460,835                       | <b>3,521,504</b> |
| Additions                  | 172,570                     | 62,975                        | <b>235,545</b>   |
| <b>At 31 December 2023</b> | <b>3,233,239</b>            | <b>523,810</b>                | <b>3,757,049</b> |
| <b>Depreciation</b>        |                             |                               |                  |
| At 1 January 2023          | 1,932,645                   | 303,375                       | <b>2,236,020</b> |
| Charge for the year        | 222,500                     | 22,548                        | <b>245,048</b>   |
| <b>At 31 December 2023</b> | <b>2,155,145</b>            | <b>325,923</b>                | <b>2,481,068</b> |
| <b>Carrying amount</b>     |                             |                               |                  |
| <b>At 31 December 2023</b> | <b>1,078,094</b>            | <b>197,887</b>                | <b>1,275,981</b> |
| At 31 December 2022        | 1,128,024                   | 157,460                       | 1,285,484        |

#### Capital commitments

|                                                                 | 2023<br>£     | 2022<br>£ |
|-----------------------------------------------------------------|---------------|-----------|
| Contracted for but not provided for in the financial statements | <b>50,204</b> | —         |

#### 14. Stocks

|                                     | 2023<br>£        | 2022<br>£ |
|-------------------------------------|------------------|-----------|
| Raw materials and consumables       | <b>302,227</b>   | 339,516   |
| Finished goods and goods for resale | <b>3,076,406</b> | 2,776,309 |
|                                     | <b>3,378,633</b> | 3,115,825 |

Stock is stated after provision for impairment of £238,670 (2022: £231,353).

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

#### 15. Debtors

|                                    | 2023              | 2022              |
|------------------------------------|-------------------|-------------------|
|                                    | £                 | £                 |
| Trade debtors                      | 6,006,719         | 7,239,916         |
| Amounts owed by group undertakings | 4,286,151         | 4,286,151         |
| Deferred tax asset                 | 3,588,316         | 2,611,700         |
| Prepayments and accrued income     | 154,603           | 336,715           |
| Other debtors                      | 663,331           | 1,452,195         |
|                                    | <u>14,699,120</u> | <u>15,926,677</u> |

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

|                    | 2023             | 2022             |
|--------------------|------------------|------------------|
|                    | £                | £                |
| Deferred tax asset | <u>3,588,316</u> | <u>2,611,700</u> |

#### 16. Creditors: amounts falling due within one year

|                                 | 2023             | 2022             |
|---------------------------------|------------------|------------------|
|                                 | £                | £                |
| Bank loans and overdrafts       | —                | 1,244,275        |
| Trade creditors                 | 893,829          | 1,738,498        |
| Accruals and deferred income    | 2,078,162        | 2,961,898        |
| Corporation tax                 | 292,097          | 168,648          |
| Social security and other taxes | 656,890          | 620,405          |
|                                 | <u>3,920,978</u> | <u>6,733,724</u> |

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

#### 17. Creditors: amounts falling due after more than one year

|                              | 2023          | 2022          |
|------------------------------|---------------|---------------|
|                              | £             | £             |
| Accruals and deferred income | <u>38,451</u> | <u>51,267</u> |

#### 18. Deferred tax

The deferred tax included in the balance sheet is as follows:

|                               | 2023             | 2022             |
|-------------------------------|------------------|------------------|
|                               | £                | £                |
| Included in debtors (note 15) | <u>3,588,316</u> | <u>2,611,700</u> |

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

|                                | 2023               | 2022               |
|--------------------------------|--------------------|--------------------|
|                                | £                  | £                  |
| Accelerated capital allowances | 296,184            | 223,100            |
| Pension plan obligations       | (3,884,500)        | (2,834,800)        |
|                                | <u>(3,588,316)</u> | <u>(2,611,700)</u> |

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

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#### 19. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £269,419 (2022: £158,812).

##### Defined benefit plans

The company operates a defined benefit pension scheme with assets held in a separately administered fund. The fund is administered by a group of trustees, who are responsible for ensuring that the scheme is sufficiently funded to meet current and future obligations.

The company has agreed a funding plan with the trustees, whereby contributions are agreed to be increased at a rate of 10% a year from 2019. Therefore the value of the contributions in 2024 will be £495,850. This recovery plan has been put in place in order to reduce the current deficit of the fund. The agreement was dated 22 March 2017. An additional contribution of £320,000 has been agreed subject to the company being cash positive at its year end.

On 30 April 2002 defined benefits ceased further accruals and all active members at the date became deferred pensioner members.

During the year, the company contributed £774,266 to the scheme. The PPF levy for the 2022/23 tax year was paid directly by the scheme.

A comprehensive actuarial valuation of the company pension scheme was carried out on 30 January 2024 by Broadstone Consultants & Actuaries Limited, independent consulting actuaries.

The balance sheet net defined benefit liability is determined as follows:

|                                              | <b>2023</b>         | <b>2022</b>         |
|----------------------------------------------|---------------------|---------------------|
|                                              | £                   | £                   |
| Present value of defined benefit obligations | (26,228,000)        | (25,740,000)        |
| Fair value of plan assets                    | 10,690,000          | 10,820,000          |
|                                              | <u>(15,538,000)</u> | <u>(14,920,000)</u> |

Changes in the present value of the defined benefit obligations are as follows:

|                            | <b>2023</b>              |
|----------------------------|--------------------------|
|                            | £                        |
| At 1 January 2023          | <b>25,740,000</b>        |
| Interest expense           | <b>1,229,000</b>         |
| Benefits paid              | <b>(1,459,000)</b>       |
| Remeasurements:            |                          |
| Actuarial gains and losses | <b>718,000</b>           |
| <b>At 31 December 2023</b> | <b><u>26,228,000</u></b> |

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

#### 19. Employee benefits *(continued)*

Changes in the fair value of plan assets are as follows:

|                            | <b>2023</b>              |
|----------------------------|--------------------------|
|                            | <b>£</b>                 |
| At 1 January 2023          | <b>10,820,000</b>        |
| Interest income            | <b>512,000</b>           |
| Benefits paid              | <b>(1,459,000)</b>       |
| Contributions by employer  | <b>774,000</b>           |
| Administration expenses    | <b>(184,000)</b>         |
| Remeasurements:            |                          |
| Actuarial gains and losses | <b>227,000</b>           |
| <b>At 31 December 2023</b> | <b><u>10,690,000</u></b> |

The total costs for the year in relation to defined benefit plans are as follows:

|                               | <b>2023</b>           | 2022                  |
|-------------------------------|-----------------------|-----------------------|
|                               | <b>£</b>              | <b>£</b>              |
| Recognised in profit or loss: |                       |                       |
| Net interest expense          | 714,000               | 500,000               |
| Administration expenses       | 184,000               | 130,000               |
|                               | <b><u>898,000</u></b> | <b><u>630,000</u></b> |

The total costs for the year recognised in other comprehensive income:

|                                                                           | <b>2023</b>           | 2022                      |
|---------------------------------------------------------------------------|-----------------------|---------------------------|
|                                                                           | <b>£</b>              | <b>£</b>                  |
| Actuarial gains and losses - present value of defined benefit obligations | <b>718,000</b>        | (8,110,000)               |
| Administration expenses                                                   | <b>184,000</b>        | 130,000                   |
| Actuarial gains and loss - fair value of plan assets                      | <b>(227,000)</b>      | 2,950,000                 |
|                                                                           | <b><u>675,000</u></b> | <b><u>(5,030,000)</u></b> |

The fair value of the major categories of plan assets are as follows:

|                           | <b>2023</b>              | 2022                     |
|---------------------------|--------------------------|--------------------------|
|                           | <b>£</b>                 | <b>£</b>                 |
| Equity instruments        | 4,692,910                | 4,749,980                |
| Cash and cash equivalents | 203,110                  | 638,380                  |
| Fixed interest            | 3,869,780                | 3,797,820                |
| Alternatives              | 1,924,200                | 1,633,820                |
|                           | <b><u>10,690,000</u></b> | <b><u>10,820,000</u></b> |

The return on plan assets are as follows:

|                                  | <b>2023</b>           | 2022                      |
|----------------------------------|-----------------------|---------------------------|
|                                  | <b>£</b>              | <b>£</b>                  |
| Return on assets of benefit plan | <b><u>736,000</u></b> | <b><u>(2,600,000)</u></b> |

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

### 19. Employee benefits *(continued)*

The principal actuarial assumptions as at the balance sheet date were:

|                                   | 2023  | 2022  |
|-----------------------------------|-------|-------|
|                                   | %     | %     |
| Discount rate                     | 4.60  | 4.90  |
| Inflation assumption              | 2.90  | 2.90  |
| Mortality rates:                  |       |       |
| Current pensioners at 65 - male   | 84.20 | 84.70 |
| Current pensioners at 65 - female | 86.70 | 87.10 |
| Future pensioners at 65 - male    | 84.80 | 85.40 |
| Future pensioners at 65 - female  | 87.50 | 88.00 |

### 20. Government grants

The amounts recognised in the financial statements for government grants are as follows:

|                                                         | 2023          | 2022          |
|---------------------------------------------------------|---------------|---------------|
|                                                         | £             | £             |
| Recognised in creditors:                                |               |               |
| Deferred government grants due within one year          | 12,816        | 12,816        |
| Deferred government grants due after more than one year | 38,451        | 51,267        |
|                                                         | <u>51,267</u> | <u>64,083</u> |
| Recognised in other operating income:                   |               |               |
| Government grants released to profit or loss            | 12,266        | 12,816        |

### 21. Called up share capital

Issued, called up and fully paid

|                                 | 2023           |                | 2022           |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | No.            | £              | No.            | £              |
| Ordinary A shares of £1 each    | 500,000        | 500,000        | 500,000        | 500,000        |
| Ordinary B shares of £0.10 each | 5,000          | 500            | 5,000          | 500            |
| Ordinary C shares of £0.10 each | 750            | 75             | 750            | 75             |
|                                 | <u>505,750</u> | <u>500,575</u> | <u>505,750</u> | <u>500,575</u> |

Ordinary A Shares of £1 each - No restrictions to voting, capital or distributions. Capital to be repaid upon winding up of the company, after all capital repaid on A, B & C shares, all or any surpluses of assets then remaining to be distributed among the Ordinary A shares to the exclusion of all other classes of shares.

Ordinary B Shares of £0.10 each - No voting rights, full rights to dividends, capital to be repaid upon winding up or sale of the company. No further entitlement to distributions.

Ordinary C Shares of £0.10 each - No voting rights, full rights to dividends, capital to be repaid upon winding up or sale of the company. No further entitlement to distributions.

### 22. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

# Addis Housewares Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

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#### 23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

|                                              | 2023                    | 2022                    |
|----------------------------------------------|-------------------------|-------------------------|
|                                              | £                       | £                       |
| Not later than 1 year                        | <b>700,317</b>          | 652,376                 |
| Later than 1 year and not later than 5 years | <b>2,281,402</b>        | 2,101,681               |
| Later than 5 years                           | <b>–</b>                | 239,516                 |
|                                              | <b><u>2,981,719</u></b> | <b><u>2,993,573</u></b> |

#### 24. Related party transactions

At the year end there was a balance owing from Addis Group Limited, the parent company of Addis Housewares Limited of £4,286,151 (2022: £4,286,151). The loan is repayable on demand. No interest is charged on the loan as there is a reciprocal agreement in place that Addis Housewares Limited waives its right to any interest on the loan, on the condition that Addis Group Limited does not charge royalties to Addis Housewares Limited.

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.

#### 25. Controlling party

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

In the opinion of the directors the ultimate controlling party is F.-J. Wulf, who together with his family, hold 95% of the ordinary share capital in the company's immediate parent undertaking, Addis Group Limited.