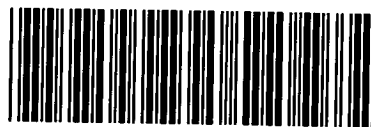


COMPANY REGISTRATION NUMBER: 02881663

Addis Housewares Limited
Financial Statements
For the year ended
31 December 2024

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Addis Housewares Limited

Financial Statements

Year ended 31 December 2024

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Addis Housewares Limited

Officers and Professional Advisers

The board of directors	Mr M Lee-Smith Mr D Rand Mr M Simmons Mr R J Tucker Mr L B Major
Company secretary	Mr R J Tucker
Registered office	Zone 3 Waterton Point Brocastle Avenue Waterton Industrial Estate Bridgend CF31 3US
Auditor	Xeinadin Audit Limited Chartered accountants & statutory auditor (Statutory Auditor) Suite 2D, Building 1 Eastern Business Park St. Mellons Cardiff CF3 5EA
Bankers	Halifax Bank of Scotland New Ueberior House 11 Earl Grey Street Edinburgh EH3 9BN
Solicitors	Acuity Law 3 Assembly Square Britannia Quay Cardiff CF10 4PL

Addis Housewares Limited

Strategic Report

Year ended 31 December 2024

The directors present their strategic report for the year ended 31 December 2024.

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 £38.81m for the year ended 31 December 2023 to £39.03m for the year ended 31 December 2024.

The income statement of the company is set out on page 15 and shows a profit before tax for the year ended 31 December 2024 of £917,105 compared with a profit for the year ended 31 December 2023 of £1,451,529.

Development and performance

We are pleased to report that 2024 was another year of progress for the Addis business. Once again, we saw an improvement in our sales. 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:

	2024	2023
Turnover	39,028,666	38,812,441
Profit before Tax	917,105	1,451,529
EBITDA	1,839,589	2,432,654

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 49 days compared to 44 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 2024

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 2024.

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 2024

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 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 28/7/25 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 2024

The directors present their report and the financial statements of the company for the year ended 31 December 2024.

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 L B Major

Mr M Godfrey

(Resigned 31 August 2024)

Dividends

The directors do not propose the payment of a dividend for the year (2023: £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 2024

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)

	2024
	£
Total emissions generated through combustion of gas (tCO2e)	49
Total emissions generated through business transport (tCO2e)	8,197
Total gross emissions (tCO2e)	8,247
Intensity ratio / total gross emissions (tCO2e per £ revenue)	211

Emissions were calculated using primary data and then applying the latest UK Government emission factors published by the Department for Energy Security & Net Zero (DESNZ, 2024), as well as supplementary factors from ClimaTiq and DEFRA Spend-Based Factors (DEFRA, 2024).

This combined approach ensures accuracy, consistency, and alignment with best-practice methodology under the GHG Protocol Corporate Standard. All emissions were calculated using the standard formula, with final results expressed in either kilograms or tonnes of carbon dioxide equivalent (kgCO2e or tCO2e).

Addis Housewares Limited

Directors' Report *(continued)*

Year ended 31 December 2024

Financial instruments

The company's principal financial instruments comprise bank balances, trade debtors, factoring, trade creditors, and group inter company loans. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors and hire purchase creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

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

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 2.

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.

Addis Housewares Limited

Directors' Report *(continued)*

Year ended 31 December 2024

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.

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 28/7/25..... 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 2024

Opinion

We have audited the financial statements of Addis Housewares Limited (the 'company') for the year ended 31 December 2024 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 2024 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 2024

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 2024

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 2024

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 2024

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 2024

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.



Catherine Ingram FCCA (Senior Statutory Auditor)

For and on behalf of
Xeinadin Audit Limited
Chartered accountants & statutory auditor
(Statutory Auditor)
Suite 2D, Building 1
Eastern Business Park
St. Mellons
Cardiff
CF3 5EA

28th July 2025

Addis Housewares Limited

Income Statement

Year ended 31 December 2024

	Note	2024 £	2023 £
Turnover	4	39,028,666	38,812,441
Cost of sales		(29,908,245)	(29,496,967)
Gross profit		9,120,421	9,315,474
Distribution costs		(6,147,311)	(5,846,834)
Administrative expenses		(1,399,421)	(1,293,300)
Other operating income	5	13,366	12,266
Operating profit	6	1,587,055	2,187,606
Other interest receivable and similar income	10	45,529	14,812
Interest payable and similar expenses	11	(715,479)	(750,889)
Profit before taxation		917,105	1,451,529
Tax on profit	12	(193,333)	(365,213)
Profit for the financial year		<u>723,772</u>	<u>1,086,316</u>

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 2024

	2024	2023
	£	£
Profit for the financial year	723,772	1,086,316
Remeasurement of the net defined benefit plan	1,982,000	(675,000)
Tax relating to components of other comprehensive income	(522,712)	1,049,700
Other comprehensive income for the year	1,459,288	374,700
Total comprehensive income for the year	<u>2,183,060</u>	<u>1,461,016</u>

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

Addis Housewares Limited

Balance Sheet

31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	1,351,806	1,275,981
Current assets			
Stocks	14	3,932,082	3,378,633
Debtors	15	15,261,346	14,699,120
Cash at bank and in hand		2,073,986	2,331,745
		<u>21,267,414</u>	<u>20,409,498</u>
Creditors: amounts falling due within one year	16	<u>4,775,323</u>	<u>3,920,978</u>
Net current assets		<u>16,492,091</u>	<u>16,488,520</u>
Total assets less current liabilities		<u>17,843,897</u>	<u>17,764,501</u>
Creditors: amounts falling due after more than one year	17	<u>25,635</u>	<u>38,451</u>
Net assets excluding defined benefit pension plan liability		<u>17,818,262</u>	<u>17,726,050</u>
Defined benefit pension plan liability	19	(13,447,152)	(15,538,000)
Net assets including defined benefit pension plan liability		<u>4,371,110</u>	<u>2,188,050</u>
Capital and reserves			
Called up share capital	21	500,575	500,575
Profit and loss account	22	3,870,535	1,687,475
Shareholders funds		<u>4,371,110</u>	<u>2,188,050</u>

These financial statements were approved by the board of directors and authorised for issue on 28/12/2024, 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 2024

		Called up share capital £	Profit and loss account £	Total £
At 1 January 2023		500,575	226,459	727,034
Profit for the year			1,086,316	1,086,316
Other comprehensive income for the year:				
Remeasurement of the net defined benefit plan	19	–	(675,000)	(675,000)
Tax relating to components of other comprehensive income	12	–	1,049,700	1,049,700
Total comprehensive income for the year		–	1,461,016	1,461,016
At 31 December 2023		500,575	1,687,475	2,188,050
Profit for the year			723,772	723,772
Other comprehensive income for the year:				
Remeasurement of the net defined benefit plan	19	–	1,982,000	1,982,000
Tax relating to components of other comprehensive income	12	–	(522,712)	(522,712)
Total comprehensive income for the year		–	2,183,060	2,183,060
At 31 December 2024		<u>500,575</u>	<u>3,870,535</u>	<u>4,371,110</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 2024

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 2024

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 2024

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 2024

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 2024

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:

	2024	2023
	£	£
Sale of goods and commissions	<u>39,028,666</u>	<u>38,812,441</u>

Addis Housewares Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

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

	2024	2023
	£	£
Government grant income	<u>13,366</u>	<u>12,266</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2024	2023
	£	£
Depreciation of tangible assets	252,534	245,048
Impairment of trade debtors	33,752	10,226
Operating lease rentals	1,051,155	983,311
Defined contribution plans expense	318,827	269,419
Government grants	13,366	12,266
Net (gains)/losses on foreign exchange	<u>(18,000)</u>	<u>(12,721)</u>

7. Auditor's remuneration

	2024	2023
	£	£
Fees payable for the audit of the financial statements	<u>28,000</u>	<u>28,000</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	<u>3,950</u>	<u>3,950</u>

8. Staff costs

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

	2024	2023
	No.	No.
Production staff	34	41
Distribution staff	47	44
Administrative staff	16	16
	<u>97</u>	<u>101</u>

Addis Housewares Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

8. Staff costs *(continued)*

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

	2024	2023
	£	£
Wages and salaries	3,402,982	3,257,544
Social security costs	337,464	293,700
Other pension costs	318,827	269,419
	<u>4,059,273</u>	<u>3,820,663</u>

9. Directors' remuneration

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

	2024	2023
	£	£
Remuneration	632,902	654,087
Company contributions to defined contribution pension plans	203,332	171,396
	<u>836,234</u>	<u>825,483</u>

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

	2024	2023
	No.	No.
Defined contribution plans	<u>6</u>	<u>6</u>

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

	2024	2023
	£	£
Aggregate remuneration	158,721	163,943
Company contributions to defined contribution pension plans	60,150	47,898
	<u>218,871</u>	<u>211,841</u>

10. Other interest receivable and similar income

	2024	2023
	£	£
Interest on cash and cash equivalents	<u>45,529</u>	<u>14,812</u>

11. Interest payable and similar expenses

	2024	2023
	£	£
Interest on banks loans and overdrafts	8,479	37,021
Pension finance charge	707,000	713,868
	<u>715,479</u>	<u>750,889</u>

Addis Housewares Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

12. Tax on profit

Major components of tax expense

	2024 £	2023 £
Current tax:		
UK current tax expense	170,272	292,097
Adjustments in respect of prior periods	—	32
Total current tax	<u>170,272</u>	<u>292,129</u>
Deferred tax:		
Origination and reversal of timing differences	23,061	73,084
Tax on profit	<u>193,333</u>	<u>365,213</u>

Tax recognised as other comprehensive income or equity

Tax relating to components of other comprehensive income has resulted in a debit of £522,712 (2023: £1,049,700 credit), which is made up as follows.

The tax relating to the remeasurement of the defined benefit plan has resulted in a debit of £522,712 (2023: £122,570 credit).

The change in tax rates from 19% to 25% during 2023 lead to a credit of £nil (2023: £926,950)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2023: higher than) the standard rate of corporation tax in the UK of 25% (2023: 23.52%).

	2024 £	2023 £
Profit on ordinary activities before taxation	917,105	1,451,529
Profit on ordinary activities by rate of tax	229,276	341,408
Adjustment to tax charge in respect of prior periods	—	32
Effect of expenses not deductible for tax purposes	1,977	4,170
Effect of capital allowances and depreciation	(5,784)	(2,540)
Effect of different UK tax rates on some earnings	(25,950)	(33,851)
Deferred grant income	(998)	(2,885)
Defined benefit pension scheme	(28,250)	(14,205)
Deferred tax: Origination and reversal of timing differences	23,062	73,084
Tax on profit	<u>193,333</u>	<u>365,213</u>

Addis Housewares Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

13. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 January 2024	3,233,239	523,810	3,757,049
Additions	246,264	82,095	328,359
At 31 December 2024	3,479,503	605,905	4,085,408
Depreciation			
At 1 January 2024	2,155,145	325,923	2,481,068
Charge for the year	223,691	28,843	252,534
At 31 December 2024	2,378,836	354,766	2,733,602
Carrying amount			
At 31 December 2024	1,100,667	251,139	1,351,806
At 31 December 2023	1,078,094	197,887	1,275,981

Capital commitments

	2024 £	2023 £
Contracted for but not provided for in the financial statements	—	50,204

14. Stocks

	2024 £	2023 £
Raw materials and consumables	364,339	302,227
Finished goods and goods for resale	3,567,743	3,076,406
	3,932,082	3,378,633

Stock is stated after provision for impairment of £241,187 (2023: £238,670).

15. Debtors

	2024 £	2023 £
Trade debtors	6,315,970	6,006,719
Amounts owed by group undertakings	4,286,151	4,286,151
Deferred tax asset	3,042,542	3,588,316
Prepayments and accrued income	226,376	154,603
Other debtors	1,390,307	663,331
	15,261,346	14,699,120

Addis Housewares Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

15. Debtors *(continued)*

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

	2024	2023
	£	£
Deferred tax asset	<u>3,042,542</u>	<u>3,588,316</u>

16. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	1,778,341	893,829
Accruals and deferred income	2,071,803	2,078,162
Corporation tax	170,272	292,097
Social security and other taxes	<u>754,907</u>	<u>656,890</u>
	<u>4,775,323</u>	<u>3,920,978</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

	2024	2023
	£	£
Accruals and deferred income	<u>25,635</u>	<u>38,451</u>

18. Deferred tax

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

	2024	2023
	£	£
Included in debtors (note 15)	<u>3,042,542</u>	<u>3,588,316</u>

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

	2024	2023
	£	£
Accelerated capital allowances	319,246	296,184
Pension plan obligations	<u>(3,361,788)</u>	<u>(3,884,500)</u>
	<u>(3,042,542)</u>	<u>(3,588,316)</u>

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £318,827 (2023: £269,419).

Addis Housewares Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

19. Employee benefits *(continued)*

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 2025 will be £545,000. 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 £820,000 to the scheme. The PPF levy for the 2023/24 tax year was paid directly by the scheme.

A comprehensive actuarial valuation of the company pension scheme was carried out on 21 January 2025 by Broadstone Consultants & Actuaries Limited, independent consulting actuaries.

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

	2024	2023
	£	£
Present value of defined benefit obligations	(24,161,000)	(26,228,000)
Fair value of plan assets	10,714,000	10,690,000
	<u>(13,447,000)</u>	<u>(15,538,000)</u>

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

	2024
	£
At 1 January 2024	26,228,000
Interest expense	1,172,000
Benefits paid	(1,487,000)
Remeasurements:	
Actuarial gains and losses	(1,752,000)
At 31 December 2024	<u>24,161,000</u>

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

	2024
	£
At 1 January 2024	10,690,000
Interest income	473,000
Benefits paid	(1,487,000)
Contributions by employer	820,000
Administration expenses	(143,000)
Remeasurements:	
Actuarial gains and losses	361,000
At 31 December 2024	<u>10,714,000</u>

Addis Housewares Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

19. Employee benefits *(continued)*

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

	2024	2023
	£	£
Recognised in profit or loss:		
Net interest expense	699,000	714,000
Administration expenses	143,000	184,000
	<u>842,000</u>	<u>898,000</u>

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

	2024	2023
	£	£
Actuarial gains and losses - present value of defined benefit obligations	(1,752,000)	718,000
Administration expenses	143,000	184,000
Actuarial gains and loss - fair value of plan assets	(361,000)	(227,000)
	<u>(1,970,000)</u>	<u>675,000</u>

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

	2024	2023
	£	£
Equity instruments	4,907,012	4,692,910
Cash and cash equivalents	224,994	203,110
Fixed interest	3,642,760	3,869,780
Alternatives	1,939,234	1,924,200
	<u>10,714,000</u>	<u>10,690,000</u>

The return on plan assets are as follows:

	2024	2023
	£	£
Return on assets of benefit plan	<u>834,000</u>	<u>736,000</u>

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

	2024	2023
	%	%
Discount rate	5.40	4.60
Inflation assumption	3.00	2.90
Mortality rates:		
Current pensioners at 65 - male	84.20	84.20
Current pensioners at 65 - female	86.70	86.70
Future pensioners at 65 - male	84.80	84.80
Future pensioners at 65 - female	<u>87.60</u>	<u>87.50</u>

Addis Housewares Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

20. Government grants

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

	2024	2023
	£	£
Recognised in creditors:		
Deferred government grants due within one year	12,816	12,816
Deferred government grants due after more than one year	25,635	38,451
	<u>38,451</u>	<u>51,267</u>
Recognised in other operating income:		
Government grants released to profit or loss	<u>13,366</u>	<u>12,266</u>

21. Called up share capital

Issued, called up and fully paid

	2024		2023	
	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.

23. Operating leases

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

	2024	2023
	£	£
Not later than 1 year	744,551	700,317
Later than 1 year and not later than 5 years	1,676,402	2,281,402
	<u>2,420,953</u>	<u>2,981,719</u>

Addis Housewares Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

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 (2023: £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.