

Registered number: 00492005

AL-KO KOBER LIMITED  
FINANCIAL STATEMENTS  
31 DECEMBER 2014

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COMPANIES HOUSE

# **AL-KO KOBER LIMITED**

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# **AL-KO KOBER LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	H Kober R Kober P Eustace
<b>Company secretary</b>	A P Sparkes
<b>Registered number</b>	00492005
<b>Registered office</b>	South Warwickshire Business Park Kineton Road Southam Warwickshire CV47 0AL
<b>Independent auditor</b>	Blick Rothenberg LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

# **AL-KO KOBER LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,307,449 (2013 - £915,197).

The directors paid a dividend on ordinary shares during the year of £1,100,000 (2013: £1,000,000).

### **Directors**

The directors who served during the year were:

H Kober  
R Kober  
P Eustace

### **Matters covered in the Strategic report**

As permitted by section 414c (11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium Sized Companies and Group (Accounts and Reports) Regulations 2008', in the strategic report.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be 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 and signed on its behalf.



**A P Sparkes**  
Secretary

Date: *6th March 2015*

# **AL-KO KOBER LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **Introduction**

The directors present their strategic report on the company for the year ended 31 December 2014. The principal activity of the company during the year was that of the manufacture and distribution of vehicle components.

### **Business review**

The results for the year and the financial position at the year end were considered satisfactory by the directors in light of the current economic environment.

Turnover for the year ended 31 December 2014 amounted to £28,941,599 (2013: £27,251,631), an increase of 6.2% when compared to the turnover generated in the year ended 31 December 2013. Profit before taxation has increased from £1,263,368 to £1,662,980 during the year under review.

Stocks held at 31 December 2014 amounted to £1,365,896 compared to £1,524,774 at 31 December 2013, a decrease of 10.4%. Stock levels are monitored by management on an ongoing basis and fluctuate according to customer requirements.

As at 31 December 2014 trade debtors were £6,509,426 compared to £5,687,845 as at 31 December 2013. Trade debtor recovery has remained consistent around the group's established credit term period.

The directors continue to view the future with optimism.

### **Management control policy, business risks, principles and the use of key performance indicators**

AL-KO Kober Limited is managed on a basis which is in accordance with the principles of the AL-KO Kober Group. This is clearly identified within the company mission statement, and the group objective to be market leaders in every market sector in which it operates. It also strives, through a rigorous management review of its key performance indicators, to increase and improve its capability and competence through constant innovation and continuous improvement.

The direction and management of the company is data driven through ongoing analysis of our key performance indicators. Review procedures, including but not restricted to, are as follows:

- Customer satisfaction;
- Quality, delivery and competitive performance;
- Health and safety;
- Environmental improvement;
- Sales growth and profitability;
- Growth and improvement in people capability through continuous education and communication guided and approved by the principles of the Investors in People standard;
- Strong financial and commercial management through sound contractual agreement review, and working in partnership with our customers and in the industries that we support; and
- Strict conformance to the AL-KO brand promise of "Quality Safety and Performance."

In the light of the foregoing it is pleasing to note that the company has improved profitability in the current economic environment.

# AL-KO KOBER LIMITED

## STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

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### Environmental policy

It is an AL-KO group policy that all companies must operate in such a way that maximum environmental protection is ensured. Everybody in the group can contribute towards creating an environment which increases the quality of life. Energy and other raw materials should not be wasted. Each of us will help to achieve this goal. AL-KO Kober Limited has the Environmental Standard ISO 14001.

### Health and safety

AL-KO Kober Limited is enthusiastic in seeking to provide a safe and healthy working environment in which all its employees can prosper and grow. It has an appointed senior manager with specific responsibility to work with the directors of the group, and the employees, in order to fulfil and exceed the expectations of the law, the Kober family, and our insurers. In line with the agreed group policy, the management and employees carry out risk assessments and regular reviews to ensure complete conformance with all measures designed to ensure a safe working environment.

### Customer satisfaction

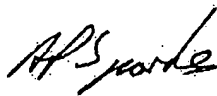
AL-KO Kober Limited is totally customer driven. We believe that we must listen to our customers, meet their requests, and even strive to surpass them. In this way we will be able to secure the profit and growth necessary to secure our future, and be able to invest in market growth and new product development. The group values and maintains its business approvals to ISO 9000, IIP, and Q100. It is also enthusiastic in its support of the National Caravan Council, the Society of Motor Manufacturers and Traders, European Standards organisations and the European Caravan Federation.

The Kober family and its directors believe that the strength of our company lies in our principles. They are standards for our way of thinking, decisions and actions.

### Foreign currency exchange rate

The company is exposed to foreign currency exchange rate fluctuations, due to its transactions with group members. The company manages its foreign exchange requirements and exposure on an ongoing basis and uses a range of financial instruments, such as currency accounts and forward contracts, to minimise risk and exposure.

This report was approved by the board on *6th MARCH 2015* and signed on its behalf.



A P Sparkes  
Secretary

# **AL-KO KOBER LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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.

# **AL-KO KOBER LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL-KO KOBER LIMITED FOR THE YEAR ENDED 31 DECEMBER 2014**

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We have audited the financial statements of AL-KO Kober Limited for the year ended 31 December 2014, set out on pages 8 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of 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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# **AL-KO KOBER LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL-KO KOBER LIMITED FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Sanford (senior statutory auditor)

for and on behalf of  
**Blick Rothenberg LLP**

Chartered Accountants  
Statutory Auditor

16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

23 March 2015

# AL-KO KOBER LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
<b>Turnover</b>	2	<b>28,941,599</b>	27,251,631
Change in stocks of finished goods and work in progress		(158,878)	55,008
Other external charges		(20,481,617)	(19,703,108)
Staff costs	4	(3,232,613)	(3,036,496)
Depreciation and amortisation		(214,921)	(214,313)
Other operating charges		(3,213,613)	(3,063,556)
<b>Operating profit</b>	3	<b>1,639,957</b>	1,289,166
Interest receivable and similar income	6	25,800	7,202
Interest payable and similar charges	7	(2,777)	(33,000)
<b>Profit on ordinary activities before taxation</b>		<b>1,662,980</b>	1,263,368
Tax on profit on ordinary activities	8	(355,531)	(348,171)
<b>Profit for the financial year</b>	20	<b>1,307,449</b>	915,197

All amounts relate to continuing operations.

The notes on pages 11 to 27 form part of these financial statements.

## AL-KO KOBER LIMITED

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

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	2014 £	2013 £
<b>Profit for the financial year</b>	<b>1,307,449</b>	915,197
Other movements in profit and loss reserve	<u>(210,400)</u>	<u>(132,000)</u>
<b>Total recognised gains and losses relating to the year</b>	<b><u>1,097,049</u></b>	<b><u>783,197</u></b>

The notes on pages 11 to 27 form part of these financial statements.

**AL-KO KOBER LIMITED**

REGISTERED NUMBER: 00492005

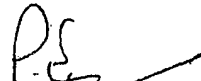
**BALANCE SHEET  
AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	9		3,759,373		3,844,962
<b>Current assets</b>					
Stocks	10	1,365,896		1,524,774	
Debtors	11	9,354,094		5,918,170	
Cash at bank and in hand		55,658		2,266,630	
		<u>10,775,648</u>		<u>9,709,574</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,569,039)</u>		<u>(2,639,876)</u>	
<b>Net current assets</b>			<u>7,206,609</u>		<u>7,069,698</u>
<b>Total assets less current liabilities</b>			<u>10,965,982</u>		<u>10,914,660</u>
<b>Provisions for liabilities</b>					
Deferred tax	13	(10,998)		(7,967)	
Other provisions	14	<u>(265,910)</u>		<u>(250,668)</u>	
			<u>(276,908)</u>		<u>(258,635)</u>
<b>Net assets excluding pension scheme liabilities</b>			<u>10,689,074</u>		<u>10,656,025</u>
Defined benefit pension scheme liability	15	<u>(1,133,600)</u>		<u>(1,097,600)</u>	
<b>Net assets including pension scheme liabilities</b>			<u><u>9,555,474</u></u>		<u><u>9,558,425</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		910,000		910,000
Profit and loss account	20		<u>8,645,474</u>		<u>8,648,425</u>
<b>Shareholders' funds</b>	21		<u><u>9,555,474</u></u>		<u><u>9,558,425</u></u>

The financial statements were approved and authorised for issue by the board and were signed on their behalf by:



**R Kober**  
Director



**P Eustace**  
Director

Date: *6th MARCH 2015*

# **AL-KO KOBER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **1. Accounting policies**

#### **1.1 Basis of preparation of financial statements**

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

#### **1.2 Going concern**

The company has adequate financial resources and, as a consequence, the directors believe that the company is well placed to manage its business risks successfully. After making inquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **1.3 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

#### **1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Plant & machinery	- 10-33% straight line
Motor vehicles	- 25% straight line

#### **1.6 Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### **1.7 Stocks**

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. The cost of finished goods comprises materials, direct labour and attributable production overheads. Net realisable value is based on estimated selling price less any further costs that are expected to be incurred to completion and disposal.

Work in progress comprises materials, direct labour and attributable production overheads. No element of profit is included in the valuation of work in progress.

**AL-KO KOBER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. Accounting policies (continued)**

**1.8 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.9 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

**1.10 Pensions**

The company operates two defined benefit pension schemes and a defined benefit scheme. The assets of the schemes are held in separate trustee administered funds.

Regular valuations are prepared by independent professionally qualified actuaries. These determine the level of contributions required to fund the benefits set out in the rules of the scheme and allow for the periodic increase of pensions in payment. The regular service cost of providing retirement benefits to employees during the year, together with the cost of any benefits relating to past service is charged to the operating profit in the year.

A credit representing the expected return on the assets of the retirement benefit schemes during the year is included within other finance income. This is based on the market value of the assets of the schemes at the start of the financial year.

The charge within other finance charges represents the expected increase in the liabilities of the retirement benefit scheme during the year. This arises from the liabilities of the scheme being one year closer to payment.

The difference between the market value of assets and the present value of accrued pension liabilities is shown as an asset or liability in the balance sheet net of deferred tax.

Differences between actual and expected returns on assets during the year are recognised in the statement of total recognised gains and losses in the year, together with differences arising from changes in assumptions.

The company also operates a defined contribution pension scheme. Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable.

**AL-KO KOBER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. Accounting policies (continued)**

**1.11 Provisions for liabilities and charges**

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provisions are not discounted.

**1.12 Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**2. Turnover**

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	27,968,306	26,322,980
Rest of European Union	942,972	859,018
Rest of World	30,321	69,633
	<u>28,941,599</u>	<u>27,251,631</u>

**3. Operating profit**

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	222,421	231,498
Foreign exchange (gain)/loss	(111,589)	4,320
Auditor's remuneration		
- audit services	42,200	38,400
- other taxation and pension services	4,822	23,538
Operating lease rentals		
- other operating leases	60,461	50,413
Profit on disposal of fixed assets	(7,500)	(17,185)
	<u></u>	<u></u>

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	2,674,385	2,508,032
Social security costs	258,387	243,965
Pension contributions	299,841	284,499
	<u>3,232,613</u>	<u>3,036,496</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Production	43	44
Administration	24	23
Selling and distribution	18	18
	<u>85</u>	<u>85</u>

Pension contributions consist of the following:

	2014 £	2013 £
Defined benefit current service costs (see note 15)	69,000	88,000
Defined contribution pension scheme	110,418	103,943
Other pension related costs	120,423	92,556
Total	<u>299,841</u>	<u>284,499</u>

### 5. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>154,570</u>	<u>148,953</u>
Company pension contributions to defined contribution pension schemes	<u>24,681</u>	<u>23,846</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.



# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 6. Interest receivable

	2014 £	2013 £
Other financial income	23,000	-
Bank interest receivable	2,800	7,202
	<u>25,800</u>	<u>7,202</u>

### 7. Interest payable

	2014 £	2013 £
On bank overdrafts	2,777	-
Other financial charges	-	33,000
	<u>2,777</u>	<u>33,000</u>

### 8. Taxation

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	308,900	254,906
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,031	21,865
Deferred tax debit in relation to pension costs	43,600	71,400
<b>Total deferred tax</b> (see note 13)	<u>46,631</u>	<u>93,265</u>
<b>Tax on profit on ordinary activities</b>	<u>355,531</u>	<u>348,171</u>

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 8. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>1,662,980</u>	<u>1,263,368</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	357,541	293,733
Effects of:		
Expenses not deductible for tax purposes	20,823	10,657
Capital allowances in excess of depreciation	(3,259)	(11,783)
Other short term timing differences	(45,717)	(37,701)
Group relief	(20,488)	-
Current tax charge for the year (see note above)	<u>308,900</u>	<u>254,906</u>

#### Factors that may affect future tax charges

The UK corporation tax rate was reduced to 21% effective from 1 April 2014 and 20% effective from 1 April 2015 on 2 July 2013. The relevant deferred tax balances have been re-measured where appropriate.

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 9. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2014	4,371,539	2,001,022	410,997	6,783,558
Additions	-	115,257	21,575	136,832
Disposals	-	-	(24,800)	(24,800)
At 31 December 2014	4,371,539	2,116,279	407,772	6,895,590
<b>Depreciation</b>				
At 1 January 2014	1,010,705	1,609,554	318,337	2,938,596
Charge for the year	66,442	113,673	42,306	222,421
On disposals	-	-	(24,800)	(24,800)
At 31 December 2014	1,077,147	1,723,227	335,843	3,136,217
<b>Net book value</b>				
At 31 December 2014	3,294,392	393,052	71,929	3,759,373
At 31 December 2013	3,360,834	391,468	92,660	3,844,962

### 10. Stocks

	2014 £	2013 £
Raw materials	445,879	481,630
Work in progress	65,539	103,092
Finished goods and goods for resale	854,478	940,052
	1,365,896	1,524,774

### 11. Debtors

	2014 £	2013 £
Trade debtors	6,509,426	5,687,845
Amounts owed by group undertakings	2,601,270	78,127
Prepayments and accrued income	243,398	152,198
	9,354,094	5,918,170

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 12. Creditors: Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	514,887	-
Trade creditors	360,933	219,573
Amounts owed to group undertakings	1,210,793	1,260,661
Corporation tax	199,239	133,239
Other taxation and social security	957,533	810,120
Accruals and deferred income	325,654	216,283
	<u>3,569,039</u>	<u>2,639,876</u>

### 13. Deferred taxation

	2014 £	2013 £
At beginning of year	7,967	(13,898)
Charge for the year	3,031	21,865
	<u>10,998</u>	<u>7,967</u>

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	(16,957)	(13,926)
Other short term timing differences	5,959	5,959
	<u>(10,998)</u>	<u>(7,967)</u>

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 14. Other provisions

	Warranty provision £
At 1 January 2014	250,668
Amount provided	96,002
Amounts utilised	(80,760)
At 31 December 2014	<u>265,910</u>

A provision has been recognised for expected claims against product guarantees. It is expected that most of this expenditure will be incurred in the next two financial years. The provision has not been discounted since the effect of discounting is not material.

### 15. Pension commitments

The company operates two defined benefit pension schemes, the contributions payable to which are determined by a qualified actuary.

The liability/(surplus) position is as follows:

	2014 £'000	2013 £'000
AL-KO Kober Limited Pension and Assurance scheme	1,142	1,127
AL-KO Kober Limited Retirement and Death Benefit Plan for hourly paid employees	(8)	(30)
Total liability	<u>1,134</u>	<u>1,097</u>

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### AL-KO Kober Limited Pension and Assurance scheme

The company operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary.

The disclosures set out below are based on calculations carried out as at 31 December 2014 by a qualified independent actuary using the projected unit basis. The major assumptions used by the actuary were:

	2014 %	2013 %
Rate of increase in salaries	3.10	3.40
Rate of increase in pensions in payment	3.00	3.30
Discount rate	3.50	4.50
Rate of inflation	3.10	3.40
Rate of increase of pension deferment	2.10	2.40
Expected return on plan assets	5.10	6.30

The mortality assumptions are based on the actuarial table SAPS YOB Medium Cohort.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are:

Assumptions	Change in assets	Change in liabilities
Discount rate	Increase/decrease of 0.5% p.a.	Decrease/increase by 9.1%
Rate of inflation	Increase/decrease of 0.5% p.a.	Increase/decrease by 2.6%
Rate of salary growth	Increase/decrease of 0.5% p.a.	Increase/decrease by 1.6%
Rate of mortality	1 year increase in life expectancy	Increase by 3.3%

The assets in the scheme were as follows:

	31 December 2014 %	Value at 31 December 2014 £'000	31 December 2013 %	Value at 31 December 2013 £'000
Equities	43	2,196	44	1,948
Emerging market debt	15	733	15	650
Diversified growth assets	13	645	13	570
Gilts	8	412	7	330
Bonds	7	377	7	331
Property	14	696	14	607
Cash	-	6	-	20
Total	100	5,065	100	4,456

The equity investments, emerging market debt, diversified growth assets, gilts and bonds which are held in plan assets are valued at the current bid price. Property is valued at the current market value.

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	Value at 31 December 2014 £	Value at 31 December 2013 £
Total market value of assets	5,065	4,456
Present value of scheme liabilities	<u>(6,492)</u>	<u>(5,865)</u>
Deficit in scheme	(1,427)	(1,409)
Related deferred tax asset	285	282
Net liability	<u><u>(1,142)</u></u>	<u><u>(1,127)</u></u>

### Reconciliation of present value of scheme liabilities

	2014 £'000	2013 £'000
1 January	5,865	5,442
Current service cost	69	88
Contribution by employees	24	22
Interest cost	264	259
Benefits paid	(89)	(99)
Actuarial loss	359	153
31 December	<u><u>6,492</u></u>	<u><u>5,865</u></u>

### Reconciliation of fair value of scheme assets

	2014 £'000	2013 £'000
1 January	4,456	4,055
Expected returns on scheme assets	287	228
Actuarial gain/(loss)	129	(3)
Benefits paid	(89)	(99)
Contributions paid by the employer	258	253
Contributions paid by employee	24	22
31 December	<u><u>5,065</u></u>	<u><u>4,456</u></u>

Scheme assets do not include any of AL-KO Kober Limited's own financial instruments, or any property occupied by AL-KO Kober Limited.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £416,000 (2013: £225,000).

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Analysis of the amount charged to profit or loss are as follows:

	2014 £'000	2013 £'000
Current service cost	69	88
Expected return on pension scheme assets	(287)	(228)
Interest on pension scheme liabilities	264	259
Total	<u>46</u>	<u>119</u>

### Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is £2,475,000 (2013: £2,245,000).

### Actuarial calculation

The actuarial calculation at 31 December 2014 showed an increase in the deficit from £1,409,000 to £1,427,000. The company contributions expected to be made in the year commencing 1 January 2015 are £260,000.

Amounts for current and previous four years:	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligation	(6,492)	(5,865)	(5,442)	(4,994)	(4,340)
Plan assets	5,065	4,456	4,055	3,734	3,438
Deficit	(1,427)	(1,409)	(1,387)	(1,260)	(902)
Experience adjustments on plan assets	129	(3)	143	(58)	218
Experience adjustments on plan liabilities	811	(70)	-	(296)	-
Changes in the assumptions underlying the present value of scheme liabilities	(1,170)	(83)	(357)	(121)	25



# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### AL-KO Kober Limited Retirement and Death Benefit Plan for hourly paid employees

The company operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefit on the basis of members' final salary.

The scheme is closed to new members and benefit entitlements have now been frozen.

The disclosures set out below are based on calculations carried out as at 31 December 2014 by a qualified independent actuary using the projected unit basis.

The major assumptions used by the actuary were:

	2014 %	2013 %
Expected return on plan assets	3.50	3.70
Discount rate	3.30	4.30
Rate of inflation	3.00	3.20
Rate of increase of pension deferment	2.00	2.20

The mortality assumptions are based on the actuarial table S1PA.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are:

Assumptions	Change in assumptions	Change in liabilities
Discount rate	Increase/decrease of 0.5% p.a.	Decrease/increase by 3.5%
Rate of inflation	Increase/decrease of 0.5% p.a.	Increase/decrease by 3.5%
Rate of mortality	No pre retirement mortality	Increase by 4.5%

The assets in the scheme were as follows:

	31 December 2014 %	Value at 31 December 2014 £'000	31 December 2013 %	Value at 31 December 2013 £'000
Cash	100	199	100	365

	Value at 31 December 2014 £'000	Value at 31 December 2013 £'000
Total market value of assets	199	365
Present value of scheme liabilities	(189)	(328)
Surplus in scheme	10	37
Related deferred tax liability	(2)	(9)
Net asset	8	28

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### Reconciliation of present value of scheme liabilities

	2014 £'000	2013 £'000
1 January	328	359
Interest cost	11	14
Benefits paid	(162)	(48)
Actuarial loss	12	3
31 December	<u>189</u>	<u>328</u>

### Reconciliation of fair value of scheme assets

	2014 £'000	2013 £'000
1 January	365	386
Expected returns on scheme assets	11	12
Actuarial loss	(21)	(6)
Benefits paid	(162)	(48)
Contributions paid by the employer	6	21
31 December	<u>199</u>	<u>365</u>

Scheme assets do not include any of AL-KO Kober Limited's own financial instruments, or any property occupied by AL-KO Kober Limited.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy.

The actual return on scheme assets in the year was a loss of £10,000 (2013: gain £6,000).

### Analysis of the amount charged to profit or loss are as follows:

	2014 £'000	2013 £'000
Expected return on pension scheme assets	(11)	(12)
Interest on pension scheme liabilities	11	14
Total	<u>-</u>	<u>2</u>

### Actuarial gains and losses

The cumulative amount of actuarial loss recognised in the statement of recognised gains and losses is £67,000 (2013: £34,000)

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### Actuarial calculation

The actuary's calculation as at 31 December 2014 showed a surplus of £10,000 (2013: £37,000). The company's contributions expected to be made in the year commencing 1 January 2015 are £nil (plus insurance premiums and administrative expenses).

<b>Amounts for current years and previous four years:</b>	<b>2014 £'000</b>	<b>2013 £'000</b>	<b>2012 £'000</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Defined benefit obligation	(189)	(328)	(359)	(452)	(519)
Plan assets	199	365	386	374	430
Surplus/(deficit)	10	37	27	(78)	(89)
Experience adjustments on plan assets	(21)	(6)	(11)	(16)	4
Experience adjustments on plan liabilities	(2)	-	89	-	(69)
Changes on the assumptions underlying the present value of plan liabilities	-	(3)	14	12	(49)

### 16. Commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>			<b>Other</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Between 2 and 5 years	<b>115,000</b>	-	<b>26,033</b>	26,033

During the year the company entered into contracts to purchase Euros under forward foreign exchange contracts. The financial commitments arising under these arrangements are described in note 17 to these financial statements.

### 17. Derivative financial instruments

During the year the company entered into commitments to purchase Euros under a forward foreign exchange contract with a notional principal amount of €1,500,000. The commitments arising under these contracts were £1,185,677. The fair value of these contracts at the end of the year was £14,858.

The company also entered into arrangements under an option agreement which gave the company, under certain circumstances, the right but not the obligation to purchase Euros with a notional principal amount of €1,500,000. The fair value of these contracts at the end of the year was £98,326.

Both of these arrangements were entered into for the purpose of meeting the company's financial risk management objectives.

# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 18. Related party transactions and controlling party

The company has taken advantage of the exemption afforded by Financial Reporting Standard 8 from disclosing transactions with related parties which are part of the group AL-KO Kober SE., an entity incorporated in Germany. Copies of the group financial statements are available as disclosed in note 23.

The directors regard the Kober family as the ultimate controlling party. The directors regard AL-KO Kober SE. as being the immediate controlling party.

### 19. Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
819,404 Ordinary shares of £1 each	819,404	819,404
90,596 Deferred shares of £1 each	90,596	90,596
	<hr/>	<hr/>
	910,000	910,000
	<hr/>	<hr/>

The deferred shares carry no right to receive any dividend in respect of any financial year or period ending by the year 2050. In respect of any financial year or period ending after this date the shares carry the right to receive a dividend equal to one twenty fourth of the rate of dividend paid to ordinary shareholders in respect of such period. On a winding up of the company, any repayment of capital will be made only after such payment has been made to the ordinary shareholders. The deferred shares carry no right to attend or vote at general meetings of the company.

### 20. Reserves

	Profit and loss account £
At 1 January 2014	8,648,425
Profit for the financial year	1,307,449
Dividends (Note 22)	(1,100,000)
Actuarial loss relating to pension scheme liability	(210,400)
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At 31 December 2014	8,645,474
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# AL-KO KOBER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 21. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	9,558,425	9,775,228
Profit for the financial year	1,307,449	915,197
Dividends (Note 22)	(1,100,000)	(1,000,000)
Actuarial loss relating to pension scheme liability	(210,400)	(132,000)
Closing shareholders' funds	<u>9,555,474</u>	<u>9,558,425</u>

### 22. Dividends

	2014 £	2013 £
Dividends paid on ordinary share capital	<u>1,100,000</u>	<u>1,000,000</u>

### 23. Ultimate parent undertaking

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is AL-KO Kober Holdings Limited, a company incorporated in England and Wales. Copies of the financial statements are available to the public from Companies House, Crown Way, Cardiff, CF4 3UZ.

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is AL-KO Kober SE, an entity formed in Germany. The directors regard this company as being the ultimate holding company. Copies of these group financial statements are available to the public from Handelsgericht Ref B19438940 Memmingen, Germany.