Jani-Jack Limited

Directors' report and financial statements

Registered number 1065048

31 December 2002

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Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

Principal Activities & Business Review

The company has not traded in the year following the transfer of trade, undertaking and assets to its fellow subsidiary undertaking, Addis Housewares Limited on 31 December 2001. Net assets were transferred at net book value for a consideration equal to that net book value.

The principal activity of the company in 2001 was the manufacture and sale of light industrial and commercial cleaning equipment combined with precision engineering.

Directors and directors' interest

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

F-J Wulf - Chairman
J Michel (resigned 6 December 2002)
A Messink (appointed 25 September 2002)

The interests in the share capital of group companies of F-J Wulf are shown in the financial statements of the ultimate parent undertaking of which company he is a director.

No other director had any interest in the share capital of any group company at the year end.

By order of the board

R J Tucker

R J Tucker
Secretary

River Bank
Swansea
SA1 7DD

25 August 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditors' report to the members of Jani Jack Limited

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

The report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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 auditors
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company in not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
Bristol

28 August 2003

Profit and loss account
for the year ended 31 December 2002

	Note	2002	Discontinued Activities 2001 *As Restated*
		£000	£000
Turnover	2	-	5,219
Cost of sales		-	(3,742)
Gross profit		-	1,477
Distribution costs		-	(998)
Administrative expenses		-	(591)
Operating loss		-	(112)
Interest receivable and similar income		-	67
Loss on ordinary activities before taxation	3	-	(45)
Tax on loss on ordinary activities	6	-	10
Loss on ordinary activities after taxation being loss for the financial year	11	-	(35)
Retained profit brought forward	11	1,694	1,729
Retained profit carried forward	11	1,694	1,694

Statement of total recognised gains and losses:

	2002	2001
	£000	£000
Result/(Loss) for the financial year being total recognised gains and losses relating to the year	-	(56)
Prior period adjustment (FRS 19 Deferred tax – note 1)	21	-
	21	(56)

Balance sheet
at 31 December 2002

	Note	2002	2001 *As restated*
		£000	£000
Fixed assets			
Investments	*7*	**5**	5
Current assets			
Debtors	*8*	**2,189**	2,189
Net assets		**2,194**	2,194
Capital and reserves			
Called up share capital	*10,11*	**500**	500
Profit and loss account	*11*	**1,694**	1,694
Shareholders' funds	*11*	**2,194**	2,194

These financial statements were approved by the board of directors on 28 August 2003 and were signed on its behalf by:

FJ Wulf
Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

The company is exempt from preparing group accounts under section 228 of the Companies Act 1985, as a result the financial statements present information about the company, not its group.

In preparing the financial statements for the current year, the company has adopted FRS 19 'Deferred Tax', which has resulted in a change in accounting policy for deferred tax.

Deferred tax is recognised on a full provision basis in accordance with the accounting policy described below. Previously deferred tax was provided on a partial provision basis, whereby provision was made on all timing differences to the extent that they were expected to reverse in future without replacement.

The change in accounting policy has resulted in a prior year adjustment for the company. Shareholders' funds at 1 January 2001 have been increased by £21,000 and the tax charge for the year ended 31 December 2001 has been reduced by £21,000. The resulting deferred tax asset of £42,000 was recognised as part of the transfer of trade and assets to Addis Housewares Limited and the inter-company balance has therefore been adjusted to reflect this asset transfer at 31 December 2001.

Fixed assets and depreciation

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

Freehold buildings	- 30 years
Leasehold buildings	- 15 years
Fixtures and fittings	- 5 to 10 years
Plant and machinery	- 3 to 7 years
Motor vehicles	- 4 years

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or the rates of exchange at which they were contracted to be settled. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Notes *(continued)*

1 *Accounting policies* **(continued)**

Leased assets

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

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

Pension costs

The group operates a defined benefit pension scheme, the Addis Housewares Limited Pension Scheme, covering the majority of its permanent employees. The scheme funds are administered by trustees and are independent of the group's finances. The scheme is funded and contributions are paid to the scheme in accordance with the recommendations of independent actuaries. The group's contributions are charged against profits, so as to give a constant periodic rate of charge over the period during which the group derives benefit from the employees' services.

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated, but not reversed, at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax.

Deferred tax is measured on a non-discounted basis at tax rates that are expected to apply in the periods in which the timing differences reverse based on tax rates and laws enacted at the Balance Sheet date. 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 underlying timing difference can be deducted

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period.

Related parties

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

2 Analysis of turnover

Turnover and profit on ordinary activities before taxation arise solely from the principal activity of the company.

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

Notes *(continued)*

3 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:	**2002** **£000**	2001 £000
Auditors' remuneration:		
Audit work	-	7
Other services	-	2
Depreciation of tangible fixed assets:		
Owned	-	161
Hire purchase	-	6
Amounts payable under operating lease in respect of other assets	-	83

4 Staff numbers and costs

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

	Number of employees	
	2002	2001
Manufacturing	-	33
Distribution	-	16
Administration	-	14
	-	63

The aggregate payroll costs of these persons were as follows:

	2002 **£000**	2001 £000
Wages and salaries	-	1,049
Social security costs	-	91
Other pension costs	-	98
	-	1,238

Notes *(continued)*

5 Remuneration of directors

The directors received no remuneration from the company in 2002 or 2001.

6 Taxation

	2002 **£000**	*Restated* 2001 £000
a) Tax on loss on ordinary activities		
The tax (credit) is made up as follows:		
Current taxation:		
UK Corporation tax on loss for the year	-	11
Total current tax	-	11
Deferred taxation (note 9)		
Origination and reversal of timing differences	-	(21)
Taxation on loss of ordinary activities	-	(10)

b) Factors affecting the current tax credit for the prior year

The tax assessed on the loss on ordinary activities for the prior year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2002 **£00**	*Restated* 2001 £000
Loss on ordinary activities before tax	-	(45)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2001: 30%)	-	(14)
Effect of:		
Disallowed expenses and non taxable income	-	5
Depreciation in excess of capital allowances	-	13
Other timing differences	-	7
	-	11

Notes *(continued)*

7 Fixed asset investments

This represents the cost of the company's investment in the entire issued share capital of JA & MF Engineering Limited, its subsidiary undertaking. That company is registered in England and Wales and has been dormant throughout the year and the prior year.

8 Debtors

	2002	*As Restated* 2001
	£000	£000
Amounts owed by group undertakings	**2,189**	2,189

9 Deferred Taxation

At 31 December 2001, the deferred tax asset of £42,000 was transferred as part of the transfer of trade and assets to Addis Housewares Limited.

Movements in the deferred tax asset are as follows:

	AsRestated £000
At 1 January 2001 as previously reported	-
Prior year adjustment (note 1)	21
As restated	21
Provided during the year (note 6)	21
Transferred to Addis Housewares Limited	(42)
At 31 December 2001 and at 31 December 2002	-

At 31 December 2001, the deferred tax asset transferred consisted of:

	£000
Accelerated capital allowances	22
Other timing differences	20
	42

Notes *(continued)*

10 Called up share capital

	2001 **£000**	2000 £000
Authorised, allotted, called up and fully paid		
500,000 Ordinary shares of £1 each	**500**	500

11 Reconciliation of movements in shareholders' funds

	Share capital £000	Profit and Loss £000	Total £000
At 1 January 2001	500	1,708	2,208
Loss for the financial year	-	(35)	(35)
At 31 December 2001	500	1,673	2,173
Prior year adjustment (note 1)	-	21	21
Shareholders' funds at 31 December 2001 and 31 December 2002	500	1,694	2,194

12 Contingent liabilities

The company is contingently liable for an unlimited joint and several guarantee in respect of certain bank loans and overdrafts of itself and other group companies amounting to a maximum of £2.5m (2001: £2.5m).

13 Ultimate parent undertaking

In the opinion of the directors the ultimate parent undertaking and controlling interest is held by Emsa-Holding AG incorporated in Germany.

The smallest and largest groups interest in which the results of the company are considered are Addis Group Limited and Emsa-Holding AG. Copies of the group financial statements which include the company are available from Emsa-Holding AG Grevener Damm 215-225, D-48282, Emsdetten, Germany.