

Burco Dean Appliances Limited

Directors' report and
financial statements

Year ended 31 March 2008

Registered number: 1870098

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Burco Dean Appliances Limited

Directors' report and financial statements

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Burco Dean Appliances Limited

Directors and other information

Directors

M. Naughton
S. O'Driscoll

Registered office

Waterside Mill
Langham Street
Rose Grove
Burnley
Lancashire
BB12 6AL

Secretary

A. Blackburn

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Solicitors

Gordons
Riverside West
Whitehall Road
Leeds
LS1 4AW

Burco Dean Appliances Limited

Directors' report

The directors present their annual report together with the audited financial statements of the company for the year ended 31 March 2008.

Principal activities including principal risks and uncertainties

The principal activity of the company is the manufacture and sale of a range of domestic electrical and gas appliances.

The company is exposed to a range of risks, the principal risks are as follows:

- Product demand – increasingly consumers are more demanding in relation to product functionality and appearance, consequently product lives are becoming shorter;
- Channel concentration – a higher proportion of company sales is now sold through a smaller number of key retailers.
- General economic risk – the company is exposed to general economic risk, including changes in the economic outlook in its principal market and government changes in industrial, fiscal, monetary or regulatory policies.

Results for the year and state of affairs as at 31 March 2008

The profit for the financial year was £152,000 (2007: *loss of £109,000*). Shareholders' funds at 31 March 2008 amounted to £2,261,000 (2007: *£2,109,000*).

Dividends and retention

No dividends or transfers to reserves are recommended by the directors (2007: *£Nil*).

Directors

The directors who served during the year were as follows:

M. Naughton
L. Quinn (resigned 30 October 2007)
S. O'Driscoll

Burco Dean Appliances Limited

Directors' report *(continued)*

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Post balance sheet events

There have been no significant post balance sheet events that would require disclosure in the financial statements.


Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the 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.

Auditor

In accordance with Section 384 of the Companies Act 1985, KPMG, Chartered Accountants, have expressed a willingness to continue in office.

On behalf of the board


Director

27 January 2009

Burco Dean Appliances Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

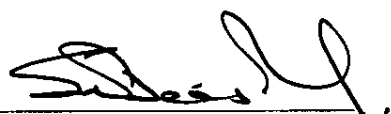
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

The directors are also responsible for preparing a Directors' Report that complies with the Companies Act, 1985.

On behalf of the board



Director



KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Burco Dean Appliances Limited

We have audited the financial statements of Burco Dean Appliances Limited for the year ended 31 March 2008 which comprises the profit and loss account, balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This 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 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 described in the Statement of Directors' Responsibilities on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

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

Independent auditor's report to the members of Burco Dean Appliances Limited (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgements 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its result for the year then ended.
- the financial statements have been properly prepared in accordance with the Companies Act, 1985.
- the information given in the Directors' Report is consistent with the financial statements.


Chartered Accountants
Registered Auditor

27 January 2009

Dublin

Burco Dean Appliances Limited

Statement of accounting policies

for the year ended 31 March 2008

The following accounting policies have been applied consistently throughout the year and the preceding year.

Basis of preparation

The financial statements have been prepared in sterling in accordance with applicable accounting principles under the historical cost convention and comply with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in England and Wales.

Research and development

Research and development costs are written off as incurred.

Tangible assets

Tangible assets are shown at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset on a straight-line basis over its expected useful life as follows:

Freehold buildings	25 years
Plant and equipment	3 – 8 years

Freehold land is not depreciated.

Stocks

Stocks are stated at the lower of first-in, first-out cost and net realisable value. Cost includes all expenditure incurred in bringing each product to its present location and condition and includes an appropriate allocation of manufacturing overheads. Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Turnover

Turnover represents the invoiced value of goods sold to customers less VAT, returns and allowances and is recognised on shipment of the related goods.

Taxation

Current tax is provided on taxable profits at the current rate. 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Burco Dean Appliances Limited

Statement of accounting policies *(continued)*

Taxation *(continued)*

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is discounted at an appropriate rate.

Leases

Assets held under finance leases are stated at their fair value, with an equivalent liability categorised as appropriate under creditors due within or after one year. Assets are depreciated over their useful lives, all of which are less than the lease periods. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of return on the outstanding balance. Rentals are apportioned between finance charges and reduction of the liability.

Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as at the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rate of exchange in a related forward exchange contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Cash flow statement

The company is a wholly owned subsidiary undertaking of Glen Electric Limited, a company that produces publicly available accounts in which the results of the company are included. Consequently the company is exempt under Financial Reporting Standard Number 1 "Cash Flow Statements" from publishing a cash flow statement.

Pension costs

The company provides pensions to certain of its employees through contributions to separately administered defined benefit and defined contribution schemes.

The assets of the defined benefit scheme are held independently of the company's assets by trustees. The company is not the sponsoring employer of the scheme. The cost of providing pensions to employees is charged to the profit and loss as the sponsoring employer requests based on funding requirements as determined by an independent actuary by reference to a funding plan and funding assumptions. These amounts are charged to the profit and loss account in the year in which they arise.

The amount charged to the profit and loss account in respect of defined contribution schemes is the contributions payable for the year. Any difference between amounts charged to the profit and loss account and contributions paid to pension schemes is included in debtors or creditors in the balance sheet.

Burco Dean Appliances Limited

Profit and loss account

for the year ended 31 March 2008

	<i>Note</i>	2008 £'000	2007 £'000
Turnover	2	2,215	2,205
Cost of sales		(1,484)	(1,987)
		<hr/>	<hr/>
Gross profit		731	218
Other operating expenses	3	(585)	(341)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	4	146	(123)
Tax on profit/(loss) on ordinary activities	6	6	14
		<hr/>	<hr/>
Profit/(loss) for the financial year		152	(109)
		<hr/>	<hr/>

The accompanying notes form an integral part of this profit and loss account.

Statement of recognised gains and losses

No statement of recognised gains and losses has been presented, as there have been no recognised gains or losses other than the results for the financial years shown above.

On behalf of the board



Director

Burco Dean Appliances Limited


Balance sheet

at 31 March 2008

	<i>Note</i>	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	7	267	250
		<hr/>	<hr/>
Current assets			
Stocks	8	424	213
Debtors	9	1,607	1,663
		<hr/>	<hr/>
Creditors: amounts falling due within one year	10	2,031 (37)	1,876 (17)
		<hr/>	<hr/>
Net current assets		1,994	1,859
		<hr/>	<hr/>
Net assets		2,261	2,109
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	-	-
Capital contribution		1,483	1,483
Profit and loss account	13	778	626
		<hr/>	<hr/>
Shareholders' funds	13	2,261	2,109
		<hr/>	<hr/>

The accompanying notes form an integral part of this balance sheet.

On behalf of the board


 Director

Burco Dean Appliances Limited

Notes

forming part of the financial statements

1 Ownership and operations

The company is a wholly owned subsidiary undertaking of Glen Electric Limited, a company registered in Northern Ireland. The ultimate parent company and controlling party is Glen Dimplex a company incorporated in the Republic of Ireland.

The largest group in which the results of Burco Dean Appliances Limited are consolidated is that headed by Glen Dimplex and the smallest group is that headed by Glen Electric Limited. The consolidated accounts of Glen Electric Limited are available to the public and may be obtained from the Companies Office, Belfast.

2 Turnover

All turnover relates to the sale of domestic electrical and gas appliances. Turnover by geographical location is as follows:

	2008 £'000	2007 £'000
United Kingdom	2,118	2,205
Rest of European Union	97	-
	<hr/>	<hr/>
	2,215	2,205
	<hr/>	<hr/>

3 Other operating expenses

	2008 £'000	2007 £'000
Administration expenses	285	270
Distribution costs	286	44
Research and development costs	14	27
	<hr/>	<hr/>
	585	341
	<hr/>	<hr/>

Burco Dean Appliances Limited

Notes (continued)

4 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	2008 £'000	2007 £'000
Depreciation of tangible assets	24	54
Auditor's remuneration for audit services	5	5
Operating lease rentals	23	6
Staff costs (Note 5)	617	456
	<u>617</u>	<u>456</u>

5 Staff costs

Particulars of employees (including executive directors) are shown below:

	2008 £'000	2007 £'000
<i>Employee costs during the year amounted to:</i>		
Wages and salaries	520	379
Social security costs	51	36
Pensions	46	41
	<u>617</u>	<u>456</u>

The average monthly number of persons employed by the company during the year was as follows:

	2008	2007
Production	23	18
Distribution and sales	6	3
Design and development	1	-
Administration	-	6
	<u>30</u>	<u>27</u>

Burco Dean Appliances Limited

Notes (continued)

6 Tax on profit/(loss) on ordinary activities	2008 £'000	2007 £'000
Corporation tax charge at 30% (2007: 30%)	-	-
Deferred tax (Note 11)	(6)	(14)
	<u> </u>	<u> </u>
Tax credit for the year	(6)	(14)
	<u> </u>	<u> </u>

The difference between the total current taxation shown above and the amount calculated by applying the standard rate of corporation tax to the loss before tax is as follows:

	2008 £'000	2007 £'000
Profit/(loss) on ordinary activities before tax	146	(123)
	<u> </u>	<u> </u>
Tax on profit/(loss) on ordinary activities at standard corporation tax rate of 30% (2007: 30%)	44	(37)
<i>Effects of:</i>		
Non-deductible expenses	1	1
Depreciation/capital allowances	(14)	14
Group relief	(31)	22
	<u> </u>	<u> </u>
Current tax credit for the year	-	-
	<u> </u>	<u> </u>

Factors that may affect future tax charges:

The UK corporation tax rate changed from 30% to 28% effective from 1 April 2008.

Burco Dean Appliances Limited

Notes (continued)

7 Tangible assets	Freehold land and buildings £'000	Plant & equipment £'000	Total £'000
<i>Cost</i>			
At beginning of year	412	419	831
Transfers	-	196	196
Additions	-	3	3
Retirements	-	(46)	(46)
	<hr/>	<hr/>	<hr/>
At end of year	412	572	984
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	262	319	581
Transfers	-	75	75
Charge	29	78	107
Retirements	-	(46)	(46)
	<hr/>	<hr/>	<hr/>
At end of year	291	426	717
	<hr/>	<hr/>	<hr/>
<i>Net book values</i>			
At 31 March 2007	150	100	250
	<hr/>	<hr/>	<hr/>
At 31 March 2008	121	146	267
	<hr/>	<hr/>	<hr/>

Burco Dean Appliances Limited

Notes (continued)

8 Stocks	2008 £'000	2007 £'000
Raw material and work in progress	158	213
Finished goods	266	-
	<u>424</u>	<u>213</u>

There are no significant differences between the replacement cost of stocks and their balance sheet amounts.

9 Debtors	2008 £'000	2007 £'000
Amounts owed by parent company and fellow subsidiary undertakings (a)	1,571	1,633
Deferred tax (Note 11)	36	30
	<u>1,607</u>	<u>1,663</u>

(a) The amounts due from group undertakings are unsecured, interest free and have no fixed repayment terms.

10 Creditors: amounts falling due within one year	2008 £'000	2007 £'000
Accruals and deferred income	<u>37</u>	<u>17</u>

Burco Dean Appliances Limited

Notes (continued)

11 Deferred tax	2008 £'000	2007 £'000
Balance at beginning of year	30	16
Credit for the year (Note 6)	6	14
	<hr/>	<hr/>
Balance at end of year (Note 9)	36	30
	<hr/>	<hr/>
The deferred tax asset at 31 March 2008 is £36,000 (2007: £30,000) relating to capital allowances.		
12 Called up share capital	2008 £	2007 £
<i>Authorised:</i>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>
13 Reconciliation of movement in profit and loss account and shareholders' funds		
(i) Profit and loss account	2008 £'000	2007 £'000
Balance at beginning of year	626	735
Profit/(loss) for the financial year	152	(109)
	<hr/>	<hr/>
Balance at end of year	778	626
	<hr/>	<hr/>
(ii) Shareholders' funds	2008 £'000	2007 £'000
Balance at beginning of year	2,109	2,218
Profit/(loss) for the financial year	152	(109)
	<hr/>	<hr/>
Balance at end of year	2,261	2,109
	<hr/>	<hr/>

Burco Dean Appliances Limited

Notes (continued)

14 Guarantees and other financial commitments

a) Operating leases

The company had annual commitments under operating leases in respect of motor vehicles and plant as set out below:

	2008 £'000	2007 £'000
<i>Agreements which expire</i>		
Within one year	-	3
Between two and five years	45	-
	<hr/>	<hr/>
	45	3
	<hr/>	<hr/>

b) Guarantees

Bank borrowings are secured by cross-guarantees. The company has guaranteed borrowings of other members of the Glen Dimplex Group by way of fixed and floating charges over the assets of the company and has given a pledge not to create any security ranking in priority to the present guarantees.

Burco Dean Appliances Limited

Notes (continued)

15 Pension arrangements

Certain company employees are members of either an externally funded defined benefit scheme or one of the company's defined contribution pension schemes.

Some of the company's employees together with employees of other Glen Dimplex group companies participate in the Glen Dimplex Group Pension Scheme, the assets of which are held separately from those of the company, and are vested in trustees for the benefit of employees and their dependants. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit method.

The charge to the company for this scheme amounted to £33,000 for the year (2007: £29,000). The pension charge for payments to defined contribution schemes for the year was £13,000 (2007: £12,000).

As at the balance sheet date, the defined benefit scheme shows a net deficit of £3,011,000 based on valuations of the scheme updated to that date by qualified independent actuaries. The market value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, were £28,838,000, the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were £33,020,000, and the related deferred tax asset was £1,171,000. The company's share of this deficit is not readily identifiable on a consistent and reasonable basis and accordingly, as allowed under FRS 17 Retirement Benefits, the company accounts for its contributions to the scheme as if it were a defined contribution pension scheme.

The most recent actuarial valuation of the scheme was at 6 April 2006. Particulars of these valuations and the updated valuations as at 31 March 2008 referred to above can be found in the consolidated financial statements of the parent company, Glen Electric Limited.

The company is one of a number of participating employers in the scheme and the implications of surpluses or deficits are considered on a Group-wide basis. The contribution rate for the year ended 31 March 2008 was 19.5% of pensionable earnings. Employees of the company represented c.6% of the total employees entitled to benefit under the scheme.

16 Related party transactions

As a subsidiary undertaking of Glen Dimplex, the company has taken advantage of the exemption in Financial Reporting Standard Number 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by Glen Dimplex.

There are no further related party transactions that require disclosure.

17 Approval of financial statements

The financial statements were approved by the directors on *27 January* 2009.