Burco Dean Appliances Limited

Directors' report and financial statements

Year ended 31 March 2011

Registered number 1870098

Burco Dean Appliances Limited

UK 1870098

Directors' report and financial statements

Contents | *Page*

Burco Dean Appliances Limited

UK 1870098

Directors and other information

Directors	M Naughton S O'Driscoll
Registered office	Stoney Lane Prescot Merseyside L35 2XW
Secretary	S O'Driscoll
Auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2
Solicitors	Gordons Riverside West Whitehall Road Leeds LS1 4AW

Directors' report

The directors present their annual report together with the audited financial statements of the company for the year ended 31 March 2011

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,
- 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 2011

The profit for the financial year was £468,000 *(2010 loss of £274,000)* Shareholders' funds at 31 March 2011 amounted to £2,463,000 *(2010 £1,995,000)*

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

Dividends and retention

No dividends or transfers to reserves are recommended by the directors *(2010 £Nil)*

Directors

The directors who served during the year were as follows

M Naughton
S O'Driscoll

Burco Dean Appliances Limited

UK 1870098

Directors' report *(continued)*

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and therefore KPMG, Chartered Accountants, will continue in office

By order of the Board

S O'Driscoll
Director

16th November 2011

Burco Dean Appliances Limited

UK 1870098

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 judgments and 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; 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 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 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

On behalf of the board

S O'Driscoll
Director

KPMG
Chartered Accountants
1 Stokes Place
St Stephens Green
Dublin 2
Ireland

UK 1870098

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 2011 set out on pages 7 to 18 which comprise the profit and loss account, balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out in page 4, 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 (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

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 March 2011 and of its results for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

KPMG

UK 1870098

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

Roger Gillespie

Roger Gillespie **(Senior Statutory Auditor)**
For and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

16 November 2011

Statement of accounting policies

for the year ended 31 March 2011

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

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

UK 1870098

Profit and loss account
for the year ended 31 March 2011

	Note	**2011 £'000**	2010 £'000
Turnover	*2*	3,144	2,611
Cost of sales		(2,070)	(1,935)
Gross profit		1,074	676
Other operating expenses	*3*	(410)	(955)
Profit/(loss) on ordinary activities before taxation	*4*	664	(279)
Tax on profit/(loss) on ordinary activities	*6*	(196)	5
Profit/(loss) for the financial year		468	(274)

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

S O'Driscoll
Director

Burco Dean Appliances Limited

UK 1870098

Balance sheet
at 31 March 2011

	Note	**2011 £'000**	2010 £'000
Fixed assets			
Tangible assets	*7*	98	125
Current assets			
Stocks	*8*	878	496
Debtors	*9*	1,647	1,440
		2,525	1,936
Creditors: amounts falling due within one year	*10*	(160)	(66)
Net current assets		2,365	1,870
Net assets		2,463	1,995
Capital and reserves			
Called up share capital	*12*	-	-
Capital contribution		1,483	1,483
Profit and loss account	*13*	980	512
Shareholders' funds	*13*	2,463	1,995

The accompanying notes form an integral part of this balance sheet

On behalf of the board

S O'Driscoll
Director

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 goods Turnover by geographical location is as follows

	2011	2010
	£'000	£'000
United Kingdom	2,658	2,412
Rest of European Union	109	62
Other countries	377	137
	3,144	2,611

3 Other operating expenses

	2011	2010
	£'000	£'000
Administration expenses	10	23
Distribution costs	348	551
Research and development costs	82	28
Other	(30)	353
	410	955

Notes *(continued)*

4 Profit/(loss) on ordinary activities before taxation

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

	2011 £'000	2010 £'000
Depreciation of tangible assets	27	62
Auditor's remuneration for audit services	5	5
Staff costs (Note 5)	336	391

5 Staff costs

Particulars of employees (including executive directors) are shown below

	2011 £'000	2010 £'000
Employee costs during the year amounted to		
Wages and salaries	283	340
Social security costs	29	27
Pensions	24	24
	336	391

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

	2011	2010
Production	7	16
Distribution and sales	4	4
	11	20

6 Tax on profit/(loss) on ordinary activities

	2011	2010
	£'000	£'000
Corporation tax charge at 28% *(2010 28%)*	181	-
Deferred tax (Note 11)	15	(5)
	196	(5)

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

	2011	2010
	£'000	£'000
Profit/(loss) on ordinary activities before tax	664	(279)
Tax on profit/(loss) on ordinary activities at standard corporation tax rate of 28% *(2010 28%)*	186	(78)
Effects of		
Depreciation/capital allowances	(6)	1
Non deductible expenses	1	-
Group relief	-	77
Current tax charge for the year	181	-

Factors that may affect future tax charges:
The UK corporation tax rate will change from 28% to 23% over a 3 year period effective from 1 April 2011

Notes *(continued)*

7 Tangible assets

	Freehold land and buildings £'000	Plant & equipment £'000	Total £'000
Cost			
At beginning of year	412	384	796
At end of year	412	384	796
Depreciation			
At beginning of year	321	350	671
Charge	12	15	27
At end of year	333	365	698
Net book values			
At 31 March 2010	91	34	125
At 31 March 2011	79	19	98

Notes *(continued)*

8 Stocks

	2011 **£'000**	2010 £'000
Raw material and work in progress	-	134
Finished goods	878	362
	878	496

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

9 Debtors

	2011 **£'000**	2010 £'000
Amounts owed by parent company and fellow subsidiary undertakings (a)	1,617	1,395
Deferred tax (Note 11)	30	45
	1,647	1,440

(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

	2011 **£'000**	2010 £'000
Accruals and deferred income	44	66
Corporation tax	116	-
	160	66

Notes *(continued)*

11 Deferred tax

	2011	2010
	£'000	£'000
Balance at beginning of year	45	40
(Charge)/credit for the year (Note 6)	(15)	5
Balance at end of year	30	45

The deferred tax asset at 31 March 2011 is £30,000 *(2010 £45,000)* relating to capital allowances

12 Called up share capital

	2011	2010
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

13 Reconciliation of movement in profit and loss account and shareholders' funds

(i) Profit and loss account

	2011	2010
	£'000	£'000
Balance at beginning of year	512	786
Profit/(loss) for the financial year	468	(274)
Balance at end of year	980	512

(ii) Shareholders' funds

	2011	2010
	£'000	£'000
Balance at beginning of year	1,995	2,269
Profit/(loss) for the financial year	468	(274)
Balance at end of year	2,463	1,995

Burco Dean Appliances Limited

Notes *(continued)*

14 Contingencies

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

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 service cost to the company for this scheme amounted to £5,000 for the year *(2010 £15,000)* The pension charge for payments to defined contribution schemes for the year was £19,000 *(2010 £9,000)*

As at the balance sheet date, the defined benefit scheme shows a net deficit of £11,029,000 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 £25,965,000, the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were £40,869,000, and the related deferred tax asset was £3,875,000 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 5 April 2009. Particulars of these valuations and the updated valuations as at 31 March 2011 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 2011 was 27% of pensionable earnings Employees of the company represented c 1% of the total employees entitled to benefit under the scheme

Burco Dean Appliances Limited

Notes *(continued)*

16 Related party transactions

As a subsidiary undertaking of Glen Electric Limited, 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 Electric Limited

There are no further related party transactions that require disclosure

17 Approval of financial statements

The financial statements were approved by the directors on 16th November 2011