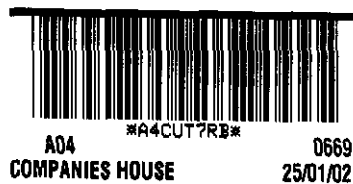


Burco Dean Appliances Limited

Accounts 31 March, 2001
Together with Directors' and Auditors' Reports

Registered number: 1870098



Burco Dean Appliances Limited

Directors' Report for the Year Ended 31 March, 2001

The directors present their annual report on the affairs of the Company, together with the accounts and auditors' report, for the year ended 31 March, 2001.

Principal activity and business review

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

Results and dividends

The Company's profit for the year after taxation was £127,000 (2000 - £364,000). The directors do not recommend the payment of a dividend in respect of the current year (2000 - £3,229,000). Shareholders' funds at 31 March 2001 amounted to £1,981,000 (2000 - £1,854,000).

Directors and their interests

The directors who served during the year were as follows:

M. Naughton (Chairman)
L. Quinn
S. O'Driscoll
R. Colquitt

M. Naughton, L. Quinn and S. O'Driscoll are directors of the ultimate parent company. Their interests in the shares of the company's ultimate parent company are disclosed in the accounts of that company.

The directors do not have any other interests which are required to be disclosed under Section 234 of the Companies Act 1985.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 of the Company for that period. In preparing those accounts, the directors are required to:

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

Directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

Auditors

A resolution to reappoint Arthur Andersen as auditors for the ensuing year will be placed before the Annual General Meeting.

Waterside Mill
Rosegrove
Burnley
Lancashire
BB12 6AL

By order of the Board



Chairman

18 December, 2001

Auditors' Report to the Shareholders of Burco Dean Appliances Limited:

We have audited the accounts on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on pages 1 and 2, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the Company's state of affairs at 31 March, 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditor
Andersen House
International Financial Services Centre
Dublin 1

18 December, 2001

Burco Dean Appliances Limited
Profit and Loss Account
For the Year Ended 31 March, 2001

	Note	2001 £'000	2000 £'000
Turnover			
Continuing operations		10,064	8,800
Acquisitions		187	-
		-----	-----
	3	10,251	8,800
Cost of sales		(8,588)	(6,880)
		-----	-----
Gross profit		1,663	1,920
Other operating expenses (net)	4	(1,523)	(1,376)
		-----	-----
Operating profit			
Continuing operations		74	544
Acquisitions		66	-
		-----	-----
		140	544
Interest payable and similar charges	5	(14)	(13)
		-----	-----
Profit on ordinary activities before taxation	6	126	531
Tax on profit on ordinary activities	8	1	(167)
		-----	-----
Profit for the financial year		127	364
Dividends paid	9	-	(3,229)
		-----	-----
Profit/(loss) profit retained for the year		127	(2,865)
Retained profit, beginning of the year		371	3,236
		-----	-----
Retained profit, end of year		498	371
		=====	=====

The accompanying notes are 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 profit for the financial year for each of the years ended 31 March, 2000 and 31 March, 2001 as shown above.

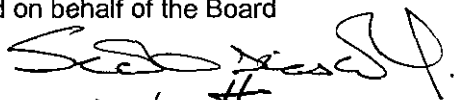

Burco Dean Appliances Limited

Balance Sheet - 31 March, 2001

	Note	2001 £'000	2000 £'000
Fixed assets			
Tangible assets	10	590	509
Current assets			
Stocks	11	2,642	2,469
Debtors	12	2,853	1,541
Cash at bank and in hand		527	589
		6,022	4,599
Creditors: Amounts falling due within one year	13	(4,613)	(3,218)
Net current assets		1,409	1,381
Total assets less current liabilities		1,999	1,890
Creditors: Amounts falling due after more than one year	14	(18)	(36)
Net assets		1,981	1,854
Capital and reserves			
Called-up share capital	15	-	-
Capital contribution		1,483	1,483
Profit and loss account		498	371
Equity shareholders' funds	16	1,981	1,854

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

Signed on behalf of the Board

- Director

- Director

18 December , 2001

Burco Dean Appliances Limited
Notes to the Accounts – 31 March, 2001

1 Accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year and with the preceding year, are:

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Research and development

Research and development expenditure is written off in the period of the expenditure.

c) Tangible fixed assets

Tangible fixed 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
Motor vehicles	4 years

Freehold land is not depreciated.

d) Intangible fixed assets

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, normally 20 years. Provision is made for any impairment.

e) 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.

f) Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods and services in the normal course of business.

1 Accounting policies (continued)

g) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is calculated on the liability method and is provided only to the extent that it is probable, in the opinion of the directors, that such liabilities will become payable in the foreseeable future.

h) 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.

i) Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as of 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 rates of exchange prevailing at that date or, where appropriate, 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.

j) Pension costs

The company provides for its pension liabilities by payments to a self-administered group scheme at contribution rates as advised by its external actuarial consultants. Independent actuarial valuations on a going concern basis are carried out every three years. The amount charged to the profit and loss account (the regular pension cost) in respect of the scheme is calculated so as to produce a substantially level percentage of the present and future pensionable payroll. Variations from regular cost are allocated to the profit and loss account on a prudent basis over a period not exceeding employees' average remaining service lives. Any difference between the amounts charged to the profit and loss account and the amounts paid to the pension scheme is shown in the balance sheet as an asset or liability.

2 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 the terms of Financial Reporting Standard Number 1 (Revised) "Cash flow statements" from publishing a cash flow statement.

3 Segment information

The whole of the turnover relates to the sale of domestic electrical and gas appliances. Contributions to turnover by geographical area were as follows:

	2001 £'000	2000 £'000
United Kingdom	8,781	7,697
Europe	985	765
Rest of the world	485	338
	-----	-----
	10,251	8,800
	=====	=====

4 Other operating expenses (net)

	2001 £'000	2000 £'000
Distribution costs	343	299
Selling and marketing costs	592	456
Research and development costs	179	120
Administrative expenses	409	516
Gain on disposal of tangible fixed assets	-	(15)
	-----	-----
	1,523	1,376
	=====	=====

5 Interest payable and similar charges

	2001 £'000	2000 £'000
On finance leases	14	13
	==	==

6 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

		2001 £'000	2000 £'000
Depreciation of tangible fixed assets	- owned	102	109
	- leased	19	19
Auditors' remuneration		13	15
Staff costs (note 7)		2,491	2,062
		=====	=====

7 Staff costs

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

	2001 £'000	2000 £'000
Employee costs during the year amounted to:		
Wages and salaries	2,151	1,862
Social security costs	206	167
Pensions	134	33
	-----	-----
	2,491	2,062
	===	===

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

	2001 Number	2000 Number
Production	147	129
Distribution and sales	30	11
Design and development	4	4
Administration	9	9
	-----	-----
	190	153
	===	===

Directors' remuneration:	2001 £'000	2000 £'000
Emoluments	64	57
	==	==

One director was a member of the Group's defined benefit pension scheme.

8 Tax on profit on ordinary activities

	2001 £'000	2000 £'000
Corporation tax (credit)/charge at 30%	(1)	167
	==	==

There was no charge to corporation tax.

9 Dividends

	2001 £'000	2000 £'000
Dividends paid	-	3,229
	=====	=====

10 Tangible assets

The movement in the year was as follows:

	Freehold land and buildings £'000	Plant and equipment £'000	Leased Motor Vehicles £'000	Total £'000
Cost				
Beginning of year	393	1,081	74	1,548
Additions	-	202	-	202
	-----	-----	-----	-----
End of year	393	1,283	74	1,750
	-----	-----	-----	-----
Depreciation				
Beginning of year	147	871	21	1,039
Charge	16	86	19	121
	-----	-----	-----	-----
End of year	163	957	40	1,160
	-----	-----	-----	-----
Net book value				
Beginning of year	246	210	53	509
	=====	=====	=====	=====
End of year	230	326	34	590
	=====	=====	=====	=====

The net book value of assets held under finance leases is £34,000 (2000 - £53,000). The depreciation charge for the year on those assets was £19,000.

11 Stocks

	2001 £'000	2000 £'000
Raw materials and work in progress	1,646	1,220
Finished goods	996	1,249
	-----	-----
	2,642	2,469
	=====	=====

12 Debtors

Amounts falling due within one year:

	2001 £'000	2000 £'000
Trade debtors	1,956	1,413
Amounts owed by other group undertakings	830	79
Prepayments and accrued income	67	49
	-----	-----
	2,853	1,541
	====	====

13 Creditors: Amounts falling due within one year

	2001 £'000	2000 £'000
Obligations under finance leases	18	18
Trade and other creditors	1,549	1,277
Social security and PAYE	75	65
UK corporation tax payable	1	167
Accruals and deferred income	136	138
Amounts due to other group companies	2,834	1,553
	-----	-----
	4,613	3,218
	====	====

14 Creditors: Amounts falling due after more than one year

	2001 £'000	2000 £'000
Obligations under finance leases	18	36
	===	===
Obligations under finance leases:		
	2001 £'000	2000 £'000
Amounts payable		
- within one year	18	18
- between two and five years	18	36
	----	----
	36	54
	===	===

15 Called-up share capital

	2001 £	2000 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
	===	===
<i>Allotted, called-up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	===	===

16 Reconciliation of movements in equity shareholders' funds

	2001 £'000	2000 £'000
Opening shareholders' funds	1,854	4,719
Profit for the financial year	169	364
Dividend paid	-	(3,229)
	-----	-----
Closing shareholders' funds	2,023	1,854
	====	====

17 Guarantees and other financial commitments*a) Capital commitments*

	2001 £'000	2000 £'000
Authorised but not contracted for	24	-
	===	===
Contracted for but not provided for	-	14
	===	===

b) Guarantees

The bank facilities of the group are secured by a debenture on the assets of the group, including those of the Company.

c) Pension arrangements

Certain of the Company's employees are covered by defined benefit and defined contribution schemes.

Actuarial valuations on the principal defined benefit scheme, which is externally funded, are generally prepared every three years and contributions are made in accordance with the actuary's recommendations. The latest such valuation on the principal scheme was carried out as at 1 October, 1998 using the attained age method. It showed that the scheme's assets existing at the valuation date were in excess of its liabilities. The principal assumption used in the actuarial valuation was that the rate of investment return would exceed the rate of salary inflation by 2.5% per annum. Actuarial reports are not available for public inspection.

The pension expense for the year was £134,000 (2000: £33,000). There is no significant difference between the accumulated pension cost and the amounts funded.

18 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.

19. Acquisitions

During the year the Company acquired the trade and assets of Cygnet Housewares Limited, a manufacturer and distributor of catering appliances, for a cash consideration of £400,000.

The following table sets out the book values of the identifiable assets acquired.

	£000
Tangible fixed assets	35
Stocks	365

	358
Fair Value Adjustments	42

Purchase consideration, paid in cash	400
	=====

20 Ultimate parent company

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.
