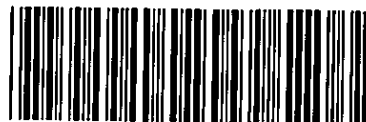


ASSA ABLOY Limited

Annual report and financial statements
for the year ended 31 December 2008

Registered number: 2096505

WEDNESDAY



A71

ADJ458G3

25/03/2009

121

COMPANIES HOUSE

ASSA ABLOY Limited

Annual report and financial statements for the year ended 31 December 2008

	Page
Directors' report for the year ended 31 December 2008.....	1
Independent auditors' report to the members of ASSA ABLOY Limited.....	6
Profit and loss account for the year ended 31 December 2008.....	8
Statement of total recognised gains and losses for the year ended 31 December 2008	8
Balance sheet as at 31 December 2008.....	9
Notes to the financial statements for the year ended 31 December 2008.....	10

ASSA ABLOY Limited

Directors' report for the year ended 31 December 2008

The directors present their report and the audited financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the company was the manufacture, distribution and sale of locks and builders' hardware.

Review of business and future developments

The company is the primary UK subsidiary of ASSAABLOY AB, a company quoted on the Swedish Stock Exchange. The ASSAABLOY Group is the world's leading lock group and supplier of locking solutions.

The company continued to operate divisionally in the year through ASSA ABLOY Door Solutions, ABLOY UK, Chubb Locks Custodial Services, Mul-T-Lock, Union and Yale. Turnover reduced by 17% to £97,689,000, primarily due to the downturn in the residential building products markets impacting a number of the business units. The strategy of the company continues to be to focus on its core products by targeting key market sectors. During the year, ASSA ABLOY Limited completed specific initiatives focused on market share in core markets leading to growth within these markets.

As of 1st July 2008, the company acquired the trade and assets of Valli and Valli Limited as part of the acquisition of the worldwide Valli and Valli business by ASSAABLOY AB. Valli and Valli is synonymous with leading the way in Italian design and quality and fits well with the existing businesses of ASSA ABLOY Limited.

During 2008, the company continued in its focus on actions to support its future, predominately relating to fixed operating cost reduction and margin improvement. The restructuring project announced in 2006 relating to the closure and transfer of the CE Marshalls business completed in the year. New restructuring projects have been announced in December 2008 with further projects announced and planned for 2009. Exceptional costs of £3,241,000 were incurred in the 31 December 2008 results relating to restructuring projects announced during the year.

On 19 December 2008 ASSAABLOY AB passed a shareholder's declaration to increase their equity in ASSAABLOY Limited by way of a capital contribution of £115,000,000. This has been included in amounts owed by Group undertakings at the 2008 year end with the cash being received in January 2009. The directors have utilised this cash injection to repay intercompany loans of £88,000,000 which will significantly reduce the amount of interest payable by ASSAABLOY Limited in the future.

Subsequent Events

Further restructuring projects have been announced in 2009 to reduce fixed operating costs and improve margins and are anticipated to cost £4,834,000.

Key performance indicators

As the Company is part of a larger group, the management of the Company does not involve the use of key performance indicators specific to ASSA ABLOY Limited as a legal entity, other than the profit or loss for the year, in measuring the development, performance or the position of the Company. For information on the development, performance and position of the ASSA ABLOY AB group companies (the 'Group') as a whole, and of the key performance indicators used by the Group, refer to the Operating and Financial Review included in ASSA ABLOY's AB's Annual Report and Accounts 2008, which does not form part of this report.

ASSA ABLOY Limited

Directors' report for the year ended 31 December 2008 (continued)

Research and development

The company recognises the benefit of research and development spending. As part of a global group, this may include development of products from other subsidiaries of ASSAABLOY AB as well as products developed specifically for the UK market.

Principal risks and uncertainties

As with all trading businesses, the company is exposed to risks during the conduct of its normal business operations. Mitigation actions and strategies to reduce the impact are agreed and in place where possible. The company maintains a range of insurance policies against major insurable risks including damage to property and equipment and employment. Whilst it is not possible to record or quantify every material risk within the company, below is a summary of the key risk that the directors believe could have a material impact on future performance and also how this risk has been mitigated.

Health and Safety

Due to the nature of the business and the manufacturing working environment, the business highlights Health and Safety as risk to trading. The company has significantly invested in Health and Safety and through regular monitoring have noted marked improvements in this area.

Financial risk management

The company's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit adverse effects on its financial performance. The policies set by the directors are implemented by the company's management team.

Foreign exchange risk

The company is exposed to currency risk when it has binding commercial or financial obligations in a currency other than its functional currency and the related cash inflows and outflows are not equal in amounts and timing.

Activities are focused on transactional cash flows which arise predominantly from receivables and payables. The company operates within the ASSAABLOY AB Group treasury function which seeks to mitigate foreign exchange risk.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is regularly reassessed by the management of the company.

Liquidity risk

The company actively maintains a mixture of long term and short term debt finance through the ASSAABLOY AB Group treasury function that is designed to ensure the company has sufficient available funds for its operations and planned expansions.

ASSA ABLOY Limited

Directors' report for the year ended 31 December 2008 (continued)

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend for the year (2007: £nil). The loss for the year of £5,146,000 (2007: profit of £2,971,000) has been transferred to reserves.

Directors

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

I Wiesenfeld	
N A Vann	(appointed 14 January 2009)
P von Sydow	(resigned 31 January 2009)
J Sasse	
C Bailey	(appointed 26 March 08)
D Perry	(appointed 26 March 08, resigned 10 October 2008)
A Talbot-Cooper	(appointed 26 March 08)
J Middleton	(appointed 05 March 09)

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the in-house newspaper and newsletters, briefings and the distribution of the annual report.

Employment of disabled persons

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 the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Health and safety

The company's policy is to ensure that, as far as is reasonably practicable, there is a working environment that will minimise the risk to the health and safety of its employees or persons on its premises.

Policy and practice on payment of creditors

The company's policy is to apply appropriate controls to working capital management, whilst developing relationships with suppliers. In view of the international nature of the group's activities, no universal code or standard on payment policy is followed. The company is expected to establish payment terms consistent with the above policy, local procedures, custom and practice. Payment is made in accordance with these arrangements, subject to the suppliers meeting their contractual obligations.

The number of days purchases outstanding at 31 December 2008 was 60 (2007: 60).

ASSA ABLOY Limited

Directors' report for the year ended 31 December 2008 (continued)

Charitable donations

During the year, the company contributed £2,521 for charitable purposes (2007: £12,903). The donations were made up of £2,271 to national charities and £250 to local charities.

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

The directors are responsible for preparing the annual report and 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 Principles (UK GAAP).

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 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 the financial statements 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 and disclosure of information to auditors

In the case of each of the persons who are directors at the time when this report was approved under Section 234ZA of the Companies Act, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information and to establish that the company's auditors are aware of that information.

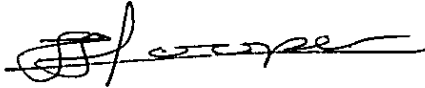
ASSA ABLOY Limited

Directors' report for the year ended 31 December 2008 (continued)

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

On behalf of the board

A handwritten signature in black ink, appearing to read 'A Talbot-Cooper', written over a horizontal line.

A Talbot-Cooper
Director
24 March 2009

Independent auditors' report to the members of ASSA ABLOY Limited

We have audited the financial statements of ASSA ABLOY Limited for the year ended 31 December 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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 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 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.

Independent auditors' report to the members of ASSA ABLOY Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
25 March 2009

ASSA ABLOY Limited

Profit and loss account for the year ended 31 December 2008

		2008	2007
	Notes	£'000	£'000
Turnover	2	97,689	118,249
Cost of sales		(54,616)	(67,160)
Gross profit		43,073	51,089
Net operating expenses (including exceptional items)	3	(44,924)	(42,452)
Operating (loss)/ profit	4	(1,851)	8,637
Interest receivable and similar income	7	227	566
Interest payable and similar charges	8	(7,124)	(5,280)
(Loss)/ profit on ordinary activities before taxation		(8,748)	3,923
Tax credit/ (charge) on (loss)/ profit on ordinary activities	9	3,602	(952)
(Loss)/ profit for the financial year	19	(5,146)	2,971

All items dealt with in arriving at operating (loss)/ profit relate to continuing operations.

There is no difference between the (loss)/ profit on ordinary activities before taxation and the (loss)/ profit for the year stated above, and their historical cost equivalents.

Statement of total recognised gains and losses for the year ended 31 December 2008

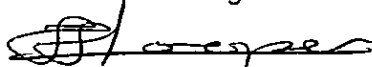
		2008	2007
	Notes	£'000	£'000
(Loss)/ profit for the financial year		(5,146)	2,971
Actuarial loss on pension scheme	21	(113)	(2,443)
Movement on deferred tax relating to pension liability	21	(1,678)	(1,125)
Total recognised gains and losses relating to the year		(6,397)	(597)

ASSA ABLOY Limited

Balance sheet as at 31 December 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Intangible assets	10	79,186	85,047
Tangible assets	11	13,063	13,671
Investments	12	76,948	76,784
		169,197	175,502
Current assets			
Stock	13	18,965	16,623
Debtors: amounts falling due within one year	14	137,850	25,831
Debtors: amounts falling due after more than one year	14	5,765	3,425
Cash at bank and in hand		12,510	9,653
		175,090	55,532
Creditors: amounts falling due within one year	15	(116,038)	(41,115)
Net current assets		59,052	14,417
Total assets less current liabilities		228,249	189,919
Creditors: amounts falling due after more than one year	16	(58,855)	(123,110)
Provision for liabilities	17	(2,534)	(4,742)
Net assets excluding pension deficit		166,860	62,067
Pension deficit	21	(8,479)	(11,749)
Net assets including pension deficit		158,381	50,318
Capital and reserves			
Called up share capital	18	1,330	1,330
Share premium account	19	954	954
Other reserve	19	272,000	157,000
Profit and loss reserve	19	(115,903)	(108,966)
Total shareholder's funds	20	158,381	50,318

The financial statements on pages 8 to 32 were approved by the board of directors on 24 March 2009 and were signed on its behalf by:


A Talbot-Cooper
Director

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008

1 Principal accounting policies

A summary of the more important accounting policies is set out below, which have been applied consistently.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.

The company is exempt by virtue of section 228 of the Companies Act 1985 from the obligation to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on a going concern basis. The company's 31 December 2008 financial position recognises that it is dependent on an intercompany facility. The directors have not received any indication that this group facility will be withdrawn.

Related party transactions

The company has taken advantage of the exemption stated in Financial Reporting Standard 8 "Related parties" that allows the non disclosure of transactions or balances with entities that are part of the group, or investments of the group, qualifying as related parties, where 90% of the company's voting rights are controlled within the group.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard 1 (revised 1996) "Cash flow statements" to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of ASSA ABLOY AB and its cash flows are included within the consolidated cash flow statement of that company.

Turnover

Turnover is the invoiced value of goods and services supplied. It excludes VAT and similar sales-based taxes.

Research

Expenditure on research is written off in the year which it is incurred.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 Principal accounting policies (continued)

Investments

Fixed asset investments are held at cost less provision for permanent diminution in value. Fixed asset investments are reviewed for impairment on an annual basis with any changes being charged directly through the profit and loss account.

Purchased goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Goodwill is amortised to nil by equal annual instalments over its estimated useful life. The estimated useful life of the company's goodwill is 20 years.

Other Intangible assets

Other intangible assets represent two elements.

Customer lists

The company policy for acquired customer lists is to amortise the purchase price to nil over a period of five years being their useful estimated lives.

Capitalised development work

Development expenditure is capitalised and amortised over a five year period where it meets the requirements of Statement of Standard Accounting Practice 13 "Accounting for research and development".

Tangible fixed assets

Assets in the course of construction are not depreciated until they are brought into use. No depreciation is provided on freehold land. Buildings and other fixed assets are depreciated to residual values over their estimated useful lives.

Depreciation is provided, other than on freehold land at the following annual rates on a straight line basis:

Freehold buildings	2%
Short leasehold property and improvements	7%
Plant, equipment and vehicles	6.66% - 33.33%

Stock

Stocks are valued at the lower of cost and net realisable value. Cost includes attributable overheads where appropriate. Net realisable value is assessed, taking into account historic usage, and based on the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

1 Principal accounting policies (continued)

Deferred taxation

Deferred taxation is provided on an undiscounted basis at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Liabilities are fully provided and assets are recognised to the extent that it is more likely than not that they will be realised.

Post retirement benefits

The group operates pension schemes covering the majority of employees. The schemes are funded by contributions partly from the employees and partly from the companies at rates determined by independent actuaries. These contributions are invested separately from the company's and ASSA ABLOY AB group companies' assets and no pension scheme funds are invested in the company or in other ASSA ABLOY AB group companies. Pension costs and other post retirement benefits have been calculated in accordance with Financial Reporting Standard 17 "Retirement Benefits" so as to spread the cost of the pension over the employees' working lives with the company.

For defined contribution pension schemes operated by the Group, amounts payable are charged to the income statement as they fall due.

Foreign exchange

Monetary assets and liabilities denominated in overseas currencies are translated at the rates ruling at the balance sheet date. Exchange differences arising in respect of revenue transactions in the accounting period are included in the profit and loss account.

2 Turnover

Geographical destination	2008	2007
	£'000	£'000
United Kingdom	84,816	96,953
Rest of Europe	4,358	14,434
Rest of the world	8,515	6,862
	97,689	118,249

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

3 Net operating expenses (including exceptional items)

	2008	2007
	£'000	£'000
Selling and distribution costs	20,376	20,343
Administrative expenses (including exceptional items)	18,673	16,234
Amortisation of purchased goodwill	5,875	5,875
Net operating expenses	44,924	42,452

Exceptional items

Net operating expenses include exceptional restructuring expense of £3,241,000 (2007: Income of £6,800,000) relating to factory reorganisation costs.

4 Operating (loss)/ profit

	2008	2007
	£'000	£'000
Operating (loss)/ profit is stated after charging/ (crediting):		
Auditors' remuneration:		
- Audit	77	75
Depreciation for the year	1,963	3,227
Amortisation of purchased goodwill	5,875	5,875
Amortisation of other intangible assets	145	145
Research – current year expenditure	1,117	1,096
Operating leases rentals:		
- Plant and machinery	185	343
- Other	580	579
Loss/ (profit) on disposal of fixed assets	358	(1,440)
Foreign currency (gains)/ losses	(963)	363

Fees in respect of the provision of non audit services during the year were £nil (2007: nil).

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

5 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2008	2007
	Number	Number
By activity		
Production	455	742
Selling and distribution	251	232
Administration	74	77
	780	1,051

	2008	2007
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	22,198	26,482
Social security costs	2,793	1,921
Pension costs	1,978	3,160
	26,969	31,563

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

6 Remuneration of directors

	2008	2007
	£'000	£'000
All directors		
Emoluments in respect of qualifying services	1,082	790
Pension contributions to money purchase scheme	114	85
Highest paid director		
Emoluments in respect of qualifying services	461	466
Pension contributions to money purchase scheme	63	57

Retirement benefits are accruing to six directors under a money purchase scheme (2007: three) and one director under a defined benefit scheme (2007: one).

7 Interest receivable and similar income

	2008	2007
	£'000	£'000
Bank interest receivable	227	446
Other similar income	-	120
	227	566

8 Interest payable and similar charges

	2008	2007
	£'000	£'000
Interest payable on bank borrowings	134	63
Interest payable to group undertakings	5,782	4,934
Other finance costs	1,208	283
	7,124	5,280

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

9 Taxation

	2008	2007
	£'000	£'000
Current tax:		
Amount receivable from group undertakings in respect of group relief	(349)	(601)
Prior year group relief credit	(507)	(126)
Total current tax	(856)	(727)
Deferred tax:		
Deferred taxation current year (credit)/ charge	(2,746)	1,563
Prior year deferred taxation charge	-	116
Total deferred tax (note 17)	(2,746)	1,679
Tax (credit)/ charge on (loss)/ profit on ordinary activities	(3,602)	952

The differences are explained by:

	2008	2007
	£'000	£'000
(Loss)/ profit on ordinary activities before tax	(8,748)	3,923
Tax (credit)/ charge on ordinary activities at standard rate of 28% (2007: 30%)	(2,449)	1,177
Expenses not deductible for tax purposes	2,205	1,029
Adjustment to tax charge on prior year adjustment	(507)	(126)
Accelerated capital allowances	(38)	279
Other timing differences	(67)	(3,086)
Current tax credit for the year	(856)	(727)

The company expects to be able to utilise deferred tax assets to reduce the effective rate of corporation tax in future years.

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

10 Intangible assets

	Purchased goodwill	Other intangible assets	Total
	£'000	£'000	£'000
Cost			
At 1 January 2008	119,855	1,172	121,027
Additions	40	126	166
Disposals	-	(7)	(7)
At 31 December 2008	119,895	1,291	121,186
Amortisation			
At 1 January 2008	35,250	730	35,980
Charge for the year	5,875	145	6,020
At 31 December 2008	41,125	875	42,000
Net book value			
At 31 December 2008	78,770	416	79,186
At 31 December 2007	84,605	442	85,047

Purchased goodwill is being amortised over a period of 20 years, which is considered to be its estimated useful life.

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

11 Tangible assets

	Freehold land and buildings	Long leasehold property	Short leasehold property & improve- ments	Assets in course of con- struction	Plant, equipment and vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2008	11,580	197	371	424	30,348	42,920
Additions	-	-	-	656	812	1,468
Transfers	828	-	-	(1,080)	252	-
Disposals	(449)	-	(10)	-	(6,358)	(6,817)
At 31 December 2008	11,959	197	361	-	25,054	37,571
Depreciation						
At 1 January 2008	3,040	-	63	-	26,146	29,249
Charge for the year	309	-	27	-	1,627	1,963
Disposals	(449)	-	(10)	-	(6,245)	(6,704)
At 31 December 2008	2,900	-	80	-	21,528	24,508
Net book value						
At 31 December 2008	9,059	197	281	-	3,526	13,063
At 31 December 2007	8,540	197	308	424	4,202	13,671

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

12 Fixed assets investments

	2008	2007
	£'000	£'000
Subsidiary undertakings	76,948	76,784
Subsidiary undertakings		
		£'000
Cost		
At 1 January 2008		78,772
Additions in the year		164
At 31 December 2008		78,936
Provision for impairment		
At 1 January and 31 December 2008		(1,988)
Net book value		
At 31 December 2008		76,948
At 31 December 2007		76,784

The additions in the year relate to additional consideration paid to the investment in Covebay Trading Limited. The initial cost of the investment was £10,005,000 with £9,480,000 being paid in 2007. A further £164,000 was paid during 2008 increasing the cost of the investment to £10,169,000 with the remainder of the consideration expected to be paid during 2009.

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

12 Fixed assets investments (continued)

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length.

Details of the interests of the company in its principal subsidiary undertakings are as follows:-

Principal subsidiaries	Nature of business	Description of shares held
Security Products UK Limited	Dormant	Ordinary £1 shares
Abloy Security Limited	Dormant	Ordinary £1 shares
Assa Abloy Hospitality Limited	Suppliers of hotel locking systems	Ordinary £1 shares
Medeco Security Locks Limited	Dormant	Ordinary £1 shares
ASSA Limited	Dormant	Ordinary £1 shares
Yale Window and Door Solutions Limited (formerly Grorud Industries Limited)	Dormant	Ordinary 10p shares Deferred £1 shares
Chubb Locks Custodial Services Limited	Dormant	Ordinary £1 shares
Chubb Locks UK Limited	Dormant	Ordinary £1 shares
C.E.Marshall Limited	Dormant	Ordinary £1 shares
Laser Key Limited	Dormant	Ordinary £1 shares
Assa Abloy (Mauritius) Limited	Dormant	Ordinary £1 shares
ASSA ABLOY (UK) Pension Trustees Limited	Dormant	Ordinary £1 shares
Locksafe Investments Limited (Guernsey)	Holding company	Ordinary £1 shares
Assa Abloy Management Services (formerly Grorud International Limited)	Non-trading company	Ordinary £1 shares
Covebay Trading Limited	Holding Company	Ordinary £1 shares

All of the investments are unlisted. The subsidiaries are incorporated in England and Wales unless otherwise stated, are wholly owned and operate principally in Great Britain.

Full information on all subsidiary companies will be annexed to the Company's next annual return to the Registrar of Companies.

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

13 Stock

	2008	2007
	£'000	£'000
Raw materials and consumables	1,588	1,315
Work in progress	3,336	4,643
Finished goods	14,041	10,665
	18,965	16,623

14 Debtors

	2008	2007
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	15,314	19,131
Amounts owed by group undertakings	118,593	3,683
Other debtors	2,855	2,282
Prepayments and accrued income	1,088	735
	137,850	25,831

Amounts owed by group undertakings are unsecured, bear no interest rate and have no fixed repayment date.

Amounts owed by group undertakings include a £115,000,000 capital contribution that was committed before the year end and settled in cash in January 2009 (see note 19).

	2008	2007
	£'000	£'000
Amounts falling due after more than one year:		
Deferred tax asset	5,765	3,425

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

14 Debtors (continued)

Deferred tax asset

Deferred taxation provided in the financial statements and the amount (un-recognised)/ un-provided is as follows:

	Amount recognised		Amount (unrecognised)/ un-provided	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Tax effect of timing differences because of:				
Excess of capital allowances over depreciation	(1,119)	(1,156)	-	-
Other timing differences	(4,646)	(2,269)	(11,214)	(12,355)
	(5,765)	(3,425)	(11,214)	(12,355)

The full asset has not been recognised as the directors are as yet uncertain that the full amount is recoverable and can be utilised against future trading profits.

The movement on the deferred tax asset has been reconciled as follows:

	Deferred tax asset – non-pension	Deferred tax asset – pension (see Note 21)	Total
	£'000	£'000	£'000
At 1 January 2008	3,425	4,569	7,994
Credited to the profit and loss account	2,340	406	2,746
Charged to the STRGL	-	(1,678)	(1,678)
At 31 December 2008	5,765	3,297	9,062

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

15 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Bank overdraft	4,984	17,882
Trade creditors	6,240	6,769
Amounts owed to group undertakings	100,216	11,523
Other taxation and social security	1,918	1,957
Accruals and deferred income	2,680	2,984
	116,038	41,115

Bank overdraft is unsecured and is repayable on demand attracting an interest rate of 2.0% above Bank of England base rate.

Amounts owed by group undertakings comprises group funding loans with Assa Abloy AB. The loans are unsecured, attract an interest rate of 7.0% and have no set repayment date.

Included within Amounts owed to group undertakings are amounts of £87,764,000 which were paid on 27 January 2009, following the receipt of the capital contribution (see note 14).

16 Creditors: amounts falling due after more than one year

	2008	2007
	£'000	£'000
Amounts owed to group undertakings	58,855	123,110

Amounts owed by group undertakings comprises group funding loans with Assa Abloy AB. The loans are unsecured, attract an interest rate of 7.0% and have no set repayment date.

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

17 Provision for liabilities

	Re- structuring provision	Other provision	Total provisions
	£'000	£'000	£'000
At 1 January 2008	4,625	117	4,742
Charged to the profit and loss account	3,241	-	3,241
Utilised during the year	(4,535)	-	(4,535)
Reclassified during the year	(914)	-	(914)
At 31 December 2008	2,417	117	2,534

Re-structuring provision

The restructuring project announced in 2006 relating to the closure and transfer of the CE Marshalls business completed in the year. As a result of this rationalisation, a provision was necessary to cover the employment termination costs and factory reorganisation. The provision was substantially utilised or amounts contracted for by 31 December 2008.

New restructuring projects have been announced in December 2008 with further projects announced and planned for 2009. Exceptional costs of £3,241,000 were incurred in the 31 December 2008 results relating to restructuring projects announced during the year. The 31 December 2008 restructuring provision is expected to be utilised within 2009.

Other provision

This comprises provisions for customer rebates, specific credit notes and warranty costs. These are expected to be utilised within 2009.

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

18 Called up share capital

	2008	2007
	£'000	£'000
Authorised		
'A' Ordinary shares of £1 each	1,450	1,450
'B' Ordinary shares of £1 each	50	50
	1,500	1,500
Allotted, called up and fully paid		
'A' Ordinary shares of £1 each	1,280	1,280
'B' Ordinary shares of £1 each	50	50
	1,330	1,330

19 Reserves

	Profit and loss reserve	Share premium	Other reserve
	£'000	£'000	£'000
At 1 January 2008	(108,966)	954	157,000
Loss for the financial year	(5,146)	-	-
Actuarial loss on pension scheme	(113)	-	-
Movement on deferred tax relating to pension liability	(1,678)	-	-
Group capital injection	-	-	115,000
At 31 December 2008	115,903	954	272,000

Other reserve

This reserve represents capital contributions of £67,000,000, £90,000,000 and £115,000,000 that were made by the parent company, ASSA ABLOY AB, during 2001, 2007 and 2008 respectively. In December 2008 a £115,000,000 capital contribution was approved by group with the funds being received by the company in January 2009. At 31 December 2008 the capital contribution was shown in debtors within these financial statements.

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

20 Reconciliation of movements in total shareholder's funds

	2008	2007
	£'000	£'000
(Loss)/ profit for the financial year	(5,146)	2,971
Other recognised gains and (losses)	(1,791)	(3,568)
Capital contribution	115,000	-
Net addition/ (reduction) to total shareholder's funds	108,063	(597)
Opening total shareholder's funds	50,318	50,915
Closing total shareholder's funds	158,381	50,318

21 Pension obligations

The group operates two defined benefit pension schemes, the assets of which are held in separate trust funds. The main scheme is the ASSA ABLOY (UK) Pension Plan ("the Plan") and the company also operates the ASSA Limited Pension and Life Assurance Scheme ("the Scheme"). The company also operates a defined contribution scheme.

Defined contribution scheme

The cost of contributions to the defined contribution scheme in the year amounts to £1,735,000 (2007: £2,638,000).

Define benefit scheme

The total company pension contributions to the Plan and the Scheme during the year were £6,106,000 (2007: £6,194,000).

In June 2008, the Company paid a deficit contribution in respect of the ASSA ABLOY (UK) Pension Plan of £5,800,000. The Plan was closed to future accrual on 31 May 2006.

A further deficit contribution of £5,800,000 has been agreed with the trustees for 2009.

Contributions to the ASSA Limited Pension and Life Assurance Scheme have been paid at the rate of 14.50% of Pensionable Salaries plus a one-off payment of £215,000 in December 2008.

The last actuarial valuations of the schemes were carried out by independent qualified actuaries as at 6 April 2007 for the ASSA ABLOY (UK) Pension Plan and 31 December 2004 for the ASSA Limited Pension and Life Assurance Scheme.

The 6 April 2007 valuation of the Plan has been updated to 31 December 2008. The draft 31 December 2007 valuation of the Scheme has been updated to 31 December 2008

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

21 Pension obligations (continued)

The major assumptions used (which are the weighted average for these schemes) were:

Financial Assumptions	2008	2007	2006
Discount rate	6.45%	5.70%	5.20%
Inflation assumption	3.10%	3.45%	3.10%
Rate of increase of salaries	3.35%	3.70%	3.35%
Rate of increase in pensions in payment*	3.05%	3.45%	3.10%

* for pensions which increase in payment in line with LPI (RPI up to 5%pa). Some pensions increase at rates set down in the Rules of the schemes and these have been assumed to increase as per the Rules.

Mortality Assumptions	2008	2007	2006
Life expectancy of a Male aged 65	21.2	21.2	19.0
Life expectancy of a Female aged 65	24.0	24.0	22.0
Life expectancy of a Male currently age 45 from age 65	22.2	22.2	19.0
Life expectancy of a Female currently age 45 from age 65	25.0	25.0	22.0

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

21 Pension obligations (continued)

The assets in the schemes (excluding the DC Section of the Plan and members' AVC funds) and the expected rates of return at 31 December 2008 were:

	Expected long term rate of return on net assets			Value (£'000)		
	2008	2007	2006	2008	2007	2006
Equities	5.99%	6.80%	7.0%	43,789	58,593	55,074
Bonds	4.04%	4.85%	4.9%	48,155	47,397	44,885
Cash	3.10%	3.45%	3.1%	3,785	3,418	788
Total market value of assets				95,729	109,408	100,747

The following amounts at 31 December 2008 were measured in accordance with the requirements of FRS17:

	2008	2007	2006
	£'000	£'000	£'000
Total market value of assets	95,729	109,408	100,747
Present values of scheme liabilities	(107,505)	(125,726)	(120,011)
Deficit in the scheme	(11,776)	(16,318)	(19,264)
Related deferred tax asset	3,297	4,569	5,779
Net pension deficit	(8,479)	(11,749)	(13,485)

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

21 Pension obligations (continued)

The following amounts have been recognised in the performance statements in the year to 31 December 2008 under the requirements of FRS 17:

	2008	2007
	£'000	£'000
<i>Profit and loss account</i>		
<i>Analysis of the amount charged to the operating profit</i>		
Current service costs	243	522
Total operating charge	243	522
<i>Analysis of the amount charged to other finance costs</i>		
Expected return on assets	(5,811)	(5,760)
Interest on obligations	7,019	6,043
Net costs	1,208	283

	2008	2007
	£'000	£'000
<i>Statement of total recognised gains and losses STRGL</i>		
Actual return less expected return on assets	(20,230)	1,200
Experience gains and (losses) on obligation	267	(54)
Changes in assumptions underlying the present value of the obligation	19,850	(3,589)
	(113)	(2,443)

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

21 Pension obligations (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2008	2007
	£'000	£'000
<i>Opening defined benefit obligation</i>	125,726	120,011
Movement in year:		
Current service cost	243	522
Interest cost	7,019	6,043
Employee contributions	31	35
Benefits paid	(5,397)	(4,528)
Actuarial (gain)/ loss	(267)	54
Changes in assumptions	(19,850)	3,589
<i>Closing defined benefit obligation</i>	107,505	125,726

Changes in the fair value of plan assets are as follows:

	2008	2007
	£'000	£'000
<i>Opening fair value of plan assets</i>	109,408	100,747
Movement in year:		
Expected return on assets	5,811	5,760
Employer contributions	6,106	6,194
Employee contributions	31	35
Benefits paid	(5,397)	(4,528)
Actuarial (loss)/ gain	(20,230)	1,200
<i>Closing fair value of plan assets</i>	95,729	109,408

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

21 Pension obligations (continued)

Amounts for the five years ended 31 December 2008 are as follows:

	2008	2007	2006	2005	2004
	£'000	£'000	£'000	£'000	£'000
<i>Defined benefit obligation</i>					
Amount (£'000)	(107,505)	(125,726)	(120,011)	(124,001)	(99,789)
<i>Total assets</i>					
Amount (£'000)	95,729	109,408	100,747	80,562	66,340
<i>Surplus/(deficit)</i>					
Amount (£'000)	(11,776)	(16,318)	(19,264)	(43,439)	(33,449)
<i>Experience adjustments on the obligation – gains/ (losses)</i>					
Amount (£'000)	267	(54)	(2,323)	(549)	2,080
<i>Experience adjustments on plan assets – (losses)/ gains</i>					
Amount (£'000)	(20,230)	1,200	571	8,334	2,704

ASSA ABLOY Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

22 Financial commitments

At 31 December 2008, the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Expiring within one year	-	-	64	39
Expiring in more than one year, but not more than 5 years	472	530	99	210
Expiring after 5 years	108	-	-	-
	580	530	163	249

23 Ultimate parent company

The only group in which the accounts of the company are consolidated is that headed by ASSA ABLOY AB, the company's ultimate parent undertaking and controlling party, incorporated in Sweden. The consolidated accounts are available to the public and may be obtained from ASSA ABLOY AB, Klarabergsviadukten 90, Box 70340, S-10723 Stockholm, Sweden.

24 Subsequent events

Further restructuring projects have been announced in 2009 to reduce fixed operating costs and improve margins and are anticipated to cost £4,834,000.