COMPANIES HOUSE

Irwin Industrial Tool Company Limited

Report and financial statements
For the year ended 31 December 2006

Grant Thornton

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Company no 104102

Company information

Company registration number:	104102
Registered office:	Parkway Works SHEFFIELD S9 3BL
Directors:	Mr M F Riekie Mr P Delsaut
Secretary:	S Hall
Bankers:	Barclays Bank plc 32 Paragon Square HULL HU1 3QT
Solicitors:	Pannone LLP 123 Deansgate Manchester M3 2BO
Auditors:	Grant Thornton UK LLP 2 Broadfield Court SHEFFIELD S8 0XF

Index to the financial statements

Report of the directors

The directors present their report together with financial statements for the year ended 31 December 2006

Results and dividends

The profit for the year amounted to £1,997,000 (2005 £7,151,000) The directors do not recommend the payment of any dividends

Principal activities and review of the business

The principal activity of the company during the year was the sale and manufacture of hand and bench tools

The directors consider the company's trading performance during the year and its net asset position at 31 December 2006 to be satisfactory There have been no major changes during the year in the company's trade or the business environment in which it operates The company continues to face strong competition In order to successfully grow its business the company needs to maintain and enhance its offering of high quality products, continue to develop its product range and brands, work closely with its customers and control and improve input prices

The company's key performance indicators are Turnover and Operating Profit The company's performance relative to the previous year is as follows

Turnover 2006 £41,062,000 2005 £39,815,000 Increase £1,247,000
Operating Profit 2007 £1,869,000 2005 £2,073,000 Decrease £204,000

Given the high level of competition in the company's markets, the directors consider Turnover and Operating Profit performance to be satisfactory

Future developments

It is the directors' general intention both to develop the existing activities of the company and to take advantage of opportunities to expand into related activities as and when they arise

Disabled employees

The company gave full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance Regular meetings are held between local management and employees to allow a free flow of information and ideas

Directors

The directors who served the company during the year were as follows

Mr M F Riekie
Mr K Kahofer (resigned 9 January 2007)
Mr P Delsaut (appointed 9 January 2007)

None of the directors had any beneficial interests requiring disclosure under the Companies Act 1985

Report of the directors

Post balance sheet event

After the year end the company closed manufacturing operations resulting in approximately 30 redundancies and a stock write off of approximately £312,000 which has been adjusted for within the financial statements

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual 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 the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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
- 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 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The directors' are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Auditors

A resolution to appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985

BY ORDER OF THE BOARD

Mr F Riekie
Director
29 October 2007

Grant Thornton

Report of the independent auditor to the members of Irwin Industrial Tool Company Limited

We have audited the financial statements of Irwin Industrial Tool Company Limited for the year ended 31 December 2006 which comprise the principal accounting policies, the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17 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 auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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)

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the report of the directors is consistent with the financial statements We also 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 report of the directors and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of 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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit 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 report of the directors is consistent with the financial statements for the year ended 31 December 2006

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

SHEFFIELD
29 October 2007

Principal accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and United Kingdom accounting standards The policies are consistent with the prior year

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes consolidated financial statements

Related parties transactions

The company is a wholly owned subsidiary of Newell Rubbermaid Inc, the consolidated accounts of which are publicly available Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the Newell Rubbermaid Inc group of companies

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Freehold land	- No depreciation provided
Freehold buildings	- Equal annual instalments over not more than 50 years
Leasehold properties	- Equal instalments over the shorter of the period of the lease or 50 years
Plant, machinery, fixtures, fittings, tools and equipment	- Reducing balance or straight line basis at 6 to 33% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Raw materials, consumables and goods for resale	- Purchase cost on a first-in, first-out basis
Work in progress and finished goods	- Cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Principal accounting policies

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pension costs

The company operates a defined benefit pension scheme Contributions are made to a separately administered fund Pension scheme assets are measured at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at an interest rate equivalent to the current rate of return on a high quality corporate bond in accordance with FRS17 retirement benefits

The service cost of providing pensions and other post-retirement benefits to employees for the year is charged to the operating profit or loss in the year The full cost of providing amendments to benefits in respect of past service is also charged to the operating profit or loss in the year

The expected return on defined benefit pension scheme assets based on the market value of scheme assets at the start of the financial year is included within finance charges This also includes a charge representing the expected increase in liabilities of the schemes during the year, arising from the liabilities being one year closer to payment Differences between actual and expected returns on assets during the year are recognised in the statement of recognised gains and losses in the year, together with differences from changes in assumptions The net deficit on defined benefit schemes is reported on the balance sheet within the pension liability This is net of related deferred tax

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet

Further information on pensions is disclosed in note 16

Profit and loss account

	Note	2006 £'000	2005 £'000
Turnover	1	**41,062**	39,815
Cost of sales		**(25,770)**	(26,277)
Gross profit		**15,292**	13,538
Distribution costs		**(2,129)**	(1,657)
Administrative expenses		**(11,294)**	(9,808)
Operating profit	2	**1,869**	2,073
Profit on the disposal of fixed assets		**-**	2,372
Profit on ordinary activities before interest		**1,869**	4,445
Interest receivable	5	**474**	332
Interest payable and similar charge	6	**(100)**	(266)
Profit on ordinary activities before taxation		**2,243**	4,511
Tax credit on profit on ordinary activities	7	**(246)**	2,640
Profit for the financial year		**1,997**	7,151

The accompanying accounting policies and notes form part of these financial statements.

Statement of total recognised gains and losses

	2006 £'000	2005 £'000
Profit for the financial year	**1,997**	7,151
Actuarial gain/(loss) recognised on pension schemes	**3,410**	(2,213)
Deferred tax relating to actuarial gains on pension scheme	**(1,364)**	600
Total recognised gains and losses relating to the year	**4,043**	5,538

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	8	**831**	961
Current assets			
Stocks	9	**6,370**	8,208
Debtors	10	**21,736**	19,743
Cash at bank		**406**	943
		28,512	28,894
Creditors amounts falling due within one year	11	**(8,504)**	(9,877)
Net current assets		**20,008**	19,017
Total assets less current liabilities and net assets excluding pensions liability		**20,839**	19,978
Pensions liability (net of deferred tax)	16	**(7,076)**	(10,258)
Net assets including pensions liability		**13,763**	9,720
Capital and reserves			
Called up share capital	13	**375**	375
Other reserves	14	**18,715**	18,715
Profit and loss account	14	**(5,327)**	(9,370)
Equity shareholders' funds	15	**13,763**	9,720

The financial statements were approved by the Board of Directors and authorised for issue on 29 October 2007

M F Riekie **Director**

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities excluding value added tax

An analysis of turnover by geographical market is given below

	2006 £'000	2005 £'000
United Kingdom	27,291	26,860
Rest of Europe	1,987	2,190
America and Canada	939	551
Far East and Australia	5,424	5,054
Middle East and Africa	5,421	5,160
	41,062	39,815

2 Operating profit

This is stated after charging/(crediting)

	2006 £'000	2005 £'000
Auditors' remuneration - audit services	52	60
Depreciation of owned fixed assets	154	261
Loss/(profit) on disposal of fixed assets	61	(2,372)
Operating lease rentals - plant and machinery	246	246
Net charge on foreign currency translation	177	195

3 Staff costs

	2006 £'000	2005 £'000
Wages and salaries	4,237	3,918
Social security costs	389	462
Other pension costs (note 16)	457	344
	5,083	4,724

The monthly average number of employees during the year was as follows

	2006 Number	2005 Number
Production staff	33	43
Sales and distribution staff	58	58
Administration staff	35	35
	126	136

Notes to the financial statements

4 Directors' emoluments

	2006 £'000	2005 £'000
Emoluments	102	94

	2006 Number	2005 Number
Members of defined benefit scheme	-	-
Members of defined contribution scheme	1	1
Value of company pension contributions to money purchase scheme	7	3

5 Interest receivable

	2006 £'000	2005 £'000
Bank and other interest	474	332

6 Interest payable and similar charges

	2006 £'000	2005 £'000
Total finance charge in respect of defined benefit pension scheme (note 16)	100	266

7 Taxation on ordinary activities

a) Tax on profit on ordinary activities

The tax credit is explained as follows

	2006 £'000	2005 £'000
Current tax		
Corporation tax	-	-
Tax under/(over) provided in previous years	-	-
Deferred tax		
Origination and reversal of timing differences (note 7(c))	246	(2,640)
Total tax credit	246	(2,640)

Notes to the financial statements

7 Taxation on ordinary activities (continued)

b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2005 30%) The differences are reconciled below

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	**2,243**	4,511
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	**673**	1,353
Disallowed expenses and non-taxable income	**12**	(657)
Capital allowances in excess of depreciation	**44**	358
Other timing differences	**(341)**	(64)
Utilisation of tax losses	**(246)**	(891)
Group relief claimed	**(142)**	(99)
Total current tax (note 7 (a))	**-**	-

c) Deferred tax asset

	2006 £'000	2005 £'000
Losses	**(2,356)**	(2,602)
Short term timing differences	**(38)**	(38)
Total deferred tax credit (note 7(a))	**(2,394)**	(2,640)

Factors affecting the future tax charge

There are tax losses available to carry forward of approximately £7,800,000 (2005 £8,600,000)

The company has a potential deferred tax asset of approximately £5,500,000 in relation to capital allowances This has not been recognised as the company is able to claim group relief from other UK group companies which will exceed anticipated profits in future periods, and therefore we consider that there is insufficient evidence that the asset will reverse in future periods

Notes to the financial statements

8 Tangible fixed assets

	Land and buildings £'000	Plant and machinery £'000	Fixtures & fittings £'000	Total £'000
Cost or valuation				
At 1 January 2006	293	1,054	246	1,593
Additions	-	19	85	104
Disposals	-	(144)	(93)	(237)
At 31 December 2006	293	929	238	1,460
Depreciation				
At 1 January 2006	5	597	30	632
Provided during the year	1	109	44	154
Disposals	-	(144)	(13)	(157)
At 31 December 2006	6	562	61	629
Net book value				
At 31 December 2006	**287**	**367**	**177**	**831**
At 1 January 2006	288	457	216	961

The book amount of freehold land which is not depreciated at 31 December 2006 is £270,000 (2005 £123,000)

Long leasehold properties have more than 50 years unexpired

9 Stocks

	2006 £'000	2005 £'000
Raw materials	**224**	502
Work in progress	**271**	324
Finished goods	**5,875**	7,382
	6,370	8,208

10 Debtors

	2006 £'000	2005 £'000
Trade debtors	**7,358**	7,182
Amounts owed by group undertakings	**11,794**	9,776
Other debtors	**89**	89
Prepayments and accrued income	**101**	56
Deferred taxation (note 7c)	**2,394**	2,640
	21,736	19,743

Notes to the financial statements

11 Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	876	1,585
Amounts owed to group undertakings	5,258	5,660
Other taxation and social security	436	271
Accruals and deferred income	1,934	2,361
	8,504	9,877

12 Operating lease commitments

The company has annual commitments under non-cancellable operating leases as follows

	Land and building		Other	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Operating leases which expire in two to five years	146	146	298	247

13 Share capital

	2006 £'000	2005 £'000
Authorised		
1,500,000 Ordinary shares of £0 25 each	375	375
1,500,000 Deferred ordinary shares of £0 25 each	375	375
	750	750

	2006		2005	
	Number	£'000	Number	£'000
Allotted and called up				
Ordinary shares fully paid of £0 25 each	1,500,000	375	1,500,000	375

Notes to the financial statements

14 Reserves

	Capital contribution reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Profit and loss account £'000
At 1 January 2006	18,250	450	15	(9,370)
Recognised profit for the year	-	-	-	1,997
Actuarial loss recognised on pension scheme (net of deferred tax)	-	-	-	2,046
At 31 December 2006	**18,250**	**450**	**15**	**(5,327)**

15 Reconciliation of shareholders funds

	2006 £'000	2005 £'000
At 1 January	**9,720**	4,182
Recognised profit for the year	**1,997**	7,151
Actuarial gain/(loss) recognised on pension scheme (net of deferred tax)	**2,046**	(1,613)
At 31 December	**13,763**	9,720

16 Pension commitments

The Polyhedron Holdings Group operates the Record Tools Limited pension scheme, a funded defined benefit pension scheme which provides benefits based on a pensionable salary The assets of the scheme are administered by trustees and are entirely separate from the Group's finances With effect from 26 October 2001, the scheme was closed to new members

The company participates in a defined contribution pension scheme and in the Record Tools Limited pension scheme, a funded defined benefit scheme for which the contributions are based on pension costs across the group as a whole

The pension cost of the defined contribution scheme during the year was £96,289 (2005 £52,475) There was no outstanding amount in respect of pensions as at 31 December 2006 (2005 nil)

The pension costs relating to the scheme have been assessed in accordance with the advice of qualified actuaries based on the result of the valuation at 6 April 2005 At that date, the market value of the scheme's assets in aggregate was £27,667,000 and the actuarial value of these assets represented 70% of the benefit that accrued to members The pension charges have been assessed using the Projected Unit Method of valuation

The main assumption made by the actuary were as follows

	2006 %	2005 %	2004 %
Rate of increase in salaries	**3.25**	3 25	3 15
Rate of increase in pensions in payment	**3 00**	3 00	2 90
Discount tax	**5 10**	4 80	5 30
Inflation assumption	**3 00**	3 00	2 90

Notes to the financial statements

16 Pension commitments (continued)

The assets and liabilities of the scheme and the expected rate of return at 31 December are

	2006 Long-term rate of return expected	**2006** Value	2005 Long-term rate of return expected	2005 Value	2004 Long-term rate of return expected	2004 Value
	%	**£'000**	%	£'000	%	£'000
Equities	**7.90**	**22,573**	8 00	19,827	8 00	17,015
Bonds	**4 60**	**12,201**	4 25	11,553	4 00	10,465
Others	**5.25**	**106**	4 50	389	4 75	53
Total market value of assets		**34,880**		31,769		27,533
Present value of scheme liabilities		**(44,988)**		(46,423)		(40,186)
Pension liability before deferred tax		**(10,108)**		(14,654)		(12,653)
Related deferred tax asset		**3,032**		4,396		3,796
Net pension liability		**(7,076)**		(10,258)		(8,857)

An analysis of the defined benefit cost for the year ended 31 December 2006 is as follows

	2006 £'000	2005 £'000
Current service cost	**(457)**	(344)
Total operating charge	**(457)**	(344)
Expected return on pension scheme assets	**2,098**	1,833
Interest on pension scheme liabilities	**(2,198)**	(2,099)
Total other finance charge	**(100)**	(266)
Actual return less expected return on pension scheme assets	**923**	3,098
Experience losses arising on scheme liabilities	**212**	1,195
Gain/(loss) arising from changes in assumptions underlying the present value of scheme liabilities	**2,275**	(6,506)
Actuarial losses recognised in the statement of total recognised gains and losses	**3,410**	(2,213)

Notes to the financial statements

16 Pension commitments (continued)

Analysis of movements in deficit during the year

	2006	2005
	£'000	£'000
At 1 January 2006	**(14,654)**	(12,653)
Total operating charge	**(457)**	(344)
Total other finance charge	**(100)**	(266)
Actuarial gains/(losses) recognised in the statement of total recognised gains and losses	**3,410**	(2,213)
Contributions	**1,693**	822
At 31 December 2006	**(10,108)**	(14,654)

History of experience gains and losses

	2006	2005	2004	2003	2002
Difference between expected return and actual return on pension scheme assets					
- amount (£'000)	**923**	3,098	1,122	2,312	(5,183)
- % of scheme assets	**26**	11	4	10	(19)
Experience gains arising on scheme liabilities					
- amount (£'000)	**212**	1,195	(2,010)	(410)	120
- % of the present value of scheme liabilities	**5**	3	(5)	(1)	-
Total actuarial losses / gains recognised in the statement of total recognised gains and losses					
- amount (£000)	**3,410**	(2,213)	1,583	2,360	(6,665)
- % of the present value of scheme liabilities	**8**	(6)	(4)	(7)	(23)

17 Ultimate parent company

The company is a wholly owned subsidiary of Polyhedron Holdings Limited, registered in England and Wales The company's ultimate and controlling parent is Newell Rubbermaid Inc , a company registered in the United States of America The largest group in which the results of the company are consolidated is that headed by Newell Rubbermaid Inc The financial statements of this company are publicly available and can be obtained from Investor Relations, Newell Rubbermaid Inc , 6833 Stalter Drive, Rockford, IL 61101 USA