Indesit Company UK Limited

Annual report and financial statements
Registered number 106725
For the year ended 31 December 2014

Officers and professional advisors

Directors

Maurizio Bernardi
Esther Berrozpe
Luca Oglialoro
Maurizio Pettorino
Carlos Ramos
Franco Secchi
Daniele Spadarotto
Neil Tunstall

Secretary

Mauro Del Noce

Registered Office

Morley Way
Peterborough
PE2 9JB

Bankers

HSBC Bank plc

Solicitors

Taylor Wessing
50 Victoria Embankment
London

Auditor

Ernst & Young LLP
One Cambridge Business Park
Cambridge
CB4 0WZ

Share capital

£76,195,645

VAT No

513936740

Registration number

106725

Contents

Strategic Report

As required by the amendments to the Companies Act 2006, effective 30 September 2013, the directors of Indesit Company UK Limited ("the Company") present their annual report containing a strategic report, directors' report and the financial statements for the year ended 31 December 2014.

Principal activities

Indesit Company UK Limited is a company incorporated in England and Wales and wholly owned by General Domestic Appliances Holdings Limited. On 13 October 2014, Whirlpool Corporation, a company incorporated in the state of Delaware in the United States of America, acquired the company as part of its acquisition of Indesit Company S.p.A, a company incorporated in Italy.

The Company manufactures, delivers, sells and services domestic appliances mainly in the UK market. Its two core brands Hotpoint and Indesit give the Company the largest market share of domestic appliances in the UK. The Company's product portfolio include cooking, laundry, refrigeration, tumble dryers, dishwashers and small domestic appliances, with the majority being sourced from other companies in the Indesit S.p.A Group ("the Indesit Group") with tumble dryers manufactured at Yate in the UK and the head office being in Peterborough UK.

The Company also delivers appliances direct to the end consumer through its warehouse satellite network. The Company controls its service organisation and service engineers through its head office in Peterborough which also operates a call centre.

Business review and future developments

The Company measures and controls its performance using a wide range of KPI's in each of its divisions as follows:

- Commercial being volumes, revenue and margin, market share, price indices customer profitability and cash collection performance;
- Logistics being cost per unit, product availability and delivery per driver/day;
- Human resources being absenteeism and headcount; and
- Service being call centre attrition rate, right first time repair and percentage of product returns.

The Company also operates an internal control system to measure all controls in accordance with Indesit Company S.p.A's corporate procedures and guidelines.

On the 1 April 2014 the Indesit Group changed its transfer price policy. In compliance with the new policy all product flows are now triangulated through Indesit Company S.p.A as follows:

- All imported products are triangulated through Indesit Company S.p.A before entering the Indesit Company UK Limited warehouses. Indesit Company UK Limited then sells direct to the UK customer or triangulated through Indesit Company S.p.A if products are sold to Indesit Ireland Limited, subsidiary undertaking; and
- Sales of products manufactured in the UK are triangulated through Indesit Company S.p.A before Indesit Company UK Limited sells to the UK customer.
- The Company no longer receives royalties from the Indesit Group for use of the Hotpoint brand as this is included within the transfer price of each product.

The UK domestic appliance market saw an increase in volumes in 2014 compared to the previous year, with a strong growth in the built in sector driven by house builders, house movement and the replacement cycle of products of 8-10 years being the anniversary of the housing boon in 2004. The free standing market grew marginally compared to the previous year.

The Company's strategy in 2014 was to gain the appropriate value for its brands in the market place, whilst maintaining its market share. Total revenues increased by 3.5% in the year, 1.6% in finished products sold driven by higher volumes and a 10.8% increase in service revenues from increased home delivery and after sales service.

Strategic Report *(continued)*

Business review and future developments *(continued)*

Profit before tax reduced to £24.7M (2013: £40.8M) as a result of the change in transfer pricing implemented by the Indesit Group, offset by increased sales year on year and cost savings generated through increased factory efficiencies and sterling improving against the euro with the average rate for the year being 1.24 (2013: 1.18).

Cash increased by £48.2M in the year driven by managing working capital effectively over the period and offset by the net repayment of loans to and from General Domestic Appliances Holdings Limited of £34.1M.

In 2013 the Company entered into the small domestic appliances market. On the back of the strength of the Hotpoint brand volumes started to grow in 2014 with 108,000 products sold compared to 17,000 sold in the previous year, generating an additional £3.5M of sales.

The Indesit Company UK Limited Defined Benefit Pension scheme liability increased in the year with £14.1M actuarial losses (net of tax) taken to equity. Actuarial losses of £26.4M (net of tax) were incurred due to a reduction in the discount rate offset by asset gains in excess of the interest income from the scheme of £12.3M (net of tax).

The property held for sale at 31 December 2013 in Kinmel Park, North Wales was sold in March 2014 with a profit on disposal of £52,000.

As in the previous year the Company focus throughout 2015 will be to ensure the Company maximises its value by offering the total Indesit package to the retailer and through to the end consumer. The Company will utilise as much as possible of its home delivery option through its logistics operation and to maximise its revenues provided by its after sales operation on the strength of the Hotpoint and Indesit brands. The market as a whole is expected to show again an increase on 2014 predominantly in the built in sector and utilise as much as possible the opportunities from the growing digital market place.

Integration with the Whirlpool Corporation organisation will commence in 2015 giving Indesit Company UK Limited the opportunity to have access to new product platforms, efficiencies, and new talent acquisition, retention and career opportunities for its employees.

Principal risks and uncertainties

The key risks to the business are liquidity risk, currency risk, credit risk, the increase in costs of raw materials, changes in the governments' environmental policy and price competition. The central treasury department is responsible for liquidity risk and currency risk through forward currency hedging and options tools. Credit risk is managed through debt factoring and assigning credit limits and by constantly monitoring the creditworthiness of customers. The directors monitor the costs of raw materials and changes in the government's environmental policy and take actions where necessary.

By order of the board

Maurizio Bernardi
Finance Director
31 March 2015

Morley Way
Peterborough
PE2 9JB

Directors' report

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividend

The results for the year are as follows:

	2014 £000	2013 £000
Profit on ordinary activities before taxation	**24,738**	40,820
Tax on profit on ordinary activities	**(5,638)**	(9,773)
Profit for the year	**19,100**	31,047

The directors do not recommend the payment of a dividend for the year ended 31 December 2014 *(2013: £nil)*.

Research and development

Included in General and Administrative expenses in the Income statement are research costs expensed in the year amounting to £646,000 *(2013: £636,000)*.

Directors and directors' interests

The directors who held office during the year and to the date of this report, except as stated otherwise, were as follows:

Maurizio Bernardi	
Esther Berrozpe	(appointed 19 December 2014)
Antonino Gambuzza	(resigned 4 March 2015)
Andrea Giubboni	(resigned 29 May 2014)
Luca Oglialoro	(appointed 11 March 2015)
Andrea Merloni	(resigned 15 December 2014)
Marco Milani	(resigned 15 December 2014)
John Morrissey	(resigned 4 April 2014)
Maurizio Pettorino	
Carlos Ramos	
Franco Secchi	(appointed 4 July 2014)
Daniele Spadarotto	
Neil Tunstall	(appointed 15 December 2014)
Enrico Vita	(resigned 4 April 2014)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares and debentures of the Company.

Employees

With the co-operation of its employees and Trade Union Representatives, the Company continuously seeks improved means of exchanging information on the Company's performance, future plans and prospects and to encourage awareness of the market and economic factors which influence the Company's development and growth. As part of such communications, the Company produces a regular newsletter. A number of benefits are provided including Employee assist, lifestyle awards and employee wellbeing on-line.

The Company has a policy to encourage and assist in the employment of the disabled, their recruitment, training, career development and promotion, and the retention of employees who become disabled.

Accounting policies and adoption of international financial reporting standards - IFRSs

The financial statements of Indesit Company UK Limited have been prepared in accordance with International Financial Reporting Standards – IFRSs adopted by the European Union (hereafter referred to as either IFRS or IAS).

Directors' report *(continued)*

Consolidated Financial Statements

The Company elects not to prepare consolidated financial statements in accordance with IAS 27, paragraph 42. The ultimate parent company is Whirlpool Corporation and its consolidated financial statements are available to the public and may be obtained from www.whirlpool.com.

Approach taken

All amounts are stated in £000 (except where stated otherwise). All comparisons in the remainder of this report and in the financial statements have been made with respect to information for the prior year (indicated within brackets). Percentages (margins and changes) are determined with reference to amounts stated in £000.

Going Concern

The Company's business activities, future developments and principal risks and uncertainties are set out in the Strategic Report on pages 1 and 2. The Company has prepared cash flow forecasts for the foreseeable future which indicate that the Company is expected to continue to be profitable and to generate positive cash flows on its own account. The Company also participates in the Indesit Company S.p.A centralised treasury arrangements.

The directors, having assessed the responses of the directors of the Company's ultimate parent company and the directors of Indesit Company S.p.A to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Whirlpool Corporation or Indesit Company S.p.A to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of the Whirlpool Corporation, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst and Young LLP will therefore continue in office.

By order of the board

Maurizio Bernardi
Finance Director
31 March 2015

Morley Way
Peterborough
PE2 9JB

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

The directors are responsible for preparing the Strategic Report, 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 IFRSs as adopted by the EU and applicable law.

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 they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that 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.

Independent auditor's report to the members of Indesit Company UK Limited

We have audited the financial statements of Indesit Company UK Limited for the year ended 31 December 2014 which comprise the Income statement, the Statement of financial position, the Statement of cash flows, the Statement of total comprehensive income, the Statement of changes in equity and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 Statement of Directors' Responsibilities set out on page 5, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Indesit Company UK Limited *(continued)*

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.

Ernst Young LLP

Andrew Clewer (Senior Statutory Auditor)
For and on behalf of Emst & Young LLP (Statutory Auditor)
Cambridge, UK

31 March 2015

Income statement
for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Revenue	3	**672,842**	649,949
Cost of sales	4	**(568,223)**	(521,686)
Gross profit		**104,619**	128,263
Selling and distribution expenses	5	**(64,606)**	(60,197)
General and administrative expenses	6	**(19,646)**	(29,090)
Other income	7	**155**	9,303
Operating profit		**20,522**	48,279
Net financial income / (charge)	8	**4,216**	(7,459)
Profit before tax		**24,738**	40,820
Taxation	9	**(5,638)**	(9,773)
Profit for the year		**19,100**	31,047

All of the above results are derived from continuing activities.

The notes on pages 13 to 45 form part of these financial statements.

Statement of financial position

as at 31 December 2014

Company Registration number 106725	*Note*	**2014**	2013
		£000	£000
Non-current assets			
Property, plant and equipment	*10*	**20,041**	21,545
Goodwill	*11*	**39,600**	39,600
Other intangible assets with a definite life	*11*	**3,356**	3,872
Investment in subsidiary	*12*	**1,726**	1,726
Non-current receivables	*13*	**82,932**	120,863
Deferred tax assets	*14*	**9,721**	6,954
Total non-current assets		**157,376**	194,560
Inventories	*15*	**46,145**	41,307
Trade and other receivables	*16*	**109,620**	57,288
Current financial assets	*17*	**3,734**	4,202
Due from tax authorities	*18*	**-**	90
Asset held for sale	*10*	**-**	1,778
Cash and cash equivalents	*19*	**229,643**	181,466
Total current assets		**389,142**	286,131
Total assets		**546,518**	480,691
Equity			
Share capital	*20*	**76,196**	76,196
Share premium		**44,393**	44,393
Hedging reserve		**(376)**	-
Actuarial (loss) on pension scheme		**(86,539)**	(72,469)
Retained earnings		**121,194**	102,094
Total equity		**154,868**	150,214
Non-current liabilities			
Medium to long-term financial payables	*21*	**-**	66,314
Employee benefit liabilities	*23*	**45,041**	33,510
Provisions for risks and charges	*24*	**110**	560
Deferred tax liabilities	*14*	**479**	-
Other payables	*25*	**18,248**	14,054
Total non-current liabilities		**63,878**	114,438
Current provisions for risks and charges	*24*	**32,600**	28,904
Financial payables	*26*	**10,889**	3,380
Trade payables	*27*	**252,444**	156,673
Due to tax authorities	*28*	**27,636**	23,362
Other payables	*29*	**4,203**	3,720
Total current liabilities		**327,772**	216,039
Total liabilities		**391,650**	330,477
Total equity and liabilities		**546,518**	480,691

The notes on pages 13 to 45 form part of these financial statements. These financial statements were approved and authorised for issue by the board of directors on 31 March 2015 and were signed on its behalf by:

Director *Maurizio Bernardi*

Statement of cash flows
for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Profit for the year		19,100	31.047
Income taxes	9	5,638	9.773
Depreciation and amortisation		4,674	4.922
Net financial (income) / charge	8	(4,216)	7.459
(Increase) / decrease in trade and other receivables		(52,332)	7.243
(Increase) / decrease in inventories		(4,838)	93
Increase / (decrease) in trade and other payables		102,595	(21.708)
Increase in provisions for risks and charges		3,246	10.846
Difference between pension contributions paid and amounts recognised in income statement		(7,566)	(12.802)
Foreign exchange and movement in derivatives		9,709	(5.741)
Loss on sale of property, plant and equipment and intangible assets		17	31
Profit on sale of asset held for sale		(52)	-
Payment of income taxes		(1,405)	(2.527)
Payment of interest and other financial charges		(2,223)	(2.184)
Interest received		4,854	5,149
Cash flow generated by operating activities		77,201	31.601
Purchase of property, plant and equipment		(2,375)	(2.458)
Purchase of intangible assets		(296)	(229)
Proceeds from disposal of asset held for sale		2,030	-
Cash flow absorbed by investing activities		(641)	(2.687)
Net repayment of loan and interest with immediate parent undertaking		(28,383)	9.586
Cash flow (absorbed by) / generated from financing activities		(28,383)	9.586
Net increase in cash and cash equivalents		48,177	38.500
Cash and cash equivalents, at the start of the year	19	181,466	142.966
Cash and cash equivalents at end of year	19	229,643	181.466

The notes on pages 13 to 45 form part of these financial statements

Statement of total comprehensive income
for year ended 31 December 2014

	2014 £000	2013 £000
Profit for the year	**19,100**	31,047
Other comprehensive (loss)		
Cash flow hedges		
- Losses arising during the year	**(475)**	(4,330)
- Deferred tax on cash flow hedge	**99**	1,011)
	(376)	(3,319)
Actuarial losses		
- Actuarial loss on defined benefit pension plans	**(17,587)**	(14,446)
- Deferred tax on actuarial losses	**3,517**	2,967
	(14,070)	(11,479)
Other comprehensive loss for the year, net of tax	**(14,446)**	(14,798)
Total comprehensive income for the year, net of tax	**4,654**	16,249
Attributable to:		
Equity holders of the Company	**4,654**	16,250

Statement of changes in equity
as at 31 December 2014

	Share capital £000	Share premium £000	Hedging Reserve £000	Actuarial (loss) £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2013	76,196	44,393	3,319	(60,990)	71,047	133,965
Net losses on cash flow hedges	-	-	(3,319)	-	-	(3,319)
Actuarial loss pension scheme (net of deferred tax)	-	-	-	(11,479)	-	(11,479)
Profit for the year	-	-	-	-	31,047	31,047
Balance at 31 December 2013	76,196	44,393	-	(72,469)	102,094	150,214
Balance at 1 January 2014	76,196	44,393	-	(72,469)	102,094	150,214
Net loss on cash flow hedges	-	-	(376)	-	-	(376)
Actuarial loss pension scheme (net of deferred tax)	-	-	-	(14,070)	-	(14,070)
Profit for the year	-	-	-	-	19,100	19,100
Balance at 31 December 2014	**76,196**	**44,393**	**(376)**	**(86,539)**	**121,194**	**154,868**

Notes
(forming part of the financial statements)

1 Accounting policies

Company Activities

Indesit Company UK Limited is a company based in the United Kingdom and incorporated in England and Wales, and is active in the production and sale of white goods, namely household appliances for the cooking sector (cookers, ovens and hobs), the refrigeration sector (refrigerators and freezers), the laundry sector (washing machines, dryers and combined washer-dryers) the dishwashing sector and the small domestic appliances sector.

Going Concern

The Company's business activities, future developments and principal risks and uncertainties are set out in the Strategic Report on pages 1 and 2. The Company has prepared cash flow forecasts for the foreseeable future which indicate that the Company is expected to continue to be profitable and to generate positive cash flows on its own account. The Company also participates in the Indesit Company S.p.A centralised treasury arrangements.

The directors, having assessed the responses of the directors of the Company's ultimate parent company and the directors of Indesit Company S.p.A to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Whirlpool Corporation or Indesit Company S.p.A to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of the Whirlpool Corporation, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Declaration of compliance with international accounting standards and transition to IFRS

The financial statements of the Company have been prepared and approved by the directors in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") and their interpretations as endorsed by the EU and effective at 31 December 2014.

IFRS 7 – Financial Instruments

The financial statements have been prepared using IFRS 7 - Financial Instruments.

Basis of preparation

The currency of presentation of the financial statements is sterling (£) and the financial statement balances are stated in thousands sterling (£000) (except where stated otherwise). The financial statements are prepared on an historical cost basis with financial derivatives at fair value. There are no financial assets that will be held to maturity. Financial transactions are recorded with reference to the trade date.

Accounting estimates

The preparation of financial statements involves making assumptions and estimates that affect the value of assets and liabilities and the related explanatory information, as well as the value of contingent assets and liabilities at the reference date.

These estimates are used to value the tangible and intangible assets subject to impairment, as well as to record provisions for doubtful trade receivables, inventory obsolescence, employee benefits, taxation, and risks and charges.

The estimates and related assumptions are based on prior experience. Estimates and assumptions are reviewed regularly and, if later estimates differ from those made initially, the effects are immediately reflected in the income statement. If the changes in estimate related to both the current and future periods, their effects are reflected in the income statement for the periods concerned.

Notes *(continued)*

1 Accounting policies *(continued)*

Treatment of foreign currency balances and transactions

Foreign currency transactions

All transactions are recorded in the functional currency of the principal operating environment in which the Company operates. Transactions not carried out in the functional currency of the Company are translated to this currency using the exchange rates applying at the time of the related transactions. Monetary assets and liabilities are translated using the exchange rates applying on the accounting reference date and any exchange differences are recorded in the income statement. The non-monetary assets and liabilities recorded at historical cost in the foreign currencies concerned are translated using the historical rates applying at the time of the related transactions. The non-monetary assets and liabilities stated at fair value in the foreign currencies concerned are translated using the exchange rates applying at the time that their fair value was determined.

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Cash Flow Hedges

Hedge accounting

The fair value of financial derivatives is determined by a function of the Indesit Company S.p.A Group treasury office. This office also performs prospective and retrospective tests of the effectiveness of financial derivatives accounted as for hedge accounting purposes.

If the financial instrument created is a hedge against the risk of the variability in the cash flows of a recognised asset or liability, the effective portion of the gains or losses of the financial instrument is recognised within equity, while any ineffective portion is booked through to the income statement.

If the hedge of a forecasted transaction results in the recognition of a non–financial asset or liability, the cash flow hedging reserve is removed from equity and included in the initial cost of the non-financial asset or liability.

If the hedge of a forecasted transaction results in the recognition of a financial asset or liability, the cash flow hedging reserve is booked through to the income statement.

Notes *(continued)*

1 Accounting policies *(continued)*

Property, plant and equipment

Investment in own operating assets

Property, plant and equipment are recorded at purchase cost or, if produced internally, at production cost, comprising the cost of materials, labour and a reasonable allocation of overheads and related charges, and stated net of accumulated depreciation and any impairment of value determined on the basis described below. If necessary and significant, the cost of fixed assets includes an initial estimate of dismantling and removal costs. Ordinary maintenance expenses are charged to the income statement, whilst the costs of replacing certain parts and improvement expenditure are capitalised when it is probable that they will generate measurable economic benefits in the future. The financial charges incurred to finance the purchase or production of fixed assets are capitalised when the associated loans relate solely to such assets.

Depreciation

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives; significant component parts of plant and machinery with different useful lives are depreciated separately. Useful lives are monitored on a constant basis, having regard for changes in the intensity with which these assets are used; any changes in the depreciation schedules are applied on a prospective basis.

Residual value is verified with reference to the estimated present value of expected future cash flows and adjusted, where necessary, every time events suggest that the carrying value of property, plant and equipment may be impaired, or when there is a marked decrease in their market value, significant technological changes or evidence of significant obsolescence. Such write-downs are reversed if the reasons for recording them cease to apply. Land, whether or not used for the construction of civil or industrial buildings, is not depreciated since it is deemed to have an indefinite useful life.

The useful lives of property, plant and equipment are grouped into the following categories:

Category	Useful lives
Buildings	25 years
Plant and equipment	From 3 to 20 years
Fixtures and fittings	10 years

Goodwill

Goodwill is an intangible asset with an indefinite life, deriving from a business combination recognised using the purchase method of accounting, and is recorded to reflect the positive difference between purchase cost and the value of the Company equity interest at the time of acquisition, after having recorded all assets, liabilities and identifiable contingent liabilities attributable to both the Company and third parties at their full fair value. The value of goodwill is verified with reference to the cash generating units that benefit from the synergies deriving from the acquisition. The expected cash flows are discounted at the cost of capital, having regard for the specific risks associated with the unit concerned. An impairment charge is recorded if the recoverable amount, represented by the discounted cash flows, is less than the related carrying amount.

Research and development expenditure

The costs of research incurred to acquire new knowledge are charged in the income statement as incurred. Development expenditure incurred to create new products or improve existing products, or to develop and improve production processes, is capitalised if the innovations made result in technically feasible processes and/or commercially saleable products, on condition that there is an intention to complete the development project, sufficient resources are available for such completion, and the economic costs and benefits deriving from such innovations can be measured reliably. Capitalised expenditure includes both internal and external design costs (including payroll and materials) and the portion of general production costs reasonably attributable to the projects concerned. Capitalised development expenditure is treated as an intangible asset with a finite life and is amortised over the expected period of economic benefit, which is generally deemed to be 5 years. Adjustments are recorded to reflect any impairment identified subsequent to initial recognition.

Other development expenses not meeting the aforementioned criteria are charged in the income statement as incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Other intangible assets

Other intangible assets expected to generate measurable economic benefits are deemed to have a finite life and are accounted for at cost. They are amortised on a straight-line basis over the period of expected economic benefit, which is deemed to be between 5 and 7 years. Adjustments are recorded to reflect any impairment identified subsequent to the initial recognition of these intangible assets.

Trade receivables

Trade and other receivables are stated at their nominal amount (discounted if material) less impairment losses.

Other current and non-current financial assets

Financial assets held for trading are classified as current assets and measured at fair value, with recognition of any profits or losses in the income statement.

Securities and other financial assets classified as available for sale are stated at their fair value. Gains and losses deriving from fair-value measurement are recognised directly, except for impairment losses and exchange rate losses which are charged to the income statement. The deferred gains and losses recognised in equity are released to the income statement at the time of sale.

Receivables maturing beyond one year that do not earn interest or which earn interest at below market rates are discounted using market rate.

The interest earned on financial assets, determined using the effective interest method is booked through the income statement. The fair value of financial assets held for trading and those available for sale is represented by their market price at the balance sheet date.

Inventories

Inventories are stated at the lower of cost or their net realisable value. Cost is determined on a weighted-average cost basis and includes purchasing-related expenses, inclusive of indirect charges, and the costs of converting products and bringing them to their present location and condition. Net realisable value is determined with reference to market prices after deducting completion costs and selling expenses. Obsolete and slow-moving materials and finished products are written down to reflect their estimated realisable value.

Cash and cash equivalents

Cash and cash equivalents are recorded at nominal value, comprise cash on hand, bank deposits and cash deposits held by Group.

Impairment of assets

At each reporting date the Company performs an impairment test on all intangible assets with an indefinite life. With the exclusion of inventories and deferred tax assets and except as discussed in relation to property, plant and equipment, other assets are subjected to impairment testing if events suggest that they may have suffered a loss in value. If the test shows that the recorded assets or a cash generating unit (CGU) have suffered a loss in value, their recoverable value is estimated and the excess carrying value is charged to the income statement. The loss in value of a CGU is allocated first against the related goodwill, if any, and then against the value of other assets. The recoverable value of investments in securities held to maturity and receivables recorded at amortised cost is represented by the present value of future cash flows discounted using the effective interest rate determined at the time of initial recognition. Current receivables are not discounted and the recoverable value of other assets is represented by their selling price, or if greater, by their value in use determined by discounting estimated future cash flows using a market rate. Any losses in the value of securities held to maturity and receivables stated at amortised cost are written back if any subsequent increases in their recoverable value can be determined on an objective basis. If the loss in value of an individual asset cannot be determined, the Company identifies the loss in the value of the CGU to which it belongs.

Notes *(continued)*

1 Accounting policies *(continued)*

Share capital

Share capital is recorded at nominal value. Dividends are recognised through the statement of changes in equity in the year in which they are paid.

Employee benefits

The costs of defined contribution plans for employee pensions and similar benefits are charged to the income statement on an accruals basis. The net liability to employees under defined benefit plans, is recorded at the expected future value of the benefits to be received by employees and accrued by them in the current and prior years. These benefits are discounted and the resulting liability is stated net of the fair value of any plan assets. The net liability is determined separately for each plan using actuarial assumptions and is calculated each year, or more frequently, with help from an independent actuary using the projected unit credit method. The benefits are discounted using the rate of interest for a bond with an AA rating and a maturity date that is consistent with the timing of the related payments to employees. The actuarial gains and losses arising subsequent to 1 January 2004, the IFRS transition date, are recorded in the statement of recognised income and expenditure on a straight-line basis over the residual working lives of employees, to the extent that their cumulative net value exceeds by more than 10% the greater of the total liability arising under defined benefit plans or the fair value of the assets servicing these plans (corridor method) at the end of the prior year.

Provisions for risks and charges

The provisions for risks and charges are recorded to cover the Company's obligations, of a legal or implicit nature (under contracts or for other reasons), deriving from past events. Provisions for risks and charges are recorded if the related liabilities are likely to crystallise and the amounts concerned can be estimated reliably. If the settlement of such obligations is expected to take place after more than one year and the effects of this are significant, they are discounted using a rate that takes account of the cost of money and the specific risks associated with the liabilities concerned. Any changes in the estimated amount of provisions are reflected in the income statement in the year identified. In the event of discounting, the increase in the provision due to the passage of time and the effect of any changes in the discounting rate are recorded as a financial charge.

The principal liabilities covered by provisions are described below.

Accrual for WEEE

The accrual for WEEE is recorded at the time the related products are sold. The accrual is determined with reference to the percentage of products sold in the market place and the estimated cost per tonne to fulfil the Company's obligation of the estimated cost of transport and treatment of waste through an Authorised Accredited Treatment Facility.

Provision for product warranty

The provisions for legally-required and voluntary warranty costs are recorded at the time the related products are sold. The provision is determined with reference to the call rate for the products still under warranty cover, the period of time between sell in and sell out (start of the warranty period) and the average unit cost of the work performed.

Capital structure

The centralised treasury function managed by Indesit Company S.p.A manages loans, both short term and long term, insurance, banking activities and credit insurance regarding its debt on behalf of the Company.

Notes *(continued)*

1 Accounting policies *(continued)*

Income and expenditure

Revenue

Revenues from the sale of goods are recorded when the principal risks and benefits of ownership are transferred to the purchaser. Revenues from the sale of goods are generally recognised when they are handed over to the transport firms which, under the terms of current contracts, mark the time when the above risks and benefits are transferred. Revenues are not recorded if their recoverability is considered to be uncertain.

Revenues are stated net of discounts, allowances, rebates and returns, and do not include the proceeds from the disposal of raw materials and scrap. Revenues from the services are recorded in the income statement based on their stage of completion at the balance sheet date, determined with reference to the work performed or, alternatively, to the percentage of completion with respect to the total.

Post invoice discounts, allowances and rebates to customers are recognised when, based on sales data and the related contracts or other agreements, it is probable that the Company will have to make an economic outflow to the customer for sales made during the year. The Company uses a control process certified and approved by the Indesit Company S.p.A Group and the Indesit Company S.p.A audit committee.

Revenues from extended warranties are recognised over the life of the extended warranty plan.

Grants

Grants from the government or other bodies, recognised in the form of direct payments or tax benefits, are recorded as deferred income in the balance sheet, among other liabilities, at the time their collection becomes reasonably certain or when compliance with all the requirements to obtain them is assured. Capital grants are released to the income statement on a systematic basis as income in order to match the accounting recognition of the costs for which such grants were made.

Operating grants are credited to the income statement at the time the requirements for their recognition are met, or when it becomes certain that they will be recognised in order to offset the eligible costs.

Other income

Other income includes all forms of non-financial revenue not covered above and is recorded on the basis described in relation to revenues from the sale of goods and services.

Expenses

The costs of purchasing goods and services are recorded when the amounts concerned can be determined reliably. The costs of purchasing goods are recognised on delivery which, under the terms of current contracts, marks the time when the related risks and benefits are transferred. The costs of services are recorded on an accruals basis with reference to the time they are received.

Cost of sales

Cost of sales includes all the costs of manufacturing finished products, comprising raw materials, the purchase of components, the cost of direct and indirect labour, internal and external processing, industrial depreciation, all production-related charges, and the provisions for costs to be incurred in relation to products sold.

Selling, distribution, general and administrative expenses

Selling, distribution, general and administrative expenses comprise all the costs incurred to commercialise products and provide services, the costs of distributing products to the Group's warehouses and to customers, general and administrative expenses and related charges, as well as all the other non-financial expenses that are not part of core operating activities.

Leases and rentals

Operating leases and rental charges are expensed on an accruals basis to match the economic benefits deriving from the leased or rented assets. If such economic benefits are less than the related charges, effectively as a result of loss contracts, the difference between the discounted charges and benefits is recorded as a cost in the income statement.

Notes *(continued)*

1 Accounting policies *(continued)*

Net financial charges

Net financial charges include the interest expense accrued on all forms of loan, cash discounts allowed to customers for early payment with respect to the agreed terms of sale, financial income from cash and cash equivalents, dividends, and exchange gains and losses, as well as the economic effects recorded in the income statement of valuing the transactions that hedge interest rate and exchange rate risks.

Taxation

Income taxes are recorded in the income statement, except for those relating to transactions reflected directly in shareholders' equity, which are also recorded in shareholders' equity. Income taxes include current taxes and the adjustments to deferred tax assets and liabilities. Current taxes are based on an estimate of the amount that the Company expects to pay by multiplying the taxable income by the tax rate in force on the accounting reference date.

Deferred tax assets and liabilities are recorded using the liability method, considering all the timing differences that emerge between the fiscal value of assets and liabilities and their carrying values in the financial statements.

Deferred tax assets and liabilities are not recognised in relation to goodwill or those assets and liabilities that do not affect taxable income. The recoverability of deferred tax assets is verified at the end of every period. If it is not likely the deferred tax asset will be recovered, the tax asset is charged back to the income statement. Deferred taxation is recorded using the tax rates expected to be in force for the tax periods in which the related timing differences are forecast to reverse or expire.

Deferred tax assets are recorded to the extent it is considered likely that future taxable income will be sufficient to recover such taxes.

Changes in accounting policies, changes in accounting estimates and reclassifications

No revised or new accounting standards have been issued by the International Accounting Standards Board (IASB) or interpretations released by the International Financial Reporting Interpretations Committee (IFRIC), effective from 1 January 2014, with a significant impact on the financial statements.

At the date of authorisation of these financial statements, the following standards and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 Financial Instruments;
- IAS 16 and IAS38 Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IAS19 Defined Benefit Plans: Employee Contributions; and
- Amendments to IAS32 offsetting Financial Assets and Financial Liabilities.

Notes *(continued)*

2 Financial Risk Management

The Company is exposed to the following principal financial risks deriving from operations:

- Liquidity risk
- Currency risk
- Credit risk

As required by IFRS 7, the following qualitative and quantitative information is provided about the impact of these risks on the Company. The quantitative data deriving from the sensitivity analysis has no value for forecasting purposes and, with regard to the various market risks, cannot reflect the complexity of the market reactions correlated with each change in the assumptions made.

Liquidity risk
The Company defines the liquidity risk as the risk that the Company may be unable to meet its obligations on a timely basis. This risk has two main components:

- funding risk: the risk of not being able to meet financial obligations on the due dates and/or being unable, on a timely basis, to obtain the necessary liquidity on market terms; and
- market risk: the risk that the Company is unable to realise financial investments on a timely basis and on market terms.

The management of liquidity risk is governed by the Indesit Company S.p.A Group treasury policy approved by their Group board of directors.

The central treasury department is responsible for the management of liquidity risk. Liquidity risk is managed by:

- maintaining a balanced capital structure;
- diversifying the various sources of finance;
- spreading the maturities of financial payables over an extended time horizon;
- maintaining unused committed lines of credit; and
- establishing limits for maturities and credit counterparts in the management of liquidity.

Currency risk
Currency risk relates to the adverse effects of changes in the exchange rates for foreign currencies on the financial position of the company. The risk the company is bearing is the transaction risk, namely the possibility that exchange rate fluctuations between the date when a financial commitment becomes probable or certain and the related transaction settlement date will give rise to a negative difference between the expected and actual cash flows.

The exchange rates used to translate foreign currency amounts and financial captions are set out in the following table.

	2014		2013	
Currency	**Average exchange rate**	**Closing exchange rate**	Average exchange rate	Closing exchange rate
EUR	**1.24**	**1.28**	1.18	1.20
USD	**1.65**	**1.56**	1.57	1.65

The management of currency risk is governed by the Indesit Company S.p.A Group treasury department. The department use a combination of forwards and options to hedge against transaction risk.

Notes *(continued)*

2 Financial Risk Management *(continued)*

Credit risk

The management of trade receivables, which represent the Company's principal credit risk exposure, is the responsibility of the Credit Committee (Managing Director, Commercial Director and Finance Director) and the credit manager, who evaluate and assign customer credit limits.

The credit risk associated with doubtful accounts subject to legal action for recovery or other overdue accounts is monitored on a daily basis.

Credit risk is measured on a specific basis by allocating a risk rating to each customer, based on an assessment of creditworthiness that distinguishes between the various types of customer. The risk rating is assigned by the credit manager, on examination for credit, following an assessment of creditworthiness that takes account of both subjective and objective information.

The objective elements considered include:

- analysis of financial statements;
- competitive positioning of the Company; and
- information about the potential customer obtained from databases:

The subjective elements considered include:

- acquired experience;
- network of relations; and
- assessment of the customer's growth prospects.

The credit rating for each customer is reviewed periodically.

The credit risk deriving from commercial transactions is mitigated by the use of debt factoring and the retention of title of goods.

3 Revenue

Revenue is analysed as follows:

	2014	2013
	£000	£000
Revenues from finished products sold	**520,430**	512.387
Revenues from services	**152,412**	137.562
Total revenue	**672,842**	649.949

Revenues from the provision of services relates to services provided to customers (mainly transport) and to end consumers (mainly after-sales maintenance) and to the sale of extended warranties beyond the legal minimum period.

Notes *(continued)*

4 Cost of sales

Cost of sales comprises the cost of raw materials and components, external processing, direct and indirect labour, the depreciation of property, plant and equipment, internal movements and logistics, inventory write-downs, provisions for product warranty and provisions for risks and charges. The following table analyses the nature of costs of sales.

	2014 £000	2013 £000
Cost of inventories recognised as an expense	(4,838)	93
Purchase of products, raw materials, components and change in other inventories	(479,237)	(440,468)
Services	(39,074)	(38.264)
Payroll costs	(41,667)	(39.537)
Depreciation of property, plant and equipment	(2,866)	(2.884)
Amortisation of intangible fixed assets	(541)	(626)
Total cost of sales	(568,223)	(521.686)

5 Selling and distribution expenses

Selling and distribution expenses comprise all the costs incurred to commercialise products and provide services, as well as the costs of distributing products to the Company warehouses and to customers. The following table analyses the nature of selling and distribution costs.

	2014 £000	2013 £000
Services	(40,622)	(37.627)
Payroll costs	(23,763)	(22.365)
Depreciation of tangible property, plant and equipment	(138)	(147)
Amortisation of intangible fixed assets	(83)	(58)
Total selling and distribution expenses	(64,606)	(60.197)

6 General and administrative expenses

General and administrative expenses include all general management and administrative costs, and all expenditure not directly attributable to production or sales units. The following table analyses the nature of general and administrative expenses.

	2014 £000	2013 £000
Services	(12,752)	(21.750)
Auditor's remuneration (audit services to the company)	(153)	(151)
Payroll costs	(5,678)	(5.951)
Depreciation of property, plant and equipment	(666)	(915)
Amortisation of intangible fixed assets	(380)	(292)
Loss on the disposal of property, plant and equipment and intangible fixed assets	(17)	(31)
Total general and administrative expenses	(19,646)	(29.090)

Notes *(continued)*

7 Other income

Other income is analysed as follows:

	2014 £000	2013 £000
Royalties from Indesit Company S.p.A Group for use of the Hotpoint brand	103	4,908
Gain on the disposal of asset held for sale	52	-
Defined benefit pension scheme – closure of the Indesit Ireland Pension scheme	-	4,395
Total other income	155	9,303

8 Net financial income / (charge)

	2014 £000	2013 £000
Interest income	4,701	5,179
Net interest on UK pension scheme	(1,314)	(894)
Net interest on Irish pension scheme	-	(33)
Interest expenses	(1,058)	(2,358)
Net foreign exchange gains/(losses)	3,478	(7,832)
Other financial charges	(1,591)	(1,521)
Total net financial income / (charge)	4,216	(7,459)

Notes *(continued)*

9 Income taxes

(a) Tax on profit on ordinary activities

The tax expense comprises as follows:

	2014 £000	2013 £000
Current tax expense		
Current year	4,340	6,508
Adjustment for prior years	(30)	(436)
	4,310	6,072
Deferred tax expense		
Origination and reversal of temporary differences	1,293	3,170
Change in tax rate	35	531
	1,328	3,701
Total tax expense in income statement	5,638	9,773

(b) Factors affecting the tax charge for the year

The standard rate of current tax for the year, based on the main UK rate of corporation tax, is 21.50% (2013: 23.25%). A reconciliation of the expected tax charge based on this standard rate to the total tax is as follows:

	2014 £000	2013 £000
Profit before tax	24,738	40,820
Current tax at 21.50% (2013: 23.25%)	5,318	9,491
Effects of:		
Non tax deductible expenses	385	187
Effect of reduction in tax rate on opening deferred tax liability	(35)	531
Adjustment in respect of prior years	(30)	(436)
Total tax expense in income statement	5,638	9,773

(c) Factors that may affect future tax charges

The Finance Act 2013 reduced the main rate of UK corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. Deferred tax assets and liabilities at 31 December 2014 have been calculated at 20%.

Notes *(continued)*

10 Property, plant and equipment

	Land and buildings £000	Plant and equipment £000	Fixtures & fittings £000	Asset under construction £000	Total £000
Cost					
At 1 January 2013	15,639	54,809	9,644	2,327	82,419
Acquisitions	30	573	-	1,855	2,458
Disposals	(2,405)	(2,174)	(3,179)	-	(7,758)
Transfers	254	1,284	-	(2,059)	(521)
At 31 December 2013	13,518	54,492	6,465	2,123	76,598
Acquisitions	31	796	-	1,548	2,375
Disposals	(45)	(1,606)	(446)	-	(2,097)
Transfers	17	1,457	-	(1,670)	(196)
At 31 December 2014	**13,521**	**55,139**	**6,019**	**2,001**	**76,680**
Depreciation and impairment					
At 1 January 2013	9,807	39,901	9,234	-	58,942
Depreciation charge for the year	293	3,341	312	-	3,946
Disposals	(2,395)	(2,159)	(3,177)	-	(7,731)
Transfers	-	(104)	-	-	(104)
At 31 December 2013	7,705	40,979	6,369	-	55,053
Depreciation charge for the year	270	3,355	45	-	3,670
Disposals	(45)	(1,594)	(445)	-	(2,084)
At 31 December 2014	**7,930**	**42,740**	**5,969**	**-**	**56,639**
Net book value					
At 1 January 2013	5,832	14,908	410	2,327	23,477
At 31 December 2013	5,813	13,513	96	2,123	21,545
At 31 December 2014	**5,591**	**12,399**	**50**	**2,001**	**20,041**

Notes *(continued)*

10 Property, plant and equipment *(continued)*

Transfers for the years ended 31 December 2013 and 2014 do not net to zero. The 31 December 2013 and 2014 residual balances represent transfers between property, plant and equipment and intangible fixed assets (see note 11).

In March 2014 the property held for sale in Kinmel Park North Wales was sold with proceeds of £2,030,000 creating a profit on disposal of £52,000.

Outstanding orders placed for the supply of future capital expenditure for the year ended 31 December 2014 is £0.3million *(2013: £0.4 million).*

Non-cancellable operating leases

The minimum future payments under non-cancellable operating leases are analysed by maturity band below:

	2014 £'000 Land & buildings	**2014 £'000 Other**	2013 £'000 Land & buildings	2013 £'000 Other
Within 1 year	**3,605**	**4,484**	3,467	2,540
Between 1 and 5 years	**17,388**	**6,205**	13,966	4,908
After 5 years	**1,030**	**-**	5,188	-
	22,023	**10,689**	22,621	7,448

The income statement reflects rental charges incurred under operating leases of £10,475,000 *(2013: £9,577,000).*

The Company leases a number of warehouse and factory facilities under operating leases. The leases run between 1 and 25 years. Lease payments are renewed according to the lease agreement in place.

Notes *(continued)*

11 Intangible fixed assets

	Goodwill	Patents and trade-marks	Development Costs	Asset under Construction	Total
Cost	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 January 2013	44,000	9,806	2,864	2,116	58,786
Acquisitions	-	36	36	157	229
Disposals	-	(19)	(850)	-	(869)
Transfers	-	1,759	875	(2,113)	521
At 31 December 2013	44,000	11,582	2,925	160	58,667
Acquisitions	-	-	126	170	296
Disposals	-	(522)	-	-	(522)
Transfers	-	181	144	(129)	196
At 31 December 2014	**44,000**	**11,241**	**3,195**	**201**	**58,637**
Amortisation and impairment					
At 1 January 2013	4,400	9,027	1,553	-	14,980
Amortisation for the year	-	369	607	-	976
Disposals	-	(15)	(850)	-	(865)
Transfers	-	-	104	-	104
At 31 December 2013	4,400	9,381	1,414	-	15,195
Amortisation for the year	-	485	519	-	1,004
Disposals	-	(518)	-	-	(518)
At 31 December 2014	**4,400**	**9,348**	**1,933**	**-**	**15,681**
Net book value					
At 1 January 2013	39,600	779	1,311	2,116	43,806
At 31 December 2013	39,600	2,201	1,511	160	43,472
At 31 December 2014	**39,600**	**1,893**	**1,262**	**201**	**42,956**

Notes *(continued)*

11 Intangible fixed assets *(continued)*

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

The development costs are all internally developed. All other intangible fixed assets are externally purchased.

The goodwill relates to the trade and assets of Merloni Domestic Appliances Limited acquired in 2003.

The asset was subjected to an impairment test as at 31 December 2014. The test performed did not identify the need to adjust the carrying value of the asset.

12 Investment in subsidiary

On 1 February 2009 the Company transferred its commercial and service operations in The Republic of Ireland to a new company, Indesit Ireland Limited, registered in The Republic of Ireland. The Company holds 100% of the ordinary shares in the company.

	2014	2013
	£000	£000
Indesit Ireland Limited	**1,726**	1,726

13 Non-current receivables

	2014	2013
	£000	£000
Receivables from Group undertakings	**82,663**	120.594
Other receivables	**269**	269
Total non-current receivables	**82,932**	120.863

The receivables from group undertakings are expected to be recovered in a period of greater than 1 year.

The non-current receivables from Group undertakings relate to: a loan held with Indesit Company UK Holdings Limited of £81,395,000 *(2013: £87,122,000)*, receivables with General Domestic Appliances Holdings Limited of £1,017,000 *(2013: £33,221,000)* and receivables with Merloni Domestic Appliances Limited of £251,000 *(2013: £251,000)*.

Notes *(continued)*

14 Deferred tax

Deferred tax assets and liabilities and the related changes during the year are analysed in the following table:

	Balance at 1 Jan 2014	Charge in income statement	Debit in equity	**Balance at 31 Dec 2014**
	£000	£000	£000	**£000**
Deferred tax assets				
Derivatives	-	-	99	**99**
Defined benefit pensions asset	6,325	(1,250)	3,517	**8,592**
Long service awards (Jubilee scheme)	377	39	-	**416**
Accelerated capital allowances	252	(26)	-	**226**
Short term timing differences	-	388	-	**388**
	6,954	(849)	3,616	**9,721**
Deferred tax liabilities				
Enhanced R&D revenue deductions	-	(252)	-	**(252)**
Industrial building allowances	-	(227)	-	**(227)**
	-	(479)	-	**(479)**
Net total	6,954	(1,328)	3,616	**9,242**

15 Inventories

	2014	2013
	£000	£000
Finished products	**32,674**	28,701
Spare parts	**9,897**	10,416
Raw materials	**5,162**	4,248
Total gross inventories	**47,733**	43,365
Provisions	**(1,588)**	(2,058)
Total net inventories	**46,145**	41,307

The difference between the purchase price or production cost of finished goods and their replacement cost is not considered to be material.

Notes *(continued)*

16 Trade and other receivables

Trade receivables comprise amounts due from customers as a result of commercial transactions and the provision of services, stated net of provisions for bad debts.

	2014 £000	2013 £000
Trade receivables due from Group undertakings (see note 33)	61,843	30,049
Trade receivables	46,545	25,627
Total trade receivables	108,388	55,676
Less: provisions for bad debts	(714)	(851)
	107,674	54,825
Other receivables	1,946	2,463
Total trade and other receivables	109,620	57,288

17 Current financial assets

	2014 £000	2013 £000
Derivatives used for hedging	2,801	3,116
Interest on cash deposits	51	131
Interest on loan from other Group undertaking (see note 33)	882	955
Total due from current financial assets	3,734	4,202

18 Due from tax authorities

	2014 £000	2013 £000
Corporation tax receivable	-	90

Notes *(continued)*

19 Cash and cash equivalents

Cash and cash equivalents include bank, postal deposits and cash deposits with other Indesit Group subsidiaries as well as cheques and other amounts on hand. The changes in liquidity during the year are analysed in the statement of cash flows.

	2014 £000	2013 £000
Cash and cash equivalents	19,198	60,553
Cash deposits held by Indesit Group treasury function	210,445	120,913
Total cash and cash equivalents	229,643	181,466

20 Share capital

Allotted, called up and fully paid	2014 £000	2013 £000
76,195,645 Ordinary shares of £1 each	76,196	76,196

21 Medium to long-term financial payables

	2014 £000	2013 £000
Loans from UK Group undertakings (see note 33)	-	66,314

Loans include accrued interest charges of £nil *(2013: £36,002,000)*.

Long term loan analysis	**Interest rate**	**2014** Loan £000	Interest £000	Total £000	2013 Loan £000	Interest £000	Total £000
Amounts outstanding							
Loan from General Domestic Appliances Holdings Limited	4.6%	-	-	-	30,312	36,002	66,314
Total loans		-	-	-	30,312	36,002	66,314

The loan and accrued interest with General Domestic Appliances Holdings Limited, the immediate parent company, was repaid in full on 30 April 2014.

22 Contingent liabilities

There are no contingent liabilities that the directors are aware of at either balance sheet date.

Notes *(continued)*

23 Employee benefits

The Company operated a wholly funded defined benefit pension funds. However the UK scheme is now closed to future accruals.

	2014 £000	2013 £000
UK Pension scheme	42,961	31,626
Long service awards (Jubilee award scheme)	2,080	1,884
Total employee benefit liabilities	45,041	33,510

UK pension scheme

Movement in deficit /(surplus) during the year

	2014 £000	2013 £000
Present value of defined benefit obligations	325,176	288,144
Fair value of plan assets	(282,215)	(256,518)
Present value of net obligations	42,961	31,626
Non-current liability recognised	42,961	31,626

Movements in present value of defined benefit obligation

	2014 £000	2013 £000
At 1 January	288,144	274,251
Interest cost	13,325	12,132
Benefits paid from plan assets	(9,287)	(9,360)
Actuarial losses	32,994	11,121
At 31 December	325,176	288,144

Notes *(continued)*

23 Employee Benefits *(continued)*

UK Pension scheme

Movements in fair value of plan assets

	2014 £000	2013 £000
At 1 January	256,518	250.853
Expected return on plan assets	15,407	(3.325)
Interest income	12,011	11.238
Contributions by employer	7,566	7,112
Benefits paid from plan assets	(9,287)	(9,360)
At 31 December	282,215	256,518

Expenses and income recognised in the income statement

	2014 £000	2013 £000
Interest on defined benefit pension plan obligation	13,325	12,132
Expected return on defined benefit plan assets	(12,011)	(11.238)
Total	1,314	894

The expense recognised in the following line items in the income statement is as follows

	2014 £000	2013 £000
Net financial charges	1,314	894

Actuarial loss pension scheme

	2014 £000	2013 £000
Defined benefit obligation (Actuarial Loss)	32,994	11.121
Fair value of plan assets (Expected return)	(15,407)	3,325
Actuarial loss	17,587	14,446
Deferred tax	(3,517)	(2.967)
Actuarial loss pension scheme	14,070	11,479

Notes *(continued)*

23 Employee Benefits *(continued)*

UK Pension scheme *(continued)*

The fair value of the plan assets and the return on these assets were as follows:

	2014 £000	2013 £000
Diversified growth funds	**191,192**	181,874
Corporate bonds	**9,952**	8,295
Liability driven investments	**80,459**	66,349
Cash and cash equivalents	**612**	-
	282,215	256,518
Actual return on plan assets	**27,418**	7,913

The expected rates of return on plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages):

	2014	2013
Discount rate	**3.70%**	4.70%
Inflation rate (CPI)	**2.00%**	2.40%
Salary increases	**3.00%**	3.40%
Mortality		
Male life expectancy at age 60 (in years)	**25.9 years**	25.3 years
Male life expectancy at age 60 (currently age 40) (in years)	**27.4 years**	27.3 years

The history of the plans for the current and prior periods as follows:

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Present value of defined benefit obligation	**325,176**	288,144	274,251	279,815	275,840
Fair value of plan assets	**(282,215)**	(256,518)	(250,853)	(227,246)	(222,571)
Deficit	**42,961**	31,626	23,398	52,569	53,269

Notes *(continued)*

23 Employee Benefits *(continued)*

UK Pension scheme *(continued)*

Experience adjustments

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Experience adjustments on plan assets	-	-	11,641	(10,274)	12,412
Experience adjustments on plan assets as a % of plan assets	-	-	4.6%	(4.5%)	5.6%
Experience adjustments on plan liabilities	-	-	-	-	15,259
Experience adjustments on plan liabilities as a % of plan assets	-	-	-	-	5.5%
Experience adjustments	-	-	11,641	(10,274)	27,671

The company expects to contribute approximately £7.5M to its defined benefit plan in the next financial year.

The Company has not recognised an additional liability in accordance with IFRIC 14 as the potential IAS 19R surplus of £5.0m arising from the committed payments is deemed recoverable. The Company has also adopted a policy of not recognising a deferred tax asset of £2.9m from the timing difference relating to the Minimum Funding Requirement until the refund arises.

Defined contribution plans

The Company also operates the following defined contribution schemes with the assets held independently:

- Zurich defined contribution scheme for ex members of the wholly funded defined benefit pension scheme.
- Zurich "2013" contribution scheme.
- The "Peoples Pension" which is an auto enrolment scheme managed by B&CE.

The total expense relating to the plan in the current year was £2,335,000 *(2013: £1,924,000)*.
At the year end outstanding contributions amounted to £nil *(2013:£nil)*.

Jubilee and Retirement Award schemes

The directors have estimated the provision required for the retirement award scheme at £2.1M *(2013: £1.9M)* based on the estimated number of staff who will remain with the Company for the requisite period of 25 and 40 years.

Notes *(continued)*

24 Provisions for risks and charges

Non-current risks and charges

	Balance at 1 Jan 14 £000	Charge to income statement £000	Utilisation of provision £000	Reclass-ification £000	Net £000	Balance at 31 Dec 2014 £000
Warranty provision	90	510	(250)	(240)	20	110
Other risk provision	470	(470)	-	-	(470)	-
Total provision	560	40	(250)	(240)	(450)	110

Current risks and charges

	Balance at 1 Jan 14 £000	Charge to income statement £000	Utilisation of provision £000	Reclass-ification £000	Net £000	Balance at 31 Dec 2014 £000
Product liability provision	21,883	10,935	(7,450)	-	3,485	25,368
Warranty provision	5,810	540	-	240	780	6,590
Other risk provision	261	(119)	(142)	-	(261)	-
Employee liability	696	101	(318)	-	(217)	479
Reorganisation provision	254	-	(91)	-	(91)	163
Total provisions	28,904	11,457	(8,001)	240	3,696	32,600

The product liability provision represents the expected liability of damages caused by faulty products not covered by insurance.

The provision for product warranty represents the estimated costs to be incurred for work under warranty on products sold. Th provision is determined with reference to the call rate for the products still under warranty cover, the period of time between sel in and sell out (start of the warranty period) and the average unit cost of the work performed. The provision is calculated witl reference to the expected time distribution of the work to be performed.

The employee liability provision is a provision for known claims on the company by previous employees for industrial diseases.

The reorganisation provision is for the restructuring of the Peterborough site.

Notes *(continued)*

25 Non-current other payables

	2014 £000	2013 £000
Group tax relief payable (see note 33)	16,340	14.054
Deferred rent payable	1,908	-
Total financial payables	18,248	14.054

The group tax relief payables are expected to be paid in a period of greater than 1 year to Indesit Company UK Holdings Limited of £14,975,000 *(2013: £12,689,000)* and General Domestic Appliances Holdings Limited of £1,365,000 *(2013: £1,365,000)*.

26 Financial payables

	2014 £000	2013 £000
Liability from the measurement of derivative instruments	9,572	3,181
Payable to factor	827	135
Interest and currency commission payable	490	64
Total financial payables	10,889	3,380

27 Trade payables

Trade payables comprise all the amounts due for the purchase of goods and services from the Company's suppliers. All payables fall due within one year. No amounts have been discounted.

	2014 £000	2013 £000
Trade payables to Group undertakings (see note 33)	190,967	98.946
Other trade payables	61,477	57.727
Total trade payables	252,444	156.673

28 Due to tax authorities

	2014 £000	2013 £000
Corporation tax payable	3,969	3,440
VAT payable	21,919	18.259
Taxes withheld from employees	1,748	1.663
Total due to tax authorities	27,636	23,362

Notes *(continued)*

29 Other payables

Other payables are analysed as follows:

	2014 £000	2013 £000
Due to social security and pensions institutions	**511**	376
Due to employees	**3,585**	2,832
Other payables	**107**	512
Total other payables	**4,203**	3,720

30 Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount 2014 £000	2013 £000
Non-current receivables	*13*	82,932	120,863
Trade and other receivables	*16*	109,620	57,288
Cash and cash equivalents	*19*	229,643	181,466
Interest receivable	*17*	933	1,086
Forward exchange contracts used for hedging:			
- Options	*17*	-	2,149
Other forward exchange contracts:			
- Forwards	*17*	2,801	967
		425,929	363,819

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Note	Carrying amount 2014 £000	2013 £000
United Kingdom		**46,659**	25,766
Euro-zone countries		**61,542**	26,568
Other European countries		**173**	3,339
Other regions		**14**	3
	16	**108,388**	55,676

Notes *(continued)*

30 Financial instruments *(continued)*

Credit risk *(continued)*

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Note	Carrying amount 2014 £000	2013 £000
Appliances		**98,158**	47,241
Service		**10,230**	8,435
	16	**108,388**	55,676

The ageing of trade receivables at the reporting date was:

	Note	Gross 2014 £000	Impairment 2014 £000	Gross 2013 £000	Impairment 2013 £000
Not past due		**43,284**	**98**	18,671	-
Past due 0-30 days		**2,503**	**-**	4,145	-
Past due 31-120 days		**299**	**89**	1,271	204
Past due 121-365 days		**296**	**377**	942	481
More than one year		**163**	**150**	598	166
		46,545	**714**	25,627	851
Trade receivables from Group		**61,843**	**-**	30,049	-
	16	**108,388**	**714**	55,676	851

The impairment is made against the debt invoiced to the customer and is not reduced by credits not agreed with the customer.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2014 £000	2013 £000
Balance at 1 January	**851**	750
Charge to the income statement in the year	**23**	330
Utilised in the year	**(160)**	(229)
Balance at 31 December	**714**	851

Notes *(continued)*

30 Financial instruments *(continued)*

Liquidity risk

The following are the contractual maturities of financial liabilities:

31 December 2014

	Note	Carrying Amount £000	Contractual cash flows £000	1 year or less £000	More than 1 year £000
Non-derivative financial liabilities					
Loans from UK Group undertakings	21	-	-	-	-
Non-current other payables	25	18,248	(18,248)	-	(18,248)
Trade and other payables	27	252,444	(252,444)	(252,444)	-
Derivative financial liabilities					
Forward exchange contracts used for hedging:					
- Inflow	17	-	-	-	-
Other forward exchange contracts:					
- Inflow	17	(2,801)	2,801	2,801	-
		267,891	(267,891)	(249,643)	(18,248)

31 December 2013

	Note	Carrying Amount £000	Contractual cash flows £000	1 year or less £000	More than 1 year £000
Non-derivative financial liabilities					
Loans from UK Group undertakings	21	66,314	(66,314)	-	(66,314)
Non-current other payables	25	14,054	(14,054)	-	(14,054)
Trade and other payables	27	156,673	(156,673)	(156,673)	-
Derivative financial liabilities					
Forward exchange contracts used for hedging:					
- Inflow	17	(967)	967	967	-
Other forward exchange contracts:					
- Inflow	17	(2,149)	2,149	2,149	-
		233,925	(233,925)	(153,557)	(80,368)

Notes *(continued)*

30 Financial instruments *(continued)*

Currency risk

The Company's exposure to foreign currency risk is as follows based on notional amounts:

31 December 2014

	Note	**Total £000**	**GBP £000**	**EUR £000**	**USD £000**
Trade receivables	*16*	**108,388**	61,457	46,930	1
Trade payables	*27*	**(252,444)**	(41,787)	(207,615)	(3,042)
		(144,056)	19,670	(162,594)	(3,041)

31 December 2013

	Note	Total £000	GBP £000	EUR £000	USD £000
Trade receivables	*16*	55,676	25,596	30,042	38
Trade payables	*27*	(156,673)	(39,187)	(115,743)	(1,743)
		(100,997)	(13,591)	(85,701)	(1,705)

The following significant exchange rates applied during the year:

	Average rate		**Spot rate**	
	2014	**2013**	**2014**	**2013**
EUR	**1.24**	1.18	1.18	1.20
USD	**1.65**	1.57	1.57	1.65

Notes *(continued)*

30 Financial instruments *(continued)*

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Note	31 December 2014 Carrying Amount £000	Fair Value £000	31 December 2013 Carrying Amount £000	Fair Value £000
Non-current receivables	*13*	82,932	82,932	120,863	120,863
Trade and other receivables	*16*	109,620	109,620	57,288	57,288
Cash and cash equivalents	*19*	229,643	229,643	181,466	181,466
Current financial assets	*17*	3,734	3,734	4,202	4,202
Loans from group Companies	*21*	-	-	(64,314)	(64,314)
Non-current other payables	*25*	(18,248)	(18,248)	(14,054)	(14,054)
Trade payables	*27*	(252,444)	(252,444)	(156,673)	(156,673
		155,237	155,237	128,778	128,778

31 Staff numbers and costs

The average number of persons employed by the Company (including executive directors) during the year, analysed by category is as follows:

	2014 Number	2013 Number
Number of employees		
Manufacturing	235	235
Service	1,380	1,359
Distribution	431	428
Administration and research and development	224	230
	2,270	2,252

The aggregate payroll costs of these persons were as follows:

	2014 £000	2013 £000
Staff costs		
Wages and salaries	62,787	60,179
Social security costs	5,986	5,750
Other pension costs	2,335	1,924
	71,108	67,853

Notes *(continued)*

32 Remuneration of management

	2014	2013
	£000	£000
Directors emoluments	**579**	1,010
Other benefits	**132**	120
	711	1,130

There were no company pension contributions made during the year *(2013: £nil)*.

The amount paid to the highest paid director in 2014 was £480,000 directors emoluments and £94,000 other benefits *(2013: £387,000 directors emoluments and £58,000 other benefits)*. The highest paid director exercised 3,891 share options in Indesit Company S.p.A during the year *(2013 – nil)*.

33 Transactions with related parties

The Company which is incorporated in England and Wales is controlled by General Domestic Appliances Holdings Limited, by virtue of its holdings of 100% of the voting share capital of the Company at the balance sheet date.

The Company's ultimate controlling party is the Whirlpool Corporation, a company incorporated in the state of Delaware in the United States of America.

Transactions with companies within the Whirlpool Corporation Group are as follows

- Indesit Company S.p.A. At the year end the debtor balance amounted to £59,016,000 (*2013: £10,051,000*) and the creditor amounted to £189,007,000 (*2013: £36,088,000*). Transactions during the year were as follows: sales of £50,105,000 (*2013: £17,322,000*) purchases of £394,336,000 (*2013: £115,253,000*).

- Indesit Electrodomesticos S.A. At the year end the debtor balance amounted to £nil (*2013: £343,000*) and the creditor amounted to £nil (*2013: £nil*). Transactions during the year were as follows: sales of £548,000 (*2013: £2,666,000*) and purchases of £nil (*2013: £nil*).

- Indesit Company Portugal Electrodomesticos S.A. At the year end the debtor balance amounted to £nil (*2013: £1,218,000*) and the creditor amounted to £nil (*2013:£nil*). Transactions during the year were as follows: sales of £463,000 (*2013: £1,718,000*) purchases of £nil (*2013: £nil*).

- Indesit Company France S.A. At the year end the debtor balance amounted to £nil (*2013:* £4,862,000) and the creditor amounted to £3,000 (*2013: £3,000*). Transactions during the year were as follows: sales of £3,110,000 (*2013:* £13,608,000) purchases of £nil (*2013: £nil*).

- Indesit Company Beyaz Esya Sanayi vê Ticaret AS. At the year end the debtor balance amounted to £13,000 (*2013:* £913,000) and the creditor amounted to £99,000 (*2013: £69,000*). Transactions during the year were as follows: sales of £37,000 (*2013: £378,000*) purchases of £191,000 (*2013: £2,000*).

- Indesit Company Beyaz Esya Pazarlama AS. At the year end the debtor balance amounted to £79,000 (*2013: £61,000*) and the creditor amounted to £nil (*2013:* £10,286,000). Transactions during the year were as follows: sales of £nil (*2013: £nil*) purchases of £9,822,000 (*2013: £54,071,000*).

- Indesit Company Polska Spzoo. At the year end the debtor balance amounted to £61,000 (*2013: £4,198,000*) and the creditor amounted to £735,000 (*2013: £51,420,000*). Transactions during the year were as follows: sales of £445,000 (*2013: £1,836,000*) purchases of £1,492,000 (*2013: £199,765,000*).

Notes *(continued)*

33 Transactions with related parties *(continued)*

- Indesit Company International Business S.A. At the year end the debtor balance amounted to £nil (*2013: £2,365,000*), the creditor amounted to £702,000 (*2013: £1,057,000*), a cash deposit held of £210,445,000 *(2013: £120,913,000)*, a current financial receivable of £51,000 *(2013: £131,000)* and a financial payable of £490,000 *(2013: £64,000)*. Transactions during the year were as follows: sales of £754,000 (*2013: £6,345,000*) purchases of £4,084,000 (*2013: £nil*).

- Indesit Company International BV. At the year end the debtor balance amounted to £nil (*2013: £49,000*) and the creditor amounted to £nil (*2013: £nil*). Transactions during the year were as follows: sales of £nil (*2013: £192,000*) purchases of £nil (*2013: £nil*).

- Indesit Argentina S.A. At the year end the debtor balance amounted to £1,000 (*2013: £1,000*) and the creditor amounted to £nil (*2013: £nil*). Transactions during the year were as follows: sales of £nil (*2013: £1,000*) purchases of £nil (*2013: £nil*).

- Indesit Company Magyarorszag Kft. At the year end the debtor balance amounted to £nil (*2013: £45,000*) and the creditor amounted to £nil (*2013: £nil*). Transactions during the year were as follows: sales of £15,000 (*2013: £123,000*) purchases of £nil (*2013: £nil*).

- Indesit Company Ireland Ltd. At the year end the debtor balance amounted to £nil (*2013: £4,279,000*) and the creditor amounted to £421,000 (*2013: £23,000*). Transactions during the year were as follows: sales of £3,333,000 (*2013: £9,256,000*) purchases of £52,000 (*2013: £214,000*).

- Indesit Company Deutschland Gmbh. At the year end the debtor balance amounted to £nil (*2013: £410,000*) and the creditor amounted to £nil (*2013: £nil*). Transactions during the year were as follows: sales of £651,000 (*2013: £2,793,000*) purchases of £nil (*2013: £nil*).

- Indesit Company SPA R.F.NL.Tiel. At the year end the debtor balance amounted to £nil (2013: £703,000) and the creditor amounted to £nil *(2013: £nil)*. Transactions during the year were as follows: sales of £nil *(2013: £2,361,000)* purchases of £nil *(2013:£nil)*.

- Indesit Company Domestic Appliances Hellas Mepe. At the year end the debtor balance amounted to £nil *(2013: £26,000)* and the creditor amounted to £nil *(2013: £nil)*. Transactions during the year were as follows: sales of £nil *(2013: £26,000)* purchases of £nil *(2013: £nil)*.

- Indesit Company UK Holdings Limited. At the year end the debtor balance amounted to £218,000 *(2013: £234,000)*, creditor amounted to £nil *(2013: £nil)*, a non current receivable of £81,395,000 *(2013: £87,122,000)*, a current financial asset receivable of £882,000 (2013:£955,000) and a non-current other payable of £14,975,000 *(2013: £12,689,000)*. Transactions during the year were as follows: sales of £nil *(2013: £5,000)* purchases of £nil *(2013: £nil)*.

- General Domestic Appliances Holdings Limited. At the year end the debtor balance amounted to £2,455,000 *(2013: £292,000)*, the creditor amounted to £nil *(2013: £nil)*, a non current receivable of £1,017,000 *(2013: £33,221,000)*, a medium to long term financial payable of £nil *(2013: £66,314,000)* and a non-current other payable of £1,365,000 *(2013: £1,365,000)*. Transactions during the year were as follows: sales of £nil *(2013: £292,000)* purchases of £nil *(2013: £nil)*.

- Merloni Domestic Appliances Limited. At the year end the non current receivable amounted to £251,000 *(2013: £251,000)*.

Notes *(continued)*

34 Ultimate Parent Company

The Company is a subsidiary undertaking of General Domestic Appliances Holdings Limited which is the immediate parent company, incorporated in England and Wales. The ultimate parent undertaking and ultimate controlling party is Whirlpool Corporation.

The smallest group in which the results of the Company are consolidated is that headed by General Domestic Appliances Holdings Limited. These consolidated financial statements are available to the public and may be obtained from Companies House, Crown Way, Cardiff.

The largest group in which the results of the Company are consolidated is that of Whirlpool Corporation, a company incorporated in the state of Delaware in the United States of America. Copies of the consolidated financial statements of Whirlpool Corporation are available from www.whirlpool.com