

# **Jarden Consumer Solutions (Europe) Limited**

## **Annual Report for the year ended 31 December 2015**

**Registered Number: 00713656**

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# Jarden Consumer Solutions (Europe) Limited

## Annual Report for the year ended 31 December 2015

### Contents

Directors and advisers for the year ended 31 December 2015	1
Director's report for the year ended 31 December 2015	2
Strategic report for the year ended 31 December 2015	4
Independent auditors' report to the members of Jarden Consumer Solutions (Europe) Limited	7
Statement of Comprehensive Income for the year ended 31 December 2015	9
Balance Sheet as at 31 December 2015	10
Statement of Changes in Equity for the year ended 31 December 2015	11
Accounting policies	12
Notes to the financial statements for the year ended 31 December 2015	19

# **Jarden Consumer Solutions (Europe) Limited**

## **Directors and advisers for the year ended 31 December 2015**

### **Directors**

Richard Sansone

John Capps (Resigned on 15 April 2016)

### **Secretary**

Quayseco Limited

### **Independent Auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

### **Solicitors**

Burgess Salmon LLP

1 Glass Wharf

Bristol

BS2 0ZX

### **Registered Office**

5400 Lakeside

Cheadle Royal Business Park

Cheadle, Cheshire

United Kingdom

SK8 3GQ

### **Registered Number**

00713656

# **Jarden Consumer Solutions (Europe) Limited**

## **Director's report for the year ended 31 December 2015**

The director presents his report and the audited financial statements of Jarden Consumer Solutions (Europe) Limited (the "Company") for the year ended 31 December 2015.

### **Future developments**

An indication of the likely future developments of the business is included in the Strategic report on page 4.

### **Political contributions**

There were no political donations during the year (31 December 2014: £nil).

### **Dividends**

In the year the Company proposed and paid dividends totalling £nil (31 December 2014: £14,598,784).

### **Financial risk management**

Financial risk management is described in the Strategic report on page 5.

### **Directors and their interests**

The directors of the Company who held office during the year and up to the date of signing of the financial statements were:

Richard Sansone  
John Capps (Resigned on 15 April 2016)

### **Director's indemnities**

The Company maintained throughout the year, and at the date of approval of the financial statements, third party liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

### **Statement of director's responsibilities**

The director is responsible for preparing the Strategic report, Director's report and the financial statements in accordance with applicable law and regulations.

# Jarden Consumer Solutions (Europe) Limited

## Directors' report for the year ended 31 December 2015 (continued)

### Statement of director's responsibilities (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

### Statement of disclosure of information to auditors

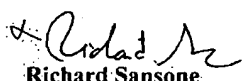
In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006 the following applies:

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

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### On behalf of the Board

  
Richard Sansone

Director

Date: 27 September 2016

Registered number: 00713656

# **Jarden Consumer Solutions (Europe) Limited**

## **Strategic report for the year ended 31 December 2015**

The director presents his Strategic report on the Company for the year ended 31 December 2015.

### **Principal activities**

The principal activity of the Company during the year was the sale of small domestic appliances.

### **Review of the business**

Despite continued challenging economic and market conditions, the focus of the company continued to be to seek to improve margins and to continue to invest in its brands and new product development. Breville, the company's core brand, continued to perform well and hold high market share, with particular growth in personal blending. The company's haircare business, under the Nicky Clarke Electric brand, continued to perform in line with expectations. The company's other main brands, FoodSaver and Crockpot continued to show growth in their respective market areas. It is anticipated that tough economic conditions and exchange rate volatility will prevail throughout 2016 but the Group is well positioned to deal with that scenario.

Operating profit before exceptional items was £5,777,000 compared to £4,646,000 in the prior year and net assets were £21,552,000 compared to £16,422,000 in the prior year, the increase is as a result of the profit for the year with no dividends paid in the current year (2014: £14,599,000).

The Senior Management meets on a monthly basis and as part of their role considers the principal risks and uncertainties facing the Company. These risks are broadly grouped as non financial risk, being mainly competitor risk, and financial risks, being mainly price risk, currency risk, credit risk and liquidity risk. With regard to financial risk the main risk is foreign exchange risk and this is managed via a hedging policy and entering into forward exchange contracts in line with this policy.

### **Exceptional Items**

There were no exceptional items in the year ended 31 December 2015 (2014: £775,000).

### **Non-financial risks**

The Company competes with other well known high street brands and consequently looks to mitigate the risk of losing trade through constant innovation of its existing products, maintaining the high standard of goods sold and by bringing new products into the marketplace.

## **Jarden Consumer Solutions (Europe) Limited**

### **Financial risk management**

The Company's operations expose it to a variety of financial risks that include foreign exchange risk, price risk, credit risk and liquidity risk.

- **Price risk**

The Company is exposed to pricing volatility due to a mix of economic factors on products purchased from overseas. As a result, management maintain a close dialogue with its suppliers and monitors all economic fluctuations to mitigate this risk.

- **Foreign exchange risk**

The majority of the Company's purchases are in foreign currency, and therefore there is a risk of currency losses should exchange rates move adversely through the year. The Board seeks to mitigate this through the use of forward contracts such that a high level of future purchases is hedged.

- **Credit risk**

Credit risk is the risk that a customer defaults on its payment to the Company. The Company mitigates this risk by the use of credit reports, and monitors trade receivables accounts closely. The Company also maintains credit insurance on its debts. Details of the Company's trade receivables are shown in note 12 to the financial statements.

- **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations created by its financial liabilities. The Company mitigates this risk through careful monitoring of daily cash balances and detailed cash forecasting processes, as well as by close control over customers' payment terms and gradual extensions to the terms under which the Company pays its suppliers.

As a subsidiary of Jarden Corporation, a listed company incorporated in the United States of America, further details of Group policies in relation to external financial risks, can be found in the Annual Report and Financial Statements of Jarden Corporation. Copies of the Jarden Corporation financial statements are available from 1800 North Military Trail, Boca Raton, Florida, USA.

### **Future developments**

The company will continue to innovate and promote their products both in the UK and overseas.

Subsequent to the year end, Jarden Corporation completed a merger with Newell Rubbermaid Inc, creating a newly formed company, Newell Brands Inc. On 15 April 2016, Newell Brands therefore became the ultimate parent undertaking.

## Jarden Consumer Solutions (Europe) Limited

### Key performance indicators ("KPIs")

The Company's strategy is one of growth with improved profitability. The directors monitor progress against this strategy by reference to a number of KPIs.

Performance for the year, together with comparative data for the equivalent previous year is set out in the table below:

	31 December 2015	31 December 2014	Definition, method of calculation
Revenue (£'000)	72,511	64,884	
Growth in sales (%)	12%	4%	Year on year sales growth expressed as a percentage.
Revenue per employee (£'000)	604	550	Revenue divided by the average number of employees.

### Environmental Issues

The Company recognises its responsibilities towards environmental issues in respect of the recycling of electrical products, batteries and waste packaging. The Company contributes in accordance with its legal obligations towards the costs of providing facilities for the collection and processing of products at the end of their useful life.

### On behalf of the Board



**Richard Sansone**  
**Director**

**Date:**

27 September 2016



# **Jarden Consumer Solutions (Europe) Limited**

## **Independent auditors' report to the members of Jarden Consumer Solutions (Europe) Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Jarden Consumer Solutions (Europe) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

The financial statements, included within the Annual Report for the year ended 31 December 2015 (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# **Jarden Consumer Solutions (Europe) Limited**

## **Independent auditors' report to the members of Jarden Consumer Solutions (Europe) Limited (continued)**

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of director's responsibilities set out on page 2 & 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **What an audit of financial statements involves**

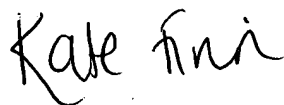
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both:

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Kate Finn (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
28 September 2016

## Jarden Consumer Solutions (Europe) Limited

### Statement of Comprehensive Income for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Revenue	1	72,511	64,884
Cost of sales		(43,647)	(40,451)
<b>Gross profit</b>		<b>28,864</b>	<b>24,433</b>
Distribution costs			
Administrative expenses before exceptional items		(23,087)	(19,787)
Exceptional items	22	-	775
Administrative expenses		(23,087)	(19,012)
<b>Operating profit</b>	2	<b>5,777</b>	<b>5,421</b>
Finance income	6	658	2,031
Finance costs	6	(3)	(89)
Net finance income		655	1,942
Income from shares in group undertaking	10	-	2,471
<b>Profit before income tax</b>		<b>6,432</b>	<b>9,834</b>
Income tax expense	7	(1,275)	(1,023)
<b>Profit for the financial year</b>		<b>5,157</b>	<b>8,811</b>
<b>Total comprehensive income for the year</b>		<b>5,157</b>	<b>8,811</b>

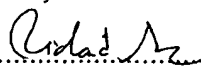
All amounts relate to continuing operations.

# Jarden Consumer Solutions (Europe) Limited

## Balance Sheet as at 31 December 2015

	Notes	31 December 2015 £'000	31 December 2014 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	8	801	1,358
Property, plant and equipment	9	1,509	1,618
Investments	10	48	48
		<b>2,358</b>	<b>3,024</b>
<b>Current assets</b>			
Inventories	11	11,156	9,273
Trade and other receivables	12	26,486	24,991
Cash and cash equivalents		2,928	2,788
		<b>40,570</b>	<b>37,052</b>
<b>Total assets</b>		<b>42,928</b>	<b>40,076</b>
<b>EQUITY AND LIABILITIES</b>			
Ordinary shares	17	10,722	10,722
Retained earnings		10,830	5,700
<b>Total equity</b>		<b>21,552</b>	<b>16,422</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions for other liabilities and charges	15	1,889	2,185
		<b>1,889</b>	<b>2,185</b>
<b>Current liabilities</b>			
Trade and other payables	13	19,487	21,469
		<b>19,487</b>	<b>21,469</b>
<b>Total liabilities</b>		<b>21,376</b>	<b>23,654</b>
<b>Total equity and liabilities</b>		<b>42,928</b>	<b>40,076</b>

The financial statements on pages 9 to 29 were approved by the Director on <sup>27 September 2016</sup> [Date] and were signed on its behalf by:

✓   
**Richard Sansone**  
 Director

**Jarden Consumer Solutions (Europe) Limited**  
 Registered Number: 00713656

# Jarden Consumer Solutions (Europe) Limited

## Statement of Changes in Equity for the year ended 31 December 2015

	Notes	Share Capital £'000	Retained earnings £'000	Total £'000
Balance as at 1 January 2014	17&23	10,722	11,488	22,210
Profit for the year			8,811	8,811
Total comprehensive income for the year			8,811	8,811
Dividends	14		(14,599)	(14,599)
Total transactions with owners, recognised directly in equity				
Balance as at 31 December 2014		10,722	5,700	16,422
Profit for the year			5,157	5,157
Total comprehensive income for the year			5,157	5,157
Dividends	14			
Taxation related to items recognised directly in equity			(27)	(27)
Total transactions with owners, recognised directly in equity	7		(27)	(27)
Balance as at 31 December 2015		10,722	10,830	21,552

# Jarden Consumer Solutions (Europe) Limited

## Accounting policies

### General Information

Jarden Consumer Solutions (Europe) Limited is a private company limited by shares and it is incorporated in United Kingdom. The address of its registered office is 5400 Lakeside, Cheadle Royal Business Park, Cheadle Cheshire, United Kingdom, SK8 3GQ. The Company's registered number is 00713656.

The principal activity of the Company is the sale of small domestic appliances.

### Statement of compliance

The individual financial statements of Jarden Consumer Solutions (Europe) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The Company has also early adopted the Amendments to FRS 102 (issued in July 2015).

### Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified to include certain financial assets and liabilities measured at fair value through profit or loss. This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 was 1 January 2014. Details of the transition to FRS 102 are disclosed in note 23.

The Company has chosen to apply paragraph 1A (2) of Schedule 1 to the Companies Regulations and adapt the statement of comprehensive income format and terminology to comply with Section 5 of FRS 102 (issued in July 2015). The Company has also chosen to apply paragraph 1A (1) of Schedule 1 to adapt the balance sheet format and terminology to comply with Section 4 of FRS 102 (issued in July 2015).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the accounting policy 'Critical accounting judgements and estimation uncertainty'.

#### b) Going concern

The Director has prepared these financial statements on a going concern basis after assessing the expected consolidated budgeted performance of the Company out to a period of no less than 12 months from the date on which these financial statements have been signed.

#### c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Jarden Consumer Solutions (Europe) Limited is a qualifying entity as its results are consolidated into the financial statements of Jarden Corporation which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102

# **Jarden Consumer Solutions (Europe) Limited**

## **Accounting policies (continued)**

### **d) Consolidated financial statements**

As at the balance sheet date the company was a wholly owned subsidiary of Jarden Corporation, a Company incorporated in the United States of America. It is included in the consolidated financial statements of Jarden Corporation which are publicly available. Therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Subsequent to the year end, Jarden Corporation completed a merger with Newell Rubbermaid Inc, creating a newly formed company, Newell Brands Inc. On 15 April 2016, Newell Brands therefore became the ultimate parent undertaking.

These financial statements are the Company's separate financial statements.

### **e) Foreign currency**

#### **(i) Functional and presentation currency**

The Company's functional and presentation currency is the pound sterling.

#### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

### **f) Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts, and rebates allowed by the Company and value added taxes.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable that future economic benefits will flow to the entity.

### **g) Exceptional items**

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company. These are items for which management's judgement need to be disclosed separately by virtue of their size, nature and occurrence.

### **h) Employee benefits**

The Company provides a range of benefits to employees, including defined contribution pension plans.

#### **(i) Short term benefits**

Short term benefits such as non-monetary benefits, are recognised as an expense in the period in which the service is received.

#### **(ii) Defined contribution pension plans**

Contributions to the Company's defined contribution pension scheme are charged to the statement of comprehensive income in the period to which they relate.

### **i) Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

## **Jarden Consumer Solutions (Europe) Limited**

### **Accounting policies (continued)**

Current or deferred taxation assets and liabilities are not discounted.

#### **i) Taxation (continued)**

##### **(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

##### **(ii) Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **j) Intangible assets - goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years, such period being chosen to represent the expected useful economic life of the asset. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the statement of comprehensive income. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

In accordance with Section 35.10(a) of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

#### **k) Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

The principal lives used for this purpose are:

Computers and office equipment

4 years



## Jarden Consumer Solutions (Europe) Limited

### Accounting policies (continued)

#### k) Property, plant and equipment and depreciation (continued)

Tooling equipment	2 years
Leasehold improvements	To the end of the lease
Freehold Buildings	40 years

Repairs, maintenance and minor inspection costs are expensed as incurred.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in statement of comprehensive income and included in 'Administrative expenses'.

#### l) Leases

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### (i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

##### (ii) Lease incentives

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

The Company has taken advantage of the exemption under Section 35.10(p) of FRS 102 in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the statement of comprehensive income over the period to the first review date on which the rent is adjusted to market rates.

#### m) Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit and loss.

If an impairment loss is subsequently reverse, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

#### n) Investments

Investment in subsidiary company is held at cost less accumulated impairment losses.

The Company has taken advantage of the transition exemption under paragraph 35.10(f) of FRS 102 in respect of measurement of investments in subsidiaries on the date of transition to FRS 102 (1 January 2014) and continues to measure investment at their existing carrying value (which is considered to be deemed cost).

## **Jarden Consumer Solutions (Europe) Limited**

### **Accounting policies (continued)**

#### **o) Inventories**

Inventories are stated at the lower of historical cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of comprehensive income. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the statement of comprehensive income.

#### **p) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

#### **q) Provisions for liabilities**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Provisions for the costs incurred with goods returned under warranty are charged against profits when products have been invoiced. Goods are sold with a warranty period of one year from the date of sale and therefore the provision for warranty returns has been classified within current liabilities. The methodology used in the calculation of the provision is disclosed in note 15. The effect of the time value of money is not material and therefore no discount has been applied to the provision.

#### **r) Financial instruments**

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

##### **(i) Financial assets**

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

## **Jarden Consumer Solutions (Europe) Limited**

### **Accounting policies (continued)**

#### **r) Financial Instruments (continued)**

##### **(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk. Derivatives primarily consist of forward foreign exchange contracts which are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The Company does not currently apply hedge accounting for foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **(iii) Offsetting**

Financial assets and liabilities are offset and the net amount presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **s) Critical accounting judgements and estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **- Useful economic lives of tangible assets (Sections 17)**

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of tangible fixed assets and 'property, plant and equipment' policy for the useful economic lives for each class of asset.

## **Jarden Consumer Solutions (Europe) Limited**

### **Accounting policies (continued)**

#### **s) Critical accounting judgements and estimation uncertainty (continued)**

##### *- Warranty provision*

The Company's products are sold under warranty to its customers with a warranty period of 12 months from the date of sale. The provision is calculated using the historical returns rates on a product by product basis.

##### *- Rebates and customer arrangements*

The company offers many customers rebates and promotional incentives in order to encourage trade and form strong relationships. Rebates and promotional spend are recognised as a deduction from revenue over the period of the agreement with the customer. There is a judgement in accounting for these arrangements as an agreement period typically lasts for a number of months or years, and may involve assumptions around volumes of products purchased or sold into the future.

#### **t) Exceptional items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

# Jarden Consumer Solutions (Europe) Limited

## Notes to the financial statements for the year ended 31 December 2015

### 1 Revenue

	31 December 2015 £'000	31 December 2014 £'000
Analysis of revenue by geography:		
United Kingdom	72,500	64,820
Europe	11	64
	<b>72,511</b>	<b>64,884</b>

The directors consider all trading to be within one business i.e. the sale of small domestic appliances. The directors consider that the Company operates in two geographical markets, the UK and Europe and consequently revenue information is provided above on that basis.

### 2 Operating profit

The Company's operating profit of £5,777,000 (31 December 2014: £5,421,000) is stated after charging the following:	Note	31 December 2015 £'000	31 December 2014 £'000
Staff Costs	4	5,375	5,055
Amortisation of goodwill	8	557	557
Depreciation of property, plant and equipment	9	1,170	961
Operating lease costs – plant and machinery		98	101
Operating lease costs – land and buildings		119	120
Auditors' remuneration for statutory audit		81	79
Auditors' remuneration for non-audit services		17	-
Gains on derivative financial instruments	6	(658)	(2,031)
Foreign exchange losses		2,327	817
Impairment of trade receivables		173	3
Impairment of inventory		8	12

### 3 Emolument of Director

The emoluments of the directors are paid by the ultimate parent company which makes no recharge to the Company. The directors are directors of the ultimate parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of the director. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

Given the emoluments are paid by the ultimate parent no retirement benefits accrue to the directors under deferred contribution schemes.

## Jarden Consumer Solutions (Europe) Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 4 Employee costs

Staff costs during the year were as follows:

	31 December 2015 £'000	31 December 2014 £'000
Wages and salaries	4,558	4,371
Social security costs	572	474
Other pension costs	245	210
	<b>5,375</b>	<b>5,055</b>

	31 December 2015 Number	31 December 2014 Number
The average monthly number of persons (including Directors) employed during the year were:		
Warranty and returns	29	33
Selling and distribution	40	35
Administration	51	50
	<b>120</b>	<b>118</b>

#### 5 Pensions

The Company operates a defined contribution pension scheme for the benefit of its employees. The assets in the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge for the year was £245,000 (31 December 2014: £210,000). At the end of the year, there was an accrual outstanding of £32,000 (31 December 2014: £30,000) in relation to such schemes.

#### 6 Finance income and costs

	31 December 2015 £'000	31 December 2014 £'000
Gains on derivative financial instruments	658	2,031
<b>Total finance income</b>	<b>658</b>	<b>2,031</b>
Interest payable on loans from fellow subsidiary companies	(3)	(89)
<b>Total finance costs</b>	<b>(3)</b>	<b>(89)</b>
<b>Net finance income</b>	<b>655</b>	<b>1,942</b>

## Jarden Consumer Solutions (Europe) Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 7 Income tax expense

##### (a) Tax expense included in profit and loss

	Notes	31 December 2015 £'000	31 December 2014 £'000
<i>Current tax</i>			
UK corporation tax on profits for the year		1,231	995
Adjustments in respect of prior periods		(63)	(32)
<b>Total current tax</b>		<b>1,168</b>	<b>963</b>
<i>Deferred tax:</i>			
Accelerated capital allowances / other timing differences	16	52	(1)
Adjustment in respect of prior periods	16	55	33
Impact of changes in tax rates	16	-	28
<b>Total deferred tax</b>	<b>16</b>	<b>107</b>	<b>60</b>
<b>Tax on profit on ordinary activities</b>		<b>1,275</b>	<b>1,023</b>

##### (b) Tax expense included in equity

	Notes	31 December 2015 £'000	31 December 2014 £'000
Current tax		-	-
Deferred tax		27	-
<b>Total tax expense</b>		<b>27</b>	<b>-</b>

##### (c) Reconciliation of tax charge

The tax assessed for the year is **lower** (31 December 2014: lower) to the standard rate of corporation tax in the UK of 20.25% (31 December 2014: 21.49 %) as explained below:

	31 December 2015 £'000	31 December 2014 £'000
Profit on ordinary activities before tax	6,432	9,834
Profit multiplied by the standard rate of tax in the UK of 20.25% (31 December 2014: 21.49 %)	1,302	2,113
Expenses not deductible for taxation purposes	10	250
Income not taxable for tax purposes	-	(555)
Tax rate changes	(2)	(55)
Recognition of previously unrecognised tax losses	-	(729)
Items charged directly to equity	(27)	-
Adjustments in respect of prior periods	(8)	(1)
<b>Total tax charge for the year</b>	<b>1,275</b>	<b>1,023</b>

## Jarden Consumer Solutions (Europe) Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 7 Income tax expense (continued)

##### (d) Factors which may affect future tax charges:

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The overall effect of these changes, if they had applied to the deferred tax balance at the balance sheet date, would be immaterial.

#### 8 Intangible assets

	Notes	Goodwill £'000
<b>Cost at 1 January 2015 and 31 December 2015</b>		<b>5,568</b>
Accumulated amortisation at 1 January 2015		(4,210)
Amortisation provided in the year	2	(557)
<b>Accumulated amortisation at 31 December 2015</b>		<b>(4,767)</b>
<b>Net book value at 31 December 2015</b>		<b>801</b>
Net book value at 31 December 2014		1,358

Goodwill is amortised over 10 years. The directors estimate this to be the period over which benefits may reasonably be expected to accrue.

#### 9 Property, plant and equipment

	Leasehold improvements £'000	Computers, office equipment and tooling £'000	Total £'000
Cost at 1 January 2015	1,028	9,724	10,752
Additions in the year	-	1,061	1,061
<b>At 31 December 2015</b>	<b>1,028</b>	<b>10,785</b>	<b>11,813</b>
Accumulated depreciation at 1 January 2015	(998)	(8,136)	(9,134)
Charge for the year	(1)	(1,169)	(1,170)
<b>At 31 December 2015</b>	<b>(999)</b>	<b>(9,305)</b>	<b>(10,304)</b>
<b>Net book value:</b>			
<b>At 31 December 2015</b>	<b>29</b>	<b>1,480</b>	<b>1,509</b>
At 31 December 2014	30	1,588	1,618



## Jarden Consumer Solutions (Europe) Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 10 Investments

The subsidiary companies in which the Company has an interest are as follows:

	31 December 2015 £'000	31 December 2014 £'000
VIVA (Consumer Products) Limited	48	48
Pulse Home Products (Hong Kong) Limited	-	-
Dirt Devil Limited	-	-
Hinari Limited	-	-
	48	48

The Company owns 100% of the share capital of the above named companies. VIVA (Consumer Products) Limited, Dirt Devil Limited and Hinari Limited are incorporated in England and Wales, with Pulse Home Products (Hong Kong) Limited incorporated in Hong Kong. Hinari Limited and Dirt Devil Limited was however dissolved during the year. The company has a direct holding for each of the above named companies.

During the year ending 31 December 2015, there has been no income from shares in group undertakings (2014: £2,471,000).

#### 11 Inventories

	31 December 2015 £'000	31 December 2014 £'000
Finished goods held for resale	11,074	9,191
Raw materials and consumables	82	82
	11,156	9,273

The amount of stocks recognised as an expense during the year was £44,173,836 (2014: £38,474,019).

The replacement value of inventories does not exceed its current carrying value.

Inventories are stated after provisions for impairment of £134,751 (2014: £142,464).

## Jarden Consumer Solutions (Europe) Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 12 Trade and other receivables

	Note	31 December 2015 £'000	31 December 2014 £'000
Trade receivables		17,288	16,182
Amounts owed by group undertakings		5,735	5,265
Other receivables		304	738
Prepayments and accrued income		621	793
Deferred tax asset	16	1,215	1,349
Derivatives financial instruments		1,323	664
		<b>26,486</b>	<b>24,991</b>

Amounts owed by the group undertakings are non interest bearing and are repayable on demand. Amounts due are unsecured.

Derivative financial instruments relate to forward currency contracts held with group undertakings. The forward currency contracts are measured at fair value with gains (losses) from changes in fair value recognised in profit or loss. The effect on profit for the year ended 31 December 2015 is an increase of £658,000 (2014: £2,031,000) resulting in a net financial asset of £1,323,000 (2014: £664,000) been recognised in the balance sheet as at 31 December 2015. The fair value is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP: USD.

Trade receivables are stated after provisions for impairment of £359,000 (2014: £65,000).

#### 13 Trade and other payables

	31 December 2015 £'000	31 December 2014 £'000
Trade payables	4,966	8,458
Amounts owed to group undertakings	5,951	5,327
Corporation tax	847	509
Taxation and social security	2,942	2,904
Accruals and deferred income	4,781	4,271
	<b>19,487</b>	<b>21,469</b>

Amounts owed by the group undertakings are non interest bearing and are repayable on demand. Amounts due are unsecured.

## Jarden Consumer Solutions (Europe) Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 14 Dividends

	31 December 2015 £'000	31 December 2014 £'000
Dividends Paid:		
£nil (2014: £1.36) per £1 Ordinary share		14,599
<b>Total dividends paid</b>		<b>14,599</b>

#### 15 Provisions for liabilities

##### *Provision for future returns of product under warranty*

	£'000
At 1 January 2015	2,185
Utilised in the year	(4,240)
Additional charges in the year	3,944
<b>At 31 December 2015</b>	<b>1,889</b>

The Company's products are sold under warranty to its customers with a warranty period of 12 months from the date of sale. The provision is calculated using historical returns rates on a product by product basis.

#### 16 Deferred taxation

The Company has recognised and unrecognised deferred tax assets as follow:

		Recognised	
		31 December 2015 £'000	31 December 2014 £'000
	Note		
Accelerated capital allowances		938	882
Other timing differences		(113)	(118)
Losses		390	585
<b>Total Deferred tax</b>		<b>1,215</b>	<b>1,349</b>

At the start of the year		1,349	1,409
Deferred tax credit in the statement of comprehensive income for the year	7	(52)	(27)
Deferred tax charge in equity for the period		(27)	-
Adjustment in respect of prior years	7	(55)	(33)
<b>At the end of the year</b>		<b>1,215</b>	<b>1,349</b>

The net deferred tax asset expected to reverse in 2015 is £1,215k. This primarily relates to the reversal of timing differences on capital allowances and trading losses.

## Jarden Consumer Solutions (Europe) Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 17 Ordinary shares

	Number '000'	31 December 2015 £'000	31 December 2014 £'000
<b>Authorised</b>			
Ordinary shares of £1 each	10,722	10,722	10,722
	<b>10,722</b>	<b>10,722</b>	<b>10,722</b>
<b>Allotted and issued and fully paid</b>			
Ordinary shares of £1 each	10,722	10,722	10,722
	<b>10,722</b>	<b>10,722</b>	<b>10,722</b>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Details of the Company's shareholder are shown in note 20.

#### 18 Operating leases

The Company rents a number of motor vehicles and other items of office equipment through operating leases as well as the sites on which it is based. The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Plant and machinery 31 December 2015 £'000	Plant and machinery 31 December 2014 £'000	Land and buildings 31 December 2015 £'000	Land and buildings 31 December 2014 £'000	Total 31 December 2015 £'000	Total 31 December 2014 £'000
Not later than one year	94	84	109	114	203	198
Later than one year and not later than five years	77	92	179	288	256	380
<b>Total</b>	<b>171</b>	<b>176</b>	<b>288</b>	<b>402</b>	<b>459</b>	<b>578</b>

#### 19 Related party transactions

The Company has taken advantage of the exemptions available under paragraph 33.1A of FRS 102 not to disclose transactions with entities that are part of the Jarden Corporation group by virtue of its status as a 100% owned subsidiary of a parent whose financial statements are consolidated and made publicly available.

## Jarden Consumer Solutions (Europe) Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 20 Controlling parties

The immediate parent undertaking is Vine Mill Limited, a company registered in England and Wales (registered number 06322814). Vine Mill Limited is wholly owned by Pulse Home Products (Holdings) Limited, a company registered in England and Wales (registered number 06322952).

As at 31 December 2015, the ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Jarden Corporation. Copies of the Jarden Corporation consolidated financial statements can be obtained from the Company Secretary at 1800 North Military Trail, Boca Raton, Florida, USA.

Subsequent to the year end, Jarden Corporation completed a merger with Newell Rubbermaid Inc, creating a newly formed company, Newell Brands Inc. On 15 April 2016, Newell Brands therefore became the ultimate parent undertaking.

#### 21 Commitments and contingencies

As at 31 December 2015, the Company had the following commitments and contingencies:

- A memorandum of understanding with UPS Limited to provide haulage and warehousing services for a four year period which is due to expire on 31 March 2019.

The directors have not identified any other commitments or contingencies as at 31 December 2015.

#### 22 Exceptional Items

	31 December 2015 £'000	31 December 2014 £'000
Sale of Brand	-	1,890
Write off of Investment	-	(1,115)
	-	775

During the prior year the company sold the licence to sell the Dirt Devil brand in the UK, resulting in an exceptional gain of £1,890k.

During the prior year the company wrote down its investment in a subsidiary company VIVA (Consumer Products) Limited (VIVA). The rationalisation project resulted in VIVA's retained earnings being paid out via dividend and the write down of £1,114,501 reflected the new lower net assets of VIVA.

There were no exceptional items in the year ended 31 December 2015.

## Jarden Consumer Solutions (Europe) Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 23 Transition note to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial period ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102. The Company has also early adopted the Amendments to FRS 102 (issued in July 2015).

The Company has taken the following transition exemptions in preparing its first financial statements under FRS 102.

- (i) The Company has taken advantage of the transition exemption under paragraph 35.10(f) FRS 102 in respect of measurement of investments in subsidiaries on the date of transition to FRS 102 (1 January 2014) and continues to measure investment at their existing carrying value (which can be considered to be deemed cost).
- (ii) The Company has taken advantage of the transition exemption under paragraph 35.10(p) of FRS 102 to continue to recognise the existing lease incentives at the transition date on the same basis as previous UK GAAP. Under previous UK GAAP operating lease incentives, including rent-free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives be spread over the lease period.
- (iii) The Company has taken advantage of the transition exemption under paragraph 35.10(a) of FRS 102 not to apply section 19 of FRS 102 in respect of business combinations effected prior to the date of transition.

In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided as below:

Reconciliation of profit for the year	Note	31 December 2014
		£'000
Profit for the year as previously reported under UK GAAP		7,186
- Gain on derivative financial instruments	(i)	2,031
- Deferred tax	(ii)	(406)
Profit for the year as reported under FRS 102		<u>8,811</u>

# Jarden Consumer Solutions (Europe) Limited

## Notes to the financial statements for the year ended 31 December 2015 (continued)

### 23 Transition note to FRS 102 (Continued)

Reconciliation of equity	Note	1 January 2014 £'000	31 December 2014 £'000
Total equity as previously reported under UK GAAP		23,304	15,891
- Recognition of derivative financial instruments	(i)	(1,367)	(1,367)
- Gain on derivative financial instruments	(i)	-	2,031
- Deferred tax on foreign exchange contracts	(ii)	273	(133)
Total equity as reported under FRS 102		<u>22,210</u>	<u>16,422</u>

#### Notes to reconciliation

##### (i) Derivative financial instruments

Jarden Consumer Solutions (Europe) Limited was not previously required to recognise derivative financial instruments on the balance sheet. Instead the effects of the derivative financial instruments were recognised in profit or loss when the instruments were settled. Derivative financial instruments are classified as 'other financial instruments' in FRS 102 and are recognised as a financial asset or a financial liability, at fair value, when an entity becomes party to the contractual provisions of the instrument. Consequently financial liabilities of £1,367,000 have been recognised in the opening balance sheet at 1 January 2014. Derivatives are measured to fair value with gains (losses) from changes in fair value recognised in profit or loss. The effect on profit for the year ended 31 December 2014 is an increase of £2,031,000 resulting in net financial assets of £664,000 being recognised in the balance sheet as at 31 December 2014. The effect on profit for the year ended 31 December 2015 is an increase of £658,000 (2014: £2,031,000) resulting in net financial assets of £1,323,000 (2014: £664,000) been recognised in the balance sheet as at 31 December 2015.

##### (ii) Deferred tax

Under FRS 102, deferred tax is recognised on a timing difference plus approach, whereas previous UK GAAP required a timing difference approach. Consequently deferred tax has been recognised on all fair value remeasurements and on all fair value adjustments.