



Company Registration No. 1848144

**BODUM (U.K.) LIMITED**

**Report and Financial Statements**

**31 December 2004**



**BODUM® (UK) LTD**

BODUM (U.K.) LIMITED



## REPORT AND FINANCIAL STATEMENTS 2004

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BODUM® (UK) LTD

BODUM (U.K.) LIMITED



## **REPORT AND FINANCIAL STATEMENTS 2004**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

A Kierkegaard

J Bodum

L Kamstrup

#### **SECRETARY**

A Wills

#### **REGISTERED OFFICE**

Phillips House

Tithe Barn Way

Swan Valley

Northamptonshire

NN4 9BA

#### **BANKERS**

Danske Bank

#### **SOLICITORS**

Freeth Cartwright

Gorrisen, Federspiel & Kierkegaard

#### **AUDITORS**

Deloitte & Touche LLP

Chartered Accountants

Reading



## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

## ACTIVITIES AND FUTURE PROSPECTS

The principal activity of the company is to supply kitchenware to the retail trade. It is hoped that the company can expand and trade profitably subject to a suitable economic environment.

## REVIEW OF THE BUSINESS

The results for the year are set out in the profit and loss account on page 5 and the position at the end of the year is set out in the balance sheet on page 6.

## DIVIDENDS AND RESERVES

The loss for the year on ordinary activities after taxation amounted to £1,249,072 (2003 – loss of £775,945). The directors do not recommend the payment of a dividend (2003 - £nil).

## DIRECTORS

The present membership of the Board is set out on page 1. All directors served throughout the year.

The directors' interests, as defined by the Companies Act 1985, in the shares of the company were as follows:

	Ordinary shares of £1 each	
	31 December	31 December
	2004	2003
	No.	No.
A Kierkegaard	1	1
J Bodum	-	-
L Kamstrup	-	-

## AUDITORS

A resolution for the re-appointment of Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

L Kamstrup

Director

12 May 2005



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BODUM (U.K.) LIMITED**

We have audited the financial statements of Bodum (U.K.) Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. *Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose.* To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**DELOITTE & TOUCHE LLP**

**Chartered Accountants and  
Registered Auditors**

Reading

20 May 2005

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2004**

	Note	2004 £	2003 £
<b>TURNOVER</b>	1	7,845,338	8,167,270
Cost of sales		<u>(4,514,480)</u>	<u>(4,786,783)</u>
Gross profit		3,330,858	3,380,487
Distribution costs		(2,162,411)	(2,253,741)
Administration expenses		<u>(2,342,933)</u>	<u>(1,873,383)</u>
<b>OPERATING LOSS</b>	2	(1,174,486)	(746,637)
Interest receivable and similar income	3	563	4,521
Interest payable and similar charges	4	<u>(60,545)</u>	<u>(49,048)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,234,468)	(791,164)
Tax (charge)/credit on loss on ordinary activities	5	<u>(14,604)</u>	<u>15,219</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION, TRANSFERRED TO RESERVES</b>	13	<u><u>(1,249,072)</u></u>	<u><u>(775,945)</u></u>

All amounts derive from continuing operations.

There are no recognised gains or losses other than the result for the current and preceding financial years. Accordingly, no statement of total recognised gains and losses is given.


**BALANCE SHEET**  
**31 December 2004**

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	7	245,664	1,369,181
<b>CURRENT ASSETS</b>			
Stocks	8	1,038,560	1,240,608
Debtors	9	1,156,943	1,414,038
Cash		1,072	-
		<u>2,196,575</u>	<u>2,654,646</u>
<b>CREDITORS: amounts falling due within one year</b>	10	(2,846,331)	(3,118,847)
<b>NET CURRENT LIABILITIES</b>		<u>(649,756)</u>	<u>(464,201)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(404,092)	904,980
<b>CREDITORS: amounts falling due after more than one year</b>	11	(180,000)	(240,000)
<b>NET (LIABILITIES)/ASSETS</b>		<u>(584,092)</u>	<u>664,980</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1,000,000	1,000,000
Share premium		900,000	900,000
Profit and loss account	13	(2,484,092)	(1,235,020)
<b>EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS</b>		<u>(584,092)</u>	<u>664,980</u>

These financial statements were approved by the Board of Directors on 12 May 2005.

Signed on behalf of the Board of Directors

L. Kamstrup

Director



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2004**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the year and the preceding year.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover represents amounts invoiced for goods sold excluding Value Added Tax. All sales are made within the United Kingdom and relate to the principal activity of the business.

**Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided on cost on a straight line basis over the useful economic lives of the assets which are estimated to be as follows:

Freehold buildings	50 years
Leasehold buildings and improvements	5 - 10 years
Motor vehicles	5 years
Fixtures, fittings, furniture and equipment	3 - 10 years

Depreciation is not provided on freehold land.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

Cost represents the expenditure incurred in bringing each product to its present location and condition on a first-in, first-out basis.

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

**Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into sterling at the rate ruling at that date. These translation differences are dealt with in the profit and loss account.

**Pensions**

The company contributes to certain employees' personal pension plans. These schemes are administered on a money purchase basis and are therefore fully funded.

**Leases**

Rental costs under operating leases are charged to profit and loss in equal annual amounts over the period of the lease.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2004**

**2. OPERATING LOSS**

	2004 £	2003 £
Operating loss is after charging/(crediting):		
Rentals under operating leases		
<i>Other operating leases</i>	358,594	304,922
Auditors' remuneration		
For audit services	23,000	21,000
For other services	15,000	21,545
Depreciation - own assets	136,686	169,262
Impairment of fixed assets	80,181	-
Profit on disposal of fixed assets	(1,821)	(1,120)
	<u>          </u>	<u>          </u>

Included within administrative expenses in the year are one-off associated costs in the closing down of retail sites of £105,350 (2003: £470,930).

**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2004 £	2003 £
Bank interest	563	544
Other income	-	3,977
	<u>563</u>	<u>4,521</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2004 £	2003 £
Bank loans	<u>60,545</u>	<u>49,048</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2004**

**5. TAX CHARGE/(CREDIT) ON LOSS ON ORDINARY ACTIVITIES**

	2004	2003
	£	£
<b>Current taxation</b>		
UK Corporation tax on losses of the year	-	-
Adjustment in respect of prior years	14,604	(15,219)
	<u>14,604</u>	<u>(15,219)</u>

**Factors affecting the tax charge/ (credit) for the year**

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004	2003
	%	%
Standard tax rate for the year as a percentage of losses	30	30
<i>Factors affecting charge for the year:</i>		
Expenses not deductible for tax purposes	(4)	(6)
Capital allowances for year in excess of depreciation	(4)	1
Tax losses not utilised	(27)	(10)
Adjustment in respect of prior years	(1)	2
Trade losses transferred in	1	-
Disposal of ineligible assets	4	(15)
Current tax (charge)/credit for the year as a percentage of losses	<u>(1)</u>	<u>2</u>

As at the 31 December 2004 no amounts have been provided in respect of deferred taxation. No deferred taxation asset has been recognised on tax losses and other timing differences as they are not foreseen to be recovered within the next twelve months. The deferred tax asset will be utilised when taxable profits are foreseen with greater certainty in the future.

There was an unprovided deferred tax asset as follows:

	2004	2003
	£	£
Accelerated capital allowances	80,864	24,528
Capital losses	20,059	20,059
Other timing differences	479,754	149,448
	<u>580,677</u>	<u>194,035</u>

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2004 £	2003 £
<b>Employee costs during the year :</b>		
Wages and salaries	1,097,311	892,545
Social security costs	85,129	71,728
Other pension costs	39,384	52,058
	<u>1,221,824</u>	<u>1,016,331</u>

	2004 No.	2003 No.
The average number of persons employed during the year was:		
Sales and administration	<u>60</u>	<u>83</u>

*Of the directors who served in the year, A Kierkegaard, J Bodum and L Kamstrup received remuneration for their services as directors of Peter Bodum A/S and subsidiary undertakings. Their remuneration is disclosed in the accounts of Peter Bodum A/S. The remuneration of A Kierkegaard, J Bodum and L Kamstrup was paid by Peter Bodum A/S. The allocation of this remuneration in relation to their services as directors of the company was £5,000 (2003: £5,000).*

None of the directors received contributions to pension schemes.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2004**

**7. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Leasehold buildings and improve- ments £	Motor vehicles £	Fixtures, fittings, furniture and equipment £	Total £
<b>Cost</b>					
At 1 January 2004	1,019,657	304,011	146,654	468,133	1,938,455
Additions	-	8,337	77,308	27,430	113,075
Disposals	(1,019,657)	(131,405)	(107,478)	(85,911)	(1,344,451)
At 31 December 2004	-	180,943	116,484	409,652	707,079
<b>Depreciation</b>					
At 1 January 2004	183,588	65,865	62,011	257,810	569,274
Charge for the year	-	48,534	23,297	64,855	136,686
Impairment	-	46,741	-	33,440	80,181
Disposals	(183,588)	(50,896)	(50,257)	(39,985)	(324,726)
At 31 December 2004	-	110,244	35,051	316,120	461,415
<b>Net book value</b>					
At 31 December 2004	-	70,699	81,433	93,532	245,664
At 31 December 2003	836,069	238,146	84,643	210,323	1,369,181

**8. STOCKS**

	2004 £	2003 £
Goods held for resale	1,038,560	1,240,608

**9. DEBTORS**

	2004 £	2003 £
Trade debtors	964,588	1,225,892
Other debtors	-	51,708
Deposits held	42,665	42,665
Prepayments and accrued income	149,690	93,773
	1,156,943	1,414,038

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004 £	2003 £
Bank loan	60,000	60,000
Bank overdrafts	592,510	685,623
Trade creditors	255,169	234,925
Amounts owed to group undertakings	1,484,972	1,629,753
Taxation and social security	270,932	359,954
Accruals and deferred income	182,748	148,592
	<u>2,846,331</u>	<u>3,118,847</u>

The bank overdraft is guaranteed by the parent company, Peter Bodum A/S.

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2004 £	2003 £
Bank loan	<u>180,000</u>	<u>240,000</u>

The bank loan bears interest at a floating rate, valid for six monthly periods. It is guaranteed by the parent company, Peter Bodum A/S, and is repayable in equal half yearly instalments of £30,000 over 10 years, starting on 1 April 1998.

**12. CALLED UP SHARE CAPITAL**

	2004 £	2003 £
1,000,000 authorised, allotted and fully paid ordinary shares of £1 each (2003: 1,000,000).	<u>1,000,000</u>	<u>1,000,000</u>

**13. COMBINED RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES**

	Issued share capital £	Share premium £	Profit and loss account £	Total 2003 £
At 1 January 2004	1,000,000	900,000	(1,235,020)	664,980
Loss for the year	-	-	(1,249,072)	(1,249,072)
At 31 December 2004	<u>1,000,000</u>	<u>900,000</u>	<u>(2,484,092)</u>	<u>(584,092)</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2004**

**14. CONTINGENT LIABILITIES**

	2004 £	2003 £
Guarantees in favour of HM Customs & Excise	<u>100,000</u>	<u>100,000</u>

**15. OPERATING LEASE COMMITMENTS**

At 31 December 2004, the company was committed to the following payments during the next year under non-cancellable operating leases:

	2004 Land and buildings £	2003 Land and buildings £
Leases which expire:		
Within one year	48,407	-
Between two and five years	177,665	112,463
After 5 years	146,812	381,501
	<u>372,885</u>	<u>493,964</u>

**16. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking, controlling undertaking and head of the largest and smallest group into which the results of Bodum U.K. Limited are consolidated, is Peter Bodum A/S, a company incorporated in Denmark. Copies of the group financial statements are available from Erhvervs OG Selskabsstyrelsen, Kampmannsgade 1, DK-1604, Copenhagen V, Denmark.

**17. RELATED PARTY TRANSACTIONS**

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other group undertakings within, and investee related parties of, the Peter Bodum A/S group have not been disclosed in these financial statements.