

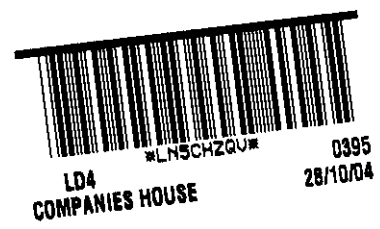


Company Registration No. 1848144

BODUM (U.K.) LIMITED

Report and Financial Statements

31 December 2003



BODUM® (UK) LTD



BODUM (U.K.) LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

BODUM® (UK) LTD

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Registered in England No. 1848144



BODUM (U.K.) LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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 2003.

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 £775,945 (2002 – loss of £232,328). The directors do not recommend the payment of a dividend (2002 - £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
	2003	2002
	No.	No.
A Kierkegaard	1	1
J Bodum	-	-
L Kamstrup	-	-

AUDITORS

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company has given its consent to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 and accordingly the accounts have been signed in the name of Deloitte & Touche LLP. 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

22 October 2004



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;
- state whether applicable accounting standards have been followed; 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 controls, 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 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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.

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 2003 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

26 October 2004



PROFIT AND LOSS ACCOUNT
Year ended 31 December 2003

	Note	2003 £	2002 £
TURNOVER	1	8,167,270	8,745,094
Cost of sales		<u>(4,786,783)</u>	<u>(5,289,840)</u>
Gross profit		3,380,487	3,455,254
Distribution costs		(2,253,741)	(2,177,792)
Administration expenses (before exceptional items)		(1,402,453)	
Exceptional items	2	<u>(470,930)</u>	
Total administrative expenses		<u>(1,873,383)</u>	<u>(1,470,207)</u>
OPERATING LOSS	2	(746,637)	(192,745)
Interest receivable and similar income	3	4,521	-
Interest payable and similar charges	4	<u>(49,048)</u>	<u>(56,695)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(791,164)	(249,440)
Tax credit on loss on ordinary activities	5	<u>15,219</u>	<u>17,112</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION, TRANSFERRED TO RESERVES	14	<u><u>(775,945)</u></u>	<u><u>(232,328)</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 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	1,369,181	1,736,154
CURRENT ASSETS			
Stocks	8	1,240,608	1,058,203
Debtors	9	1,414,038	1,684,747
		<u>2,654,646</u>	<u>2,742,950</u>
CREDITORS: amounts falling due within one year	10	<u>(3,118,847)</u>	<u>(3,738,179)</u>
NET CURRENT LIABILITIES		<u>(464,201)</u>	<u>(995,229)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		904,980	740,925
CREDITORS: amounts falling due after more than one year	11	(240,000)	(300,000)
PROVISIONS FOR LIABILITIES AND CHARGES	12	-	-
NET ASSETS		<u>664,980</u>	<u>440,925</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000,000	900,000
Share premium		900,000	-
Profit and loss account	14	<u>(1,235,020)</u>	<u>(459,075)</u>
EQUITY SHAREHOLDERS' FUNDS		<u>664,980</u>	<u>440,925</u>

These financial statements were approved by the Board of Directors on 22 October 2004.

Signed on behalf of the Board of Directors

L. Kamstrup

Director



NOTES TO THE ACCOUNTS

Year ended 31 December 2003

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

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.



NOTES TO THE ACCOUNTS
Year ended 31 December 2003

2. OPERATING LOSS

	2003 £	2002 £
Operating loss is after charging/(crediting):		
Rentals under operating leases		
Other operating leases	409,598	304,922
Auditors' remuneration		
For audit services	22,000	21,000
For other services	15,600	21,545
Depreciation - own assets	168,742	169,262
Loss/(profit) on disposal of fixed assets	9,897	(1,120)
	<u> </u>	<u> </u>

The exceptional item comprises the costs of surrendering a lease and the associated costs in the closing down of a retail site £470,930 (2002: £nil).

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Bank interest	544	-
Other income	3,977	-
	<u>4,521</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank loans	49,048	56,695
	<u> </u>	<u> </u>



NOTES TO THE ACCOUNTS
Year ended 31 December 2003

5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current taxation		
UK Corporation tax on losses of the year	-	-
Adjustment in respect of prior years	(15,219)	(16,216)
	(15,219)	(16,216)
Deferred taxation	-	(896)
	(15,219)	(17,112)

Factors affecting the tax 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:

	2003 %	2002 %
Standard tax rate for the year as a percentage of losses	30	30
<i>Factors affecting charge for the period:</i>		
Expenses not deductible for tax purposes	(6)	(9)
Movement in short term timing differences	-	1
Capital allowances for year in excess of depreciation	1	1
Tax losses not utilised	(10)	(23)
Adjustment in respect of prior years	2	7
Disposal of ineligible assets	(15)	-
Current tax credit for the year as a percentage of losses	2	7

As at the 31 December 2003 no amounts have been provided in respect of deferred taxation. No deferred taxation asset has been recognised on tax losses 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:

	2003 £	2002 £
Accelerated capital allowances	(24,528)	(3,230)
Capital losses	(20,059)	(20,059)
Other timing differences	(149,448)	(59,624)
	(194,035)	(82,913)



NOTES TO THE ACCOUNTS
Year ended 31 December 2003

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2003 £	2002 £
Employee costs during the year :		
Wages and salaries	892,545	750,097
Social security costs	71,728	58,787
Other pension costs	52,058	49,854
	<u>1,016,331</u>	<u>858,738</u>

	2003 No.	2002 No.
The average number of persons employed during the year was:		
Sales and administration	<u>83</u>	<u>57</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 (2002: £5,000).

None of the directors received contributions to pension schemes.



NOTES TO THE ACCOUNTS
Year ended 31 December 2003

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold buildings and improve- ments £	Motor vehicles £	Fixtures, fittings, furniture and equipment £	Total £
Cost					
At 1 January 2003	1,019,657	572,936	132,343	496,893	2,221,829
Additions	-	109,406	19,580	78,520	207,506
Disposals	-	(378,331)	(5,269)	(107,280)	(490,880)
At 31 December 2003	1,019,657	304,011	146,654	468,133	1,938,455
Depreciation					
At 1 January 2003	166,898	64,757	33,737	220,283	485,675
Charge for the year	16,690	49,966	30,381	71,705	168,742
Disposals	-	(48,858)	(2,107)	(34,178)	(85,143)
At 31 December 2003	183,588	65,865	62,011	257,810	569,274
Net book value					
At 31 December 2003	836,069	238,146	84,643	210,323	1,369,181
At 31 December 2002	852,759	508,179	98,606	276,610	1,736,154

8. STOCKS

	2003 £	2002 £
Goods held for resale	1,240,608	1,058,203

9. DEBTORS

	2003 £	2002 £
Trade debtors	1,225,892	1,531,725
Other debtors	51,708	37,088
Deposits held	42,665	-
Corporation tax recoverable	-	16,920
Prepayments and accrued income	93,773	99,014
	1,414,038	1,684,747



NOTES TO THE ACCOUNTS
Year ended 31 December 2003

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loan	60,000	60,000
Bank overdrafts	685,623	314,738
Trade creditors	234,925	334,834
Amounts owed to group undertakings	1,629,753	2,435,400
Taxation and social security	359,954	392,388
Accruals and deferred income	148,592	200,819
	<u>3,118,847</u>	<u>3,738,179</u>

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

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

	2003 £	2002 £
Bank loan	<u>240,000</u>	<u>300,000</u>

The bank loan is secured by a mortgage on the freehold premises at Bourton-on-the-Water, Gloucestershire and 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. PROVISIONS FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred taxation		
At 1 January	-	896
Charge to profit and loss account in year	-	(896)
	<u>-</u>	<u>-</u>
At 31 December	<u>-</u>	<u>-</u>

The deferred taxation balance comprises capital allowances in excess of depreciation.

13. CALLED UP SHARE CAPITAL

	2003 £	2002 £
1,000,000 authorised, allotted and fully paid ordinary shares of £1 each (2002: 900,000).	<u>1,000,000</u>	<u>900,000</u>

During the year, the company issued 100,000 ordinary shares for cash, at a premium of £9 per share.

**NOTES TO THE ACCOUNTS****Year ended 31 December 2003****14. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES**

	Issued share capital £	Share premium £	Profit and loss account £	Total 2003 £
At 1 January 2003	900,000	-	(459,075)	440,925
Share issue	100,000	900,000	-	1,000,000
Loss for the year	-	-	(775,945)	(775,945)
At 31 December 2003	<u>1,000,000</u>	<u>900,000</u>	<u>(1,235,020)</u>	<u>664,980</u>

15. CONTINGENT LIABILITIES

	2003 £	2002 £
Guarantees in favour of HM Customs & Excise	<u>100,000</u>	<u>100,000</u>

16. OPERATING LEASE COMMITMENTS

At 31 December 2003, the company was committed to the following payments during the next year under non-cancellable operating leases:

	2003 Land and buildings £	2002 Land and buildings £
Leases which expire:		
Between two and five years	112,463	130,000
After 5 years	381,501	385,332
	<u>493,964</u>	<u>515,332</u>

17. 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.

18. 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.