

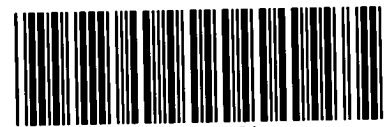
Glen Dimplex Home Appliances Limited

Directors' report and financial statements

Year ended 30 September 2022

Registered number: 02692306

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COMPANIES HOUSE

Glen Dimplex Home Appliances Limited

Directors' report and financial statements

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Glen Dimplex Home Appliances Limited

Directors and other information

Directors

M. Naughton
N. Naughton
F. Naughton
Y. Burke
F. Leamy
N. Stewart

Secretary

F. Naughton

Registered office

Stoney Lane
Prescot
Merseyside
United Kingdom
L35 2XW

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Banker

HSBC Bank plc
8 Canada Square
London
E15 5HQ

National Westminster Bank plc
City of London Office
1 Princes Street
London
United Kingdom
EC2R 8PA

Solicitor

Eversheds Sutherland LLP
Two New Bailey
6 Stanley Street
Salford
M3 5GX

Gordons LLP
Riverside West
Whitehall Road
Leeds
LS1 4AW

Registered number

02692306

Glen Dimplex Home Appliances Limited

Strategic report

Principal activities and business review, including principal risks, uncertainties, and future developments

The principal activities of the Company during the year were the manufacture and sale of appliances including domestic cookers, domestic and commercial refrigeration equipment, leisure cookers, gas boilers, and related spare parts. Turnover also includes servicing charges.

The Company is exposed to a range of risks, the principal risks are as follows:


- Product demand – increasingly consumers are more demanding in relation to product functionality and appearance, consequently product lives are becoming shorter;
- Exchange fluctuations – the Company has significant foreign currency exposures in euro and US dollar, which are not naturally hedged, and is thus exposed to fluctuations in exchange rates; and
- General economic risk - the Company is exposed to general economic risk, including changes in the economic outlook in its principal markets and government changes in industrial, fiscal, monetary or regulatory policies. In particular, the risks posed by the global energy crisis.

The principal key performance indicators used by management to monitor performance are as follows:

- Gross margin and operating profit measures;
- Changes in sales volumes and sales prices;
- Various working capital measures including cash conversion; and
- Various measures in relation to capital expenditure.

The directors will continue to develop the principal activities of the Company and to identify areas with further growth potential, which would increase shareholder value.

On behalf of the board



F. Leamy
Director



Y. Burke
Director

2023

Glen Dimplex Home Appliances Limited

Directors' report

The directors present their directors' report together with the audited financial statements of the Company for the year ended 30 September 2022.

Results and state of affairs as at 30 September 2022

Turnover for the year was £70.8 million (2021: £96.8 million). The loss before interest and non-trading items amounted to £11.1 million (2021: £6.2 million). Shareholder's funds amounted to £16.5 million at 30 September 2022 (2021: £21.2 million).

During 2018, the Company announced that it was considering proposals to exit loss-making segments of the market, outsourcing the manufacture of certain products with the objective of ensuring a viable business in the future. As a result of this restructuring decision costs of £0.04million (2021: £3.1 million) have been charged in the year.

Future developments

The transformation of the Company to support long-term sustainable growth continues, including moving to a product-led divisional operating model during the current year, based around the Group's four core product areas: Heating & Ventilation, Flame, Precision Cooling and Consumer Appliances. This will continue to improve the profitability of the Company in the medium to long term. The directors continue to develop the principal activities of the Company and to identify areas with further growth potential. The Company is engaged in ongoing research and development work in order to improve its product range, and to increase its market share.

Dividends and retention

No dividends or transfers to reserves are recommended by the directors in respect of the current year (2021: £Nil).

Research and development

The Company is engaged in ongoing research to improve its product range and develop its business. During the year the Company incurred research expenditure of £1.7 million (2021: £1.3 million).

Directors, secretary and their interests

The directors and secretary who held office during the year, unless otherwise stated, were as follows:

M. Naughton
N. Naughton
F. Naughton (director and secretary)
D. Flynn (resigned 1 October 2021)
R. Van Rozen (resigned 15 June 2022)
Y. Burke (appointed 1 October 2021)
S. Barriskell (resigned 31 March 2022)
F. Leamy
N. Stewart (appointed 15 June 2022)

The directors and secretary do not have any interests which are required to be disclosed under the Companies Act 2006.

Glen Dimplex Home Appliances Limited

Directors' report *(continued)*

Streamlined Energy and Carbon Reporting

Glen Dimplex Home Appliances Limited has achieved Planet Mark certification for the reporting year 30 September 2022. Planet Mark is a sustainability certification which recognises continuous improvement, encourages action, and builds an empowered community of like-minded individuals.¹ The Company's data on Streamlined Energy and Carbon Reporting (SECR) has been included at a group level and disclosed within the directors' report in the consolidated financial statements of Glen Electric Limited.

Section 172 Statement

Glen Dimplex Home Appliances Limited complies with Section 172(1) of the Companies Act 2006 through engagement with its various stakeholders. The Company's strategy, and the implementation of this strategy, has been informed by interaction with stakeholders. It is the Company's intention to act responsibly towards its stakeholders. The Company's principal stakeholders and how it engages with each of them are as follows:

Customers

Glen Dimplex Home Appliances Limited strives to make a positive contribution to the economy by supporting its customers and seeks to behave responsibly, treating them fairly and equally. The Board consistently reviews its customer strategy, receives updates on implementation and reviews progress. A Customer Engagement plan has been initiated at Glen Dimplex Group in order to support strategic engagement with customers to build long-term relationships and deliver mutual growth.

People

The Company's people are fundamental to the delivery of its strategy. The Company aims to be a responsible employer and is committed to enabling its people to thrive, ensuring that they are engaged and have the skills and capabilities to serve customers.

Suppliers

Glen Dimplex Home Appliances Limited assesses its suppliers across a number of key risk areas, at the on-boarding stage for all suppliers and annually thereafter for suppliers providing product and services of high criticality and dependency to the Company.

Disabled employees

Application for employment by disabled persons is always fully considered bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Post balance sheet events

No significant events occurred subsequent to 30 September 2022 that would require adjustment to the disclosures of the financial statements.

Financial instruments

Due to the nature of its business, the Company is exposed to the effects of fluctuations in foreign currency exchange rates and interest rates. In order to manage these exposures, the Company has entered into various hedging arrangements with commercial banks. These arrangements comprise the use of forward currency purchase and sales contracts. Further details are set out in the notes to these financial statements.

¹ Planet Mark offers a sustainability certification scheme, based on continual improvement, which measures business' carbon emissions, energy and water consumption, travel and waste. Its rules, procedures and management processes are aligned to ISO 17065 to ensure quality and consistency with international standards. See www.planetmark.com.

Glen Dimplex Home Appliances Limited

Directors' report *(continued)*

Political and charitable donations

There were no political or charitable donations made during the year (2021: £Nil).

Going concern

The Company has considerable financial resources in the form of group intercompany loans together with long-term relationships with a number of customers and suppliers. In addition, the Company has received a letter of support from its Parent Company. As a consequence, the directors believe that the Company is well placed to manage its business risks. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.


Disclosure of information to auditor

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG will therefore continue in office.

On behalf of the board



F. Leamy
Director



Y. Burke
Director

2023

Glen Dimplex Home Appliances Limited

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

The directors are responsible for preparing the directors' report, strategic report and the financial statements in accordance with applicable law and regulations.

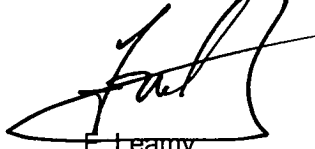
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are 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. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



F. Leamy
Director



Y. Burke
Director

2023



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Glen Dimplex Home Appliances Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Glen Dimplex Home Appliances Limited ("the Company") for the year ended 30 September 2022 set out on pages 11 to 34, which comprise the statement of profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.



Independent auditor's report to the members of Glen Dimplex Home Appliances Limited (*continued*)

Report on the audit of the financial statements (*continued*)

Conclusions relating to going concern (*continued*)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.



Independent auditor's report to the members of Glen Dimplex Home Appliances Limited (*continued*)

Report on the audit of the financial statements (*continued*)

Detecting irregularities including fraud (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.



Independent auditor's report to the members of Glen Dimplex Home Appliances Limited (*continued*)

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Larkin (*Senior Statutory Auditor*)
for and on behalf of
KPMG Statutory Auditor
Chartered Accountants Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

19 June 2023

Glen Dimplex Home Appliances Limited

Statement of profit and loss account and other comprehensive income for the year ended 30 September 2022

	<i>Note</i>	2022 £'000	2021 £'000
Turnover	2	70,755	96,807
Cost of sales		(60,067)	(78,977)
		<hr/>	<hr/>
Gross profit		10,688	17,830
Operating expenses	3	(21,825)	(24,016)
		<hr/>	<hr/>
Loss on ordinary activities before interest and non-trading items		(11,137)	(6,186)
Interest and other finance income/(costs), net	4	706	(404)
Non-trading items	5	477	(3,123)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	6	(9,954)	(9,713)
Tax on loss on ordinary activities	8	(200)	3,788
		<hr/>	<hr/>
Loss for the financial year		(10,154)	(5,925)
		<hr/>	<hr/>
Other comprehensive income			
Remeasurement of defined retirement benefit obligations	22	7,306	7,937
Income tax credit on other comprehensive income		(1,828)	(405)
		<hr/>	<hr/>
Other comprehensive income for the year, net of income tax		5,478	7,532
		<hr/>	<hr/>
Total comprehensive (expense)/income for the year		(4,676)	1,607
		<hr/>	<hr/>

The accompanying notes form an integral part of the financial statements

Glen Dimplex Home Appliances Limited

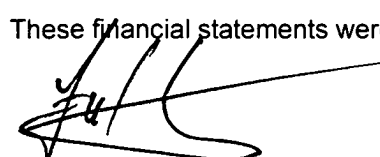
Balance sheet

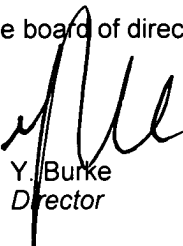
as at 30 September 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Goodwill	10	88	265
Tangible assets	11	15,795	16,269
		<u>15,883</u>	<u>16,534</u>
Current assets			
Inventories	12	22,018	19,258
Debtors	13	32,072	52,459
Derivative financial instruments	15	1,542	42
Cash at bank and in hand	14	151	391
		<u>55,783</u>	<u>72,150</u>
Creditors: amounts falling due within one year	16	(42,774)	(44,864)
		<u>13,009</u>	<u>27,286</u>
Net current assets			
		<u>28,892</u>	<u>43,820</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	17	(604)	(676)
Government grants	18	(705)	(776)
Provisions for liabilities	19	(2,097)	(2,097)
		<u>25,486</u>	<u>40,271</u>
Net assets before retirement benefit obligations			
Retirement benefit obligations	22	(8,974)	(19,083)
		<u>16,512</u>	<u>21,188</u>
Net assets			
Capital and reserves			
Called up share capital	20(a)	100	100
Share premium		14,461	14,461
Capital contribution	20(b)	16,000	16,000
Profit and loss account	26	(14,049)	(9,373)
		<u>16,512</u>	<u>21,188</u>
Shareholder's funds			
		<u>16,512</u>	<u>21,188</u>

The accompanying notes form an integral part of the financial statements.

These financial statements were approved by the board of directors and were signed on its behalf by:


F. Leamy
Director


Y. Burke
Director

13 June 2023

Glen Dimplex Home Appliances Limited

Statement of changes in equity for the year ended 30 September 2022

	Called up share capital £000	Share Premium £000	Capital contribution £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2020	100	14,461	16,000	(10,980)	19,581
Total comprehensive expense for the year					
Loss for the year	-	-	-	(5,925)	(5,925)
Other comprehensive income	-	-	-	7,532	7,532
Total comprehensive income for the year	-	-	-	1,607	1,607
Balance at 30 September 2021	100	14,461	16,000	(9,373)	21,188
Balance at 1 October 2021	100	14,461	16,000	(9,373)	21,188
Total comprehensive expense for the year					
Loss for the year	-	-	-	(10,154)	(10,154)
Other comprehensive income	-	-	-	5,478	5,478
Total comprehensive expense for the year	-	-	-	(4,676)	(4,676)
Balance at 30 September 2022	100	14,461	16,000	(14,049)	16,512

Glen Dimplex Home Appliances Limited

Notes

forming part of the financial statements

1 Accounting policies

Glen Dimplex Home Appliances Limited ("the Company") is a private company limited by shares incorporated, domiciled and registered in the United Kingdom. The registered number is 02692306 and the registered address is Stoney Lane, Prescott, Merseyside, United Kingdom, L35 2XW.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company is a subsidiary undertaking of Glen Electric Limited. The consolidated financial statements of Glen Electric Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House, 2nd Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG. As the consolidated financial statements of Glen Electric Limited include the equivalent disclosures, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes;
- Key management personnel compensation; and
- The disclosure required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36 (4) of Schedule 1.
- The exemption under FRS 102.33.1 (a) in not disclosing transactions with fellow wholly owned subsidiaries is also applied.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments; and financial instruments classified at fair value through the profit or loss.

Going concern

The Company has considerable financial resources in the form of group intercompany loans together with long-term relationships with a number of customers and suppliers. In addition, the Company has received a letter of support from its Parent Company. As a consequence, the directors believe that the Company is well placed to manage its business risks. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Glen Dimplex Home Appliances Limited

Notes (continued)

1 Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments in preference and ordinary shares

Investments in preference and ordinary shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Glen Dimplex Home Appliances Limited

Notes (continued)

1 Accounting policies (continued)

Other financial instruments

Financial instruments not considered to be basic financial instruments (other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except for hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in other comprehensive income is included in the initial cost or other carrying amount of the asset or liability. Alternatively, when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value or the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Glen Dimplex Home Appliances Limited

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets *(continued)*

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

	Years
Freehold and long leasehold premises	25
Plant, equipment and tooling	4 - 8
Fixtures, fittings and equipment	3 - 8
Motor vehicles	4

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Company.

The Company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Amortisation

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years.

The Company reviews the amortisation year and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with FRS 102.27 when there is an indication that goodwill or an intangible asset may be impaired.

Glen Dimplex Home Appliances Limited

Notes (continued)

1 Accounting policies (continued)

Government grants

Government grants are credited to the profit and loss account over the expected useful lives of the assets to which they relate or in years in which the related costs are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and all costs expected to be incurred in marketing, selling and distribution.

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Employee benefits

The Company provides pensions to a certain number of its employees through contributions to a variety of separately administered defined benefit and defined contribution schemes.

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the years during which services are rendered by employees.

Defined benefit plans

The Company operates a defined benefit pension plan. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the year by applying the discount rate as determined at the beginning of the annual year to the net defined benefit liability/(asset) taking account of changes arising as a result of contributions and benefit payments.

Glen Dimplex Home Appliances Limited

Notes (continued)

1 Accounting policies (continued)

Defined benefit plans (continued)

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the year, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the year are recognised in profit or loss. Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the year in which it occurs.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Turnover

Turnover represents the invoiced value of goods sold to customers less VAT, returns and allowances, and is recognised on shipment of the related goods.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the years in which they are incurred.

Glen Dimplex Home Appliances Limited

Notes (continued)

1 Accounting policies (continued)

Expenses (continued)

Interest receivable and interest payable

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains/losses.

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Research

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Glen Dimplex Home Appliances Limited

Notes (continued)

2 Operations and turnover

The principal activities of the Company during the year were the manufacture and sale of appliances including domestic cookers, domestic and commercial refrigeration equipment, leisure cookers, gas boilers and related spare parts. Turnover also includes servicing charges.

Contributions to turnover by geographical destination supplied were as follows:

	2022 £'000	2021 £'000
United Kingdom	64,890	85,585
Europe	1,837	7,356
Rest of World	4,028	3,866
	<u>70,755</u>	<u>96,807</u>

Segmental disclosure of turnover by source and by class of business and profit before taxation and net assets by geographical area and by class of business are not provided, as, in the opinion of the directors, such information would be prejudicial to the interests of the Company.

3 Operating expenses

	2022 £'000	2021 £'000
Selling and distribution costs	10,965	12,319
Administration expenses	9,285	10,502
Research expenditure	1,700	1,259
Profit on sale of fixed assets	(125)	(64)
	<u>21,825</u>	<u>24,016</u>

4 Interest and other finance income/(costs), net

	2022 £'000	2021 £'000
(i) Interest		
Finance lease interest payable	<u>(487)</u>	<u>(94)</u>
(ii) Other finance income/(costs), net		
Interest on defined benefit scheme liabilities (note 22)	(306)	(394)
Fair value movement on forward foreign exchange contracts	1,499	84
	<u>1,193</u>	<u>(310)</u>
Interest and other finance income/(costs), net	<u>706</u>	<u>(404)</u>

Glen Dimplex Home Appliances Limited

Notes (continued)

5 Non-trading items	2022 £'000	2021 £'000
Restructuring costs	42	3,123
Pension and grants release	(519)	-
	<u>(477)</u>	<u>3,123</u>

6 Statutory and other information	2022 £'000	2021 £'000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation (note 11)	2,004	2,071
Operating lease rentals (note 21)	103	104
Auditor's remuneration – in respect of financial statements	106	98
Grant amortisation (note 18)	(71)	(89)
(Profit) on sale of fixed assets (note 3)	(125)	(64)
	<u></u>	<u></u>

7 Staff costs	2022 £'000	2021 £'000
Employee costs during the year comprised:		
Wages and salaries (a)	19,832	23,143
Social security costs	2,127	2,431
Retirement benefit costs	633	846
	<u>22,592</u>	<u>26,420</u>

(a) Wages and salaries exclude COVID-19 subsidies of £Nil received by the Company during the year (2021: £0.1 million).

The average number of persons employed by the Company during the year was as follows:

	2022	2021
Production	452	474
Distribution and sales	71	87
Research	25	17
Administration	78	69
	<u>626</u>	<u>647</u>

Glen Dimplex Home Appliances Limited

Notes (continued)

7 Staff costs (continued)

Directors' remuneration:

The remuneration of the directors, including pension contributions, was as follows:

	2022 £'000	2021 £'000
Emoluments	816	393

Directors' pensions:

The number of directors who were members of the Company pension schemes were as follows:

	2022	2021
Defined benefit schemes	-	-

Highest paid director:

Directors' emoluments include the following in respect of the highest paid director:

	2022 £'000	2021 £'000
Emoluments	428	393

8 Tax on loss on ordinary activities

	2022 £'000	2021 £'000
Corporation tax	-	-
Adjustment in respect of prior year	-	-
Current tax charge for the year	-	-
Deferred tax charge/(credit) (note 9)	200	(3,788)
Total tax charge/(credit) for the year	200	(3,788)

Glen Dimplex Home Appliances Limited

Notes (continued)

8 Tax on loss on ordinary activities (continued)

The difference between the total taxation shown above and the amount calculated by applying the standard rate of corporation tax is as follows:

	2022 £'000	2021 £'000
Loss on ordinary activities before tax	(9,954)	(9,713)
Tax on loss on ordinary activities at average standard corporation tax rate of 19% (2021: 19%)	(1,891)	(1,846)
<i>Effects of:</i>		
Permanent depreciation	48	117
Items not deductible	115	17
Impact on deferred tax of a change in the tax rate	1,023	(1,959)
Deferred tax adjustment in respect of prior year	(425)	(568)
Group relief surrendered	1,122	353
Other	208	98
Total tax charge/(credit) for the year	200	(3,788)

Unutilised tax losses of £31.9 million (2021: £31.9 million) remain unrecognised at 30 September 2022, in accordance with the accounting policy for such losses.

Factors that may affect future tax charges:

The UK Corporation tax rate will increase from 19% to 25% effective 1 April 2023 based on the expected future profits.

9 Deferred tax

The movement on the deferred tax balance for the year was as follows:

	2022 £'000	2021 £'000
Balance at beginning of year	14,191	10,808
(Credit)/charge for year (note 8)	(200)	3,788
Remeasurement of defined retirement benefit obligation	(1,828)	(405)
Balance at end of year	12,163	14,191

The deferred tax asset at 30 September 2022 consists of an asset of £0.6 million (2021: £1.7 million) relating to originating timing differences and £9.4 million (2021: £7.7 million) relating to tax losses carried forward. In addition, a deferred tax asset of £2.2 million (2021: £4.8 million) arises in relation to retirement benefit obligations in the balance sheet (note 22).

Glen Dimplex Home Appliances Limited

Notes (continued)

10 Goodwill	Cost £'000	Amortisation £'000	Net £'000
Opening – 30 September 2021	1,766	(1,501)	265
Charge for the year	-	(177)	(177)
	<hr/>	<hr/>	<hr/>
Closing – 30 September 2022	1,766	(1,678)	88
	<hr/>	<hr/>	<hr/>

11 Tangible assets	Freehold and long leasehold premises £'000	Plant equipment and tooling £'000	Fixtures fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At beginning of year	23,128	37,970	10,188	2,779	74,065
Additions	33	567	695	532	1,827
Disposals	(66)	(354)	(223)	(809)	(1,452)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	23,095	38,183	10,660	2,502	74,440
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At beginning of year	10,627	36,114	9,684	1,371	57,796
Charge for the year	713	615	357	319	2,004
Disposals	(66)	(354)	(210)	(525)	(1,155)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	11,274	36,375	9,831	1,165	58,645
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 30 September 2022	11,821	1,808	829	1,337	15,795
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2021	12,501	1,856	504	1,408	16,269
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included in the above are property assets valued at £11.8 million over which the Company has granted charges in favour of one of its pension schemes.

Included in the above are the following amounts in respect of fixed assets which are financed by finance leases and which continue to be legally owned by the lessors:

	2022 £'000	2021 £'000
Net book value	974	1,044
Depreciation charge for year	319	419
	<hr/>	<hr/>

Glen Dimplex Home Appliances Limited

Notes (continued)

12 Inventories	2022 £'000	2021 £'000
Raw materials	5,367	5,469
Work in progress	1,920	2,034
Finished goods	14,731	11,755
	<hr/>	<hr/>
	22,018	19,258
	<hr/>	<hr/>

The replacement cost of inventories did not differ significantly from the amounts shown above. Inventories are stated net of a provision for impairment of £3 million (2021: £3.3 million).

13 Debtors: amounts falling due within one year	2022 £'000	2021 £'000
Trade debtors (a)	8,804	14,531
Amounts owed from group undertakings (b)	9,111	21,171
Deferred tax (note 9)	12,163	14,191
Prepayments and accrued income	1,994	2,566
	<hr/>	<hr/>
	32,072	52,459
	<hr/>	<hr/>

(a) Trade debtors are stated net of a provision of impairment of £64,000 (2021: £66,000).

(b) The amounts owed from group undertakings are unsecured, interest free and repayable on demand.

14 Cash at bank and in hand	2022 £'000	2021 £'000
Cash at bank and in hand	151	391
	<hr/>	<hr/>

15 Financial instruments	2022 £'000	2021 £'000
Assets at fair value through profit or loss		
Financial assets		
Forward foreign exchange contracts	1,542	42
	<hr/>	<hr/>
Total financial assets	1,542	42
	<hr/>	<hr/>
Total net financial assets	1,542	42
	<hr/>	<hr/>

Glen Dimplex Home Appliances Limited

Notes (continued)

15 Financial instruments (continued)

(a) Financial instruments measured at fair value

Derivative financial instruments

The fair value of forward exchange contracts is determined using quoted forward foreign currency exchange rates at the balance sheet date.

(b) Financial risk management

Foreign currency

Due to the nature of its business, the Company was exposed to the effects of fluctuations in foreign currency exchange rates. In order to manage these exposures, the Company enters into various hedging arrangements. At 30 September 2022, the Company had commitments under forward foreign exchange contracts, whereby it is committed to purchase contracts with a sterling equivalent of £14,022,352 (2021: £27,345,700).

Credit risk

In order to manage credit risk exposure, the Company has procedures in place to set customer credit limits and also to monitor credit exposure on an ongoing basis.

16 Creditors: amounts falling due within one year	2022 £'000	2021 £'000
Obligations under finance leases (note 17)	280	359
Trade creditors	5,458	9,383
Amounts owed to other group undertakings (a)	23,739	10,759
Taxation and social security	510	683
VAT	853	2,395
Accruals and deferred income	11,934	21,285
	<hr/>	<hr/>
	42,774	44,864
	<hr/>	<hr/>

(a) The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17 Creditors: amounts falling due after one year	2022 £'000	2021 £'000
Obligations under finance leases	604	676
	<hr/>	<hr/>

Glen Dimplex Home Appliances Limited

Notes (continued)

17 Creditors: amounts falling due after one year (continued)

The maturity of obligations under finance leases is as follows:

	2022 £'000	2021 £'000
Amounts payable		
Within one year (note 16)	280	359
Between two and five years	604	676
More than five years	-	-
	<u>884</u>	<u>1,035</u>

The lease agreement includes fixed lease payments, there is no obligation to purchase at the end of the lease term.

18 Government grants

	2022 £'000	2021 £'000
Balance at beginning of year	776	865
Amortisation	(71)	(89)
	<u>705</u>	<u>776</u>

19 Provisions for liabilities

	Warranty £'000	Restructuring £'000	Total £'000
Opening – 1 October 2021	2,097	-	2,097
Charge for the year	2,527	-	-
Utilised in year	(2,527)	-	-
	<u>2,097</u>	<u>-</u>	<u>2,097</u>
Closing – 30 September 2022	2,097	-	2,097
Opening – 1 October 2020	2,255	280	2,535
Charge for the year	1,794	-	1,794
Utilised in year	(1,952)	(280)	(2,232)
	<u>2,097</u>	<u>-</u>	<u>2,097</u>
Closing – 30 September 2021	2,097	-	2,097

The provision for warranties relates to expected warranty claims on products sold at the balance sheet date.

The restructuring provision relates to redundancy payments and consultancy costs.

Glen Dimplex Home Appliances Limited

Notes (continued)

20 Shareholder's funds	2022 £'000	2021 £'000
(a) Called up share capital		
Authorised		
100,100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
100,100 ordinary shares at £1 each	100	100
	<hr/>	<hr/>
(b) Capital contribution	2022 £'000	2021 £'000
Capital contribution	16,000	16,000
	<hr/>	<hr/>

During the year ended 31 March 2003, the Company received a non-repayable capital contribution of £16.0 million from Glen Electric Limited, of which the Company is a wholly owned subsidiary.

21 Commitments and contingencies

(a) Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2022 £'000	2021 £'000
Less than one year	52	52
Between two and five years	-	-
More than five years	-	-
	<hr/>	<hr/>
	52	52
	<hr/>	<hr/>

During the year £103,000 was recognised as an expense in the profit and loss account in respect of operating leases (2021: £104,000).

(b) Capital commitments	2022 £'000	2021 £'000
Authorised and contracted for	34	35
Authorised and not contracted for	419	282
	<hr/>	<hr/>
	453	317
	<hr/>	<hr/>

Glen Dimplex Home Appliances Limited

Notes *(continued)*

21 Commitments and contingencies *(continued)*

(c) Government grants

Grants have been received from Northwest Development Agency in respect of expenditure on certain fixed assets. These grants are repayable in certain circumstances, principally the sale of grant-aided assets, the failure to meet or maintain certain employment levels or the discontinuance, in part or in whole, of certain operations. The contingent liability existing at 30 September 2022 was £1,213,000 (2021: £1,213,000).

(d) Litigation

Due to the nature of its operations, the Company is involved in various legal actions none of which are significant. It is not practical to accurately quantify the extent, if any, of any costs or awards which may accrue to the Company as a result of these actions. The Company accounts for legal costs associated with these actions as they are incurred and takes any applicable settlement cost or award credit in the year in which the directors can ascertain with reasonable certainty, the outcome of the actions.

(e) Other

The Company has granted charges over property assets in favour of one of its pension schemes as continuing security for amounts due under a deficit funding agreement concluded with the pension scheme Trustees.

22 Retirement benefit obligations

A certain number of the Company's employees are members of the Glen Dimplex Home Appliances Pension Scheme and the Stoves Executive Pension Scheme, externally funded defined benefit schemes as well as various defined contribution pension schemes. On 30 September 2009 the Glen Dimplex Home Appliances defined benefit pension scheme was closed to further accrual.

The charge to the Company for the defined benefit schemes amounted to £41,000 (2021: £79,000). The pension charge for payments to defined contribution schemes for the year was £633,000 (2021: £846,000).

Pension costs for the defined benefit schemes are assessed in accordance with the advice of a professionally qualified actuary and are subject to a triennial valuation by a qualified actuary, the last valuation being carried out as at 5 April 2021 for the Glen Dimplex Home Appliances pension scheme and 5 April 2020 for the Stoves Executive pension scheme.

These valuations were performed using the projected unit method. The valuations have been updated by independent actuaries to take account of the requirements of Section 28 of FRS 102 in order to assess the liabilities as at 30 September 2022. Scheme assets are stated at their market value at the balance sheet date.

Glen Dimplex Home Appliances Limited

Notes (continued)

22 Retirement benefit obligations (continued)

The major assumptions used for the actuarial valuations were:

	2022 %	2021 %
Rate of increase of pensions in payment	3.71	3.62
Rates of increases in salaries	0-2.20	0-2.20
Discount rate	5.14	1.91
Inflation rate	3.01-3.71	2.82-3.62

The fair value of the assets in the scheme and the present value of the liabilities at 30 September 2022 are as follows:

	Value at 30 September 2022 £'000	Value at 30 September 2021 £'000
Equities	6,972	8,091
Bonds	28,516	19,769
Other	13,030	41,230
LLDI	15,622	25,069
Change in assets not recognised due to surplus limitation	(949)	(1,166)
	<hr/>	<hr/>
Total fair value of assets	63,191	92,993
Present value of benefit obligations	(72,165)	(112,076)
	<hr/>	<hr/>
Net retirement obligation	(8,974)	(19,083)
	<hr/>	<hr/>

Assumptions regarding future mortality experience are set based on information from published statistics and experience in all geographic regions and are selected to reflect the characteristics and experience of the membership of the relevant plans, together with applying an underpin for improvement factors. The average life expectancy, in years, of a pensioner retiring at 65 is as follows:

	2022 Years	2021 Years
Male	20.3-22.5	20.3-22.5
Female	22.9-24.6	22.9-24.6

Glen Dimplex Home Appliances Limited

Notes (continued)

22 Retirement benefit obligations (continued)

<i>Changes in defined benefit obligations</i>	2022 £'000	2021 £'000
At beginning of year	112,076	116,718
Current service cost	41	79
Employee contributions	6	10
Interest expense	2,090	1,759
Actuarial loss	(37,286)	(2,463)
Benefits paid	(4,762)	(4,027)
At end of year	72,165	112,076
<i>Changes in fair value of plan assets</i>	2022 £'000	2021 £'000
At beginning of year	92,993	90,401
Employer contributions	3,761	265
Employee contributions	6	10
Benefits paid	(4,762)	(4,027)
Running costs paid by scheme	(585)	(483)
Actual return on scheme assets less interest income	(30,223)	6,184
Interest income	1,784	1,365
Change in assets not recognised due to change in surplus limitation	217	(722)
At end of year	63,191	92,993
Components of pension cost	2022 £'000	2021 £'000
Included in profit and loss account		
<i>Included in payroll costs:</i>		
Current service costs	(41)	(79)
Running costs paid by the scheme	(585)	(483)
Gains and losses due to surplus limitation	(26)	(12)
Net operating profit charge	(652)	(574)
<i>Included in finance costs:</i>		
Net interest on net defined benefit obligations	(306)	(394)
Net finance costs	(306)	(394)

Glen Dimplex Home Appliances Limited

Notes (continued)

22 Retirement benefit obligations (continued)

Included in other comprehensive income	2022 £'000	2021 £'000
Actual return on scheme assets less interest income	(30,223)	6,184
Actuarial loss	37,286	2,463
Change in assets not recognised due to change in surplus limitation	243	(710)
	<hr/>	<hr/>
Remeasurement of gains recognised in the statement of other comprehensive income	7,306	7,937
	<hr/>	<hr/>

23 Ultimate parent undertaking

The Company's immediate parent company is Stoves Group Limited, a company registered in the United Kingdom. The ultimate parent company is Kilkee Investments Unlimited, a company incorporated in the Isle of Man. The controlling shareholder is M. Naughton.

The smallest group in which the results of the Company are consolidated is that of Glen Electric Limited, Rampart Road, Greenbank Industrial Estate, Warrenpoint Road, Newry, Co. Down, BT34 2QU, whose consolidated financial statements may be obtained from Companies House, 2nd Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG. The largest group in which the results of the Company are consolidated is that of Glen Dimplex Europe Holdings Limited, Airport Road, Cloghran, Co. Dublin, whose consolidated financial statements are available to the public and may be obtained from the Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1.

24 Subsidiary

The Company owns 100% of Lec Refrigeration Limited, a dormant company, with a registered address of Stoney Lane, Prescot, Merseyside, L35 2XW. The current value of the investment is £Nil.

25 Related party transactions

The Company has availed of the exemptions permitted under FRS 102.33.1(a) in not disclosing transactions with fellow wholly owned subsidiary undertakings which eliminate in the consolidated financial statements of Glen Dimplex Europe Holdings Limited.

26 Capital and reserves

	2022 £'000	2021 £'000
Profit and loss reserves at the start of the year	(9,373)	(10,980)
Loss for the year	(10,154)	(5,925)
Remeasurement of defined retirement benefit obligation	7,306	7,937
Tax relating to components of other comprehensive income	(1,828)	(405)
	<hr/>	<hr/>
Profit and loss reserves at the end of year	(14,049)	(9,373)
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Glen Dimplex Home Appliances Limited

Notes *(continued)*

27 Accounting estimates and judgements

Key sources of estimation uncertainty and critical accounting judgements are as follows:

Post-retirement benefits

The Company's total obligation in respect of defined benefit pension schemes is calculated by independent, qualified actuaries, updated at least annually. The size of the obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation, benefit increases together with the discount rate used. The size of the scheme assets is also sensitive to asset return levels and the level of contributions from the Company. Further details are set out in note 22.

Recoverability of trade receivables

The Company provides credit to customers and as a result there is an associated risk that the customer may not be able to pay outstanding balances. Trade receivables are considered for impairment on a case by case basis, when they are past due at the reporting date or when objective evidence is received that a specific counterparty may default. The Company does not have a history of material customer default.

Valuation of inventory

Inventories are measured at the lower of cost and net realisable value. The Company's policy is to hold inventories at original cost and create an inventory provision where evidence exists that indicates net realisable value is below cost for a particular item of inventory. Damaged, slow-moving or obsolete inventory are typical examples of such evidence.

Warranty

Certain products carry formal guarantees for varying years following their purchase. Local management evaluate the constructive or legal obligation arising from customer feedback and assess the requirement to provide for any probable outflow of economic benefit arising from a settlement. Details of the carrying value of warranty provisions is set out in note 19.

28 Post balance sheet events

No significant events occurred subsequent to 30 September 2022 that would require adjustment to the disclosures of the financial statements.

29 Approval of financial statements

The financial statements were approved by the directors on 13 June 2023.