

**REGISTERED NUMBER: 03518831 (England and Wales)**

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018  
FOR  
WEBER-STEPHEN PRODUCTS (U.K.) LIMITED**

Ainsworths Limited  
Chartered Accountants  
and Statutory Auditors  
Charter House  
Stansfield Street  
Nelson  
Lancashire  
BB9 9XY

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Consolidated Income Statement</b>	<b>7</b>
<b>Consolidated Other Comprehensive Income</b>	<b>8</b>
<b>Consolidated Balance Sheet</b>	<b>9</b>
<b>Company Balance Sheet</b>	<b>10</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>11</b>
<b>Company Statement of Changes in Equity</b>	<b>12</b>
<b>Consolidated Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>14</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>15</b>

---

**WEBER-STEPHEN PRODUCTS (U.K.) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

---

**DIRECTORS:**

Mr H J Herr  
Mr L Leenders  
Mr A M Reuter  
Mr J T Schollmeyer  
Mr F J Lepeltier  
Ms N M Misch  
Mr P J Zadeik  
Mr D Broadbent

**SECRETARY:**

Mr F J Lepeltier

**REGISTERED OFFICE:**

10th Floor  
The Metro Building  
1 Butterwick  
London  
W6 8DL

**REGISTERED NUMBER:**

03518831 (England and Wales)

**AUDITORS:**

Ainsworths Limited  
Chartered Accountants  
and Statutory Auditors  
Charter House  
Stansfield Street  
Nelson  
Lancashire  
BB9 9XY

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

---

The directors present their strategic report of the company and the group for the year ended 30th September 2018.

**REVIEW OF BUSINESS**

The directors consider the results achieved on ordinary activities before taxation to be satisfactory in view of the global economy.

Turnover remained consistent at £283m. The gross margin improved slightly to 32.55% (2017: 30.48%).

Reserves increased and the balance sheet position remains strong at over £70m. The directors are confident in the future outlook of the group.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The risks and uncertainties faced by the group include the european economic climate, seasonal weather factors and rising costs.

**ON BEHALF OF THE BOARD:**

Mr L Leenders - Director

21st June 2019

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

---

The directors present their report with the financial statements of the company and the group for the year ended 30th September 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of importers and wholesalers of barbecues and related products.

**DIVIDENDS**

No dividends will be distributed for the year ended 30th September 2018.

**RESEARCH AND DEVELOPMENT**

The group continues to develop improved barbecue equipment and techniques.

**FUTURE DEVELOPMENTS**

No significant changes to the group's business are anticipated.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st October 2017 to the date of this report.

Mr H J Herr  
Mr L Leenders  
Mr A M Reuter  
Mr J T Schollmeyer  
Mr F J Lepeltier  
Ms N M Misch  
Mr P J Zadeik

Other changes in directors holding office are as follows:

Mr T Koos - resigned 20th November 2017  
Mr D Broadbent - appointed 20th November 2017

**EMPLOYEES**

The group encourages employment, training, career development and promotion of disabled people. The aims to develop good communication with employees and consultation is encouraged.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

---

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Ainsworths Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr L Leenders - Director

21st June 2019

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEBER-STEPHEN PRODUCTS (U.K.) LIMITED**

---

### **Opinion**

We have audited the financial statements of Weber-Stephen Products (U.K.) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30th September 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30th September 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEBER-STEPHEN PRODUCTS (U.K.) LIMITED**

---

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 or error, and to issue a Report of the Auditors that includes our opinion. 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 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 further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Mark Sunter (Senior Statutory Auditor)  
for and on behalf of Ainsworths Limited  
Chartered Accountants  
and Statutory Auditors  
Charter House  
Stansfield Street  
Nelson  
Lancashire  
BB9 9XY

21st June 2019



**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

	Notes	30.9.18 £	£	30.9.17 £	£
<b>TURNOVER</b>	3		<b>282,967,367</b>		279,683,810
Cost of sales			<b>190,856,212</b>		194,429,197
<b>GROSS PROFIT</b>			<b>92,111,155</b>		85,254,613
Distribution costs		<b>217,219</b>		163,759	
Administrative expenses		<b>72,779,252</b>		<b>75,184,050</b>	
			<b>72,996,471</b>		75,347,809
<b>OPERATING PROFIT</b>	5		<b>19,114,684</b>		9,906,804
Interest receivable and similar income			<b>36,547</b>		29,549
			<b>19,151,231</b>		9,936,353
Interest payable and similar expenses	6		<b>707,774</b>		585,710
<b>PROFIT BEFORE TAXATION</b>			<b>18,443,457</b>		9,350,643
Tax on profit	7		<b>5,683,171</b>		4,900,097
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<b>12,760,286</b>		4,450,546
Profit attributable to:					
Owners of the parent			<b>12,760,286</b>		4,450,546

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

	Notes	30.9.18 £	30.9.17 £
<b>PROFIT FOR THE YEAR</b>		<b>12,760,286</b>	<b>4,450,546</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Equity difference on foreign currency		<b>639,701</b>	2,242,900
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<b>639,701</b>	<b>2,242,900</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>13,399,987</b>	<b>6,693,446</b>
Total comprehensive income attributable to: Owners of the parent		<b>13,399,987</b>	<b>6,693,446</b>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**30TH SEPTEMBER 2018**

	Notes	30.9.18 £	£	30.9.17 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		942,975		1,180,298
Tangible assets	10		5,433,697		5,066,035
Investments	11		-		-
			<u>6,376,672</u>		<u>6,246,333</u>
<b>CURRENT ASSETS</b>					
Stocks	12	53,124,935		44,386,582	
Debtors	13	75,166,222		69,221,532	
Cash at bank and in hand		<u>13,221,916</u>		<u>11,264,077</u>	
		<u>141,513,073</u>		<u>124,872,191</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>73,090,146</u>		<u>69,689,534</u>	
<b>NET CURRENT ASSETS</b>			<u>68,422,927</u>		<u>55,182,657</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>74,799,599</u>		<u>61,428,990</u>
<b>PROVISIONS FOR LIABILITIES</b>	16		-		29,378
<b>NET ASSETS</b>			<u>74,799,599</u>		<u>61,399,612</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		2		2
Share premium	18		4,335,163		4,335,163
Equity difference on foreign currency translations	18		5,247,720		4,608,019
Retained earnings	18		<u>65,216,714</u>		<u>52,456,428</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>74,799,599</u>		<u>61,399,612</u>

The financial statements were approved by the Board of Directors on 21st June 2019 and were signed on its behalf by:

Mr L Leenders - Director

**COMPANY BALANCE SHEET**  
**30TH SEPTEMBER 2018**

	Notes	30.9.18 £	£	30.9.17 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		190,335		226,539
Investments	11		9,104,109		7,848,054
			<u>9,294,444</u>		<u>8,074,593</u>
<b>CURRENT ASSETS</b>					
Stocks	12	5,728,824		4,618,426	
Debtors	13	4,557,968		4,016,804	
Cash at bank and in hand		<u>3,527,749</u>		<u>2,200,592</u>	
		13,814,541		10,835,822	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>15,969,987</u>		<u>9,448,266</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(2,155,446)</u>		<u>1,387,556</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,138,998		9,462,149
<b>PROVISIONS FOR LIABILITIES</b>	16		-		29,378
<b>NET ASSETS</b>			<u>7,138,998</u>		<u>9,432,771</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		2		2
Share premium	18		4,335,163		4,335,163
Retained earnings	18		<u>2,803,833</u>		<u>5,097,606</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>7,138,998</u>		<u>9,432,771</u>
Company's loss for the financial year			<u>(2,293,773)</u>		<u>(838,066)</u>

The financial statements were approved by the Board of Directors on 21st June 2019 and were signed on its behalf by:

Mr L Leenders - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Equity difference on foreign currency £</b>	<b>Total equity £</b>
<b>Balance at 1st October 2016</b>	2	48,005,882	4,335,163	2,365,119	54,706,166
<b>Changes in equity</b>					
Total comprehensive income	-	4,450,546	-	2,242,900	6,693,446
<b>Balance at 30th September 2017</b>	2	52,456,428	4,335,163	4,608,019	61,399,612
<b>Changes in equity</b>					
Total comprehensive income	-	12,760,286	-	639,701	13,399,987
<b>Balance at 30th September 2018</b>	2	65,216,714	4,335,163	5,247,720	74,799,599

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Total equity £</b>
<b>Balance at 1st October 2016</b>	2	5,935,672	4,335,163	10,270,837
<b>Changes in equity</b>				
Total comprehensive income	-	(838,066)	-	(838,066)
<b>Balance at 30th September 2017</b>	<u>2</u>	<u>5,097,606</u>	<u>4,335,163</u>	<u>9,432,771</u>
<b>Changes in equity</b>				
Total comprehensive income	-	(2,293,773)	-	(2,293,773)
<b>Balance at 30th September 2018</b>	<u>2</u>	<u>2,803,833</u>	<u>4,335,163</u>	<u>7,138,998</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

		<b>30.9.18</b>	<b>30.9.17</b>
	Notes	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<b>10,726,028</b>	14,060,045
Interest paid		<b>(707,774)</b>	(585,710)
Equity difference on foreign currency		<b>639,701</b>	2,242,900
Tax paid		<b>(5,278,020)</b>	(6,025,996)
Net cash from operating activities		<b><u>5,379,935</u></b>	<u>9,691,239</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		<b>(97,756)</b>	(1,092,469)
Purchase of tangible fixed assets		<b>(3,406,587)</b>	(2,400,847)
Sale of tangible fixed assets		<b>45,700</b>	90,890
Interest received		<b>36,547</b>	29,549
Net cash from investing activities		<b><u>(3,422,096)</u></b>	<u>(3,372,877)</u>
<b>Increase in cash and cash equivalents</b>		<b><u>1,957,839</u></b>	<u>6,318,362</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>11,264,077</b>	4,945,715
<b>Cash and cash equivalents at end of year</b>	2	<b><u>13,221,916</u></b>	<u>11,264,077</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30.9.18 £	30.9.17 £
Profit before taxation	18,443,457	9,350,643
Depreciation charges	3,122,867	2,579,836
Loss/(profit) on disposal of fixed assets	205,437	(15,250)
Finance costs	707,774	585,710
Finance income	(36,547)	(29,549)
	<b>22,442,988</b>	12,471,390
Increase in stocks	(8,738,353)	(15,896,180)
Increase in trade and other debtors	(14,844,948)	(748,932)
Increase in trade and other creditors	11,866,341	18,233,767
<b>Cash generated from operations</b>	<b>10,726,028</b>	14,060,045

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30th September 2018**

	30.9.18 £	1.10.17 £
Cash and cash equivalents	13,221,916	11,264,077

**Year ended 30th September 2017**

	30.9.17 £	1.10.16 £
Cash and cash equivalents	11,264,077	4,945,715



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

---

1. **STATUTORY INFORMATION**

Weber-Stephen Products (U.K.) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated financial statements include the company and its subsidiary undertakings.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Significant judgements and estimates**

Preparation of the financial statements requires management to consider any significant judgements and estimates.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Goodwill**

Goodwill is amortised over its estimated useful life.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

---

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The following assets and liabilities are classified as financial instruments:

Investments in subsidiaries, trade debtors, trade creditors, hire purchase contracts, bank loans, directors' loans and inter group balances.

Trade debtors, trade creditors, and directors' loans and inter group balances (being repayable on demand) are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Hire purchase contracts and bank loans are initially measured at the present value of future payments, discounted at a market rate of interest and subsequently at amortised cost using the effective interest method.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found an impairment loss is recognised in profit and loss.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

**2. ACCOUNTING POLICIES - continued**

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Operating leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Investments**

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the results from ordinary activities unless the profit or losses are exceptional.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	30.9.18	30.9.17
	£	£
United Kingdom	28,205,864	25,357,164
Western Europe	191,677,643	188,760,665
Eastern Europe	10,454,870	9,743,917
Canada	44,665,036	48,116,487
South America	1,850,727	348,941
Asia	6,113,227	7,356,636
	<u>282,967,367</u>	<u>279,683,810</u>

**4. EMPLOYEES AND DIRECTORS**

	30.9.18	30.9.17
	£	£
Wages and salaries	20,315,540	19,980,849
Social security costs	2,379,516	2,321,429
Other pension costs	230,895	226,618
	<u>22,925,951</u>	<u>22,528,896</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

4. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	30.9.18	30.9.17
Directors	8	8
Administration, sales and distribution	<u>321</u>	<u>336</u>
	<u>329</u>	<u>344</u>
	30.9.18	30.9.17
	£	£
Directors' remuneration	182,884	169,149
Directors' pension contributions to money purchase schemes	<u>12,987</u>	<u>12,768</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	30.9.18	30.9.17
	£	£
Depreciation - owned assets	2,787,788	2,425,442
Loss/(profit) on disposal of fixed assets	205,437	(15,250)
Goodwill amortisation	31,466	31,140
Patents and licences amortisation	303,613	123,254
Auditors' remuneration	16,655	7,450
Auditors' remuneration for non audit work	10,560	7,175
Subsidiaries auditors' remuneration	<u>172,168</u>	<u>158,956</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.9.18	30.9.17
	£	£
Group interest payable	<u>707,774</u>	<u>585,710</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2018**

**7. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	30.9.18 £	30.9.17 £
Current tax:		
UK corporation tax	-	39,275
Over provision in previous year	34,981	3,037
Overseas tax	<u>5,677,568</u>	<u>4,840,594</u>
Total current tax	<u>5,712,549</u>	<u>4,882,906</u>
Deferred tax	<u>(29,378)</u>	<u>17,191</u>
Tax on profit	<u><u>5,683,171</u></u>	<u><u>4,900,097</u></u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.9.18 £	30.9.17 £
Profit before tax	<u>18,443,457</u>	<u>9,350,643</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	3,504,257	1,776,622
Effects of:		
Higher overseas tax rates and other changes	<u>2,178,914</u>	<u>3,123,475</u>
Total tax charge	<u><u>5,683,171</u></u>	<u><u>4,900,097</u></u>

**Tax effects relating to effects of other comprehensive income**

	30.9.18 Gross £	Tax £	Net £
Equity difference on foreign currency	<u>639,701</u>	-	<u>639,701</u>
	30.9.17 Gross £	Tax £	Net £
Equity difference on foreign currency	<u>2,242,900</u>	-	<u>2,242,900</u>

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

## 9. INTANGIBLE FIXED ASSETS

## Group

	Goodwill £	Patents and licences £	Totals £
<b>COST</b>			
At 1st October 2017	1,589,873	1,673,289	3,263,162
Additions	-	97,756	97,756
At 30th September 2018	<u>1,589,873</u>	<u>1,771,045</u>	<u>3,360,918</u>
<b>AMORTISATION</b>			
At 1st October 2017	1,499,017	583,847	2,082,864
Amortisation for year	<u>31,466</u>	<u>303,613</u>	<u>335,079</u>
At 30th September 2018	<u>1,530,483</u>	<u>887,460</u>	<u>2,417,943</u>
<b>NET BOOK VALUE</b>			
At 30th September 2018	<u>59,390</u>	<u>883,585</u>	<u>942,975</u>
At 30th September 2017	<u>90,856</u>	<u>1,089,442</u>	<u>1,180,298</u>

## 10. TANGIBLE FIXED ASSETS

## Group

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1st October 2017	446,596	10,665,381	88,727	3,248,110	14,448,814
Additions	358,268	1,725,528	-	1,322,791	3,406,587
Disposals	-	(131,713)	-	(237,857)	(369,570)
Reclassification/transfer	(184,005)	184,005	-	-	-
At 30th September 2018	<u>620,859</u>	<u>12,443,201</u>	<u>88,727</u>	<u>4,333,044</u>	<u>17,485,831</u>
<b>DEPRECIATION</b>					
At 1st October 2017	168,581	7,417,095	88,727	1,708,376	9,382,779
Charge for year	16,498	1,807,400	-	963,890	2,787,788
Eliminated on disposal	-	(118,433)	-	-	(118,433)
Reclassification/transfer	(23,110)	23,110	-	-	-
At 30th September 2018	<u>161,969</u>	<u>9,129,172</u>	<u>88,727</u>	<u>2,672,266</u>	<u>12,052,134</u>
<b>NET BOOK VALUE</b>					
At 30th September 2018	<u>458,890</u>	<u>3,314,029</u>	<u>-</u>	<u>1,660,778</u>	<u>5,433,697</u>
At 30th September 2017	<u>278,015</u>	<u>3,248,286</u>	<u>-</u>	<u>1,539,734</u>	<u>5,066,035</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

10. TANGIBLE FIXED ASSETS - continued

Company	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1st October 2017	134,845	234,901	88,727	252,454	710,927
Additions	23,505	13,617	-	10,389	47,511
At 30th September 2018	<u>158,350</u>	<u>248,518</u>	<u>88,727</u>	<u>262,843</u>	<u>758,438</u>
<b>DEPRECIATION</b>					
At 1st October 2017	62,925	161,839	88,727	170,897	484,388
Charge for year	32,055	30,503	-	21,157	83,715
At 30th September 2018	<u>94,980</u>	<u>192,342</u>	<u>88,727</u>	<u>192,054</u>	<u>568,103</u>
<b>NET BOOK VALUE</b>					
At 30th September 2018	<u>63,370</u>	<u>56,176</u>	<u>-</u>	<u>70,789</u>	<u>190,335</u>
At 30th September 2017	<u>71,920</u>	<u>73,062</u>	<u>-</u>	<u>81,557</u>	<u>226,539</u>

11. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
<b>COST</b>	
At 1st October 2017	7,848,054
Additions	1,256,055
At 30th September 2018	<u>9,104,109</u>
<b>NET BOOK VALUE</b>	
At 30th September 2018	<u>9,104,109</u>
At 30th September 2017	<u>7,848,054</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Weber-Stephen Deutschland GmbH**

Registered office: Germany

Nature of business: Wholesale of barbecues

Class of shares:	% holding
Ordinary	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

11. **FIXED ASSET INVESTMENTS - continued**

**Weber-Stephen (Schweiz) GmbH**

Registered office: Switzerland

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00

**Weber-Stephen CZ & SK spol. s.r.o.**

Registered office: Czech Republic

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00

**Weber-Stephen Vostok LLC**

Registered office: Russia

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00

**Weber-Stephen Polska Spol. Z.o.o**

Registered office: Poland

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00

**Weber-Stephen Products (EMEA) GmbH**

Registered office: Germany

Nature of business: Administration etc.for EMEA

	%
Class of shares:	holding
Ordinary	100.00

**Weber-Stephen Holdings (UK) Limited**

Registered office: United Kingdom

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

**Weber-Stephen (Canada) Company**

Registered office: Canada

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

11. **FIXED ASSET INVESTMENTS - continued**

**Weber-Stephen Chile SpA**

Registered office: Chile

Nature of business: Wholesale of barbecues

Class of shares:	%
Ordinary	holding 100.00

**Weber (Shanghai) Trading Company Limited**

Registered office: China

Nature of business: Wholesale of barbecues

Class of shares:	%
Ordinary	holding 100.00

**Weber-Stephen Products (Hong Kong) Limited**

Registered office: Hong Kong

Nature of business: Wholesale of barbecues

Class of shares:	%
Ordinary	holding 100.00

**Weber-Stephen Products Japan GK**

Registered office: Japan

Nature of business: Wholesale of barbecues

Class of shares:	%
Ordinary	holding 100.00

**Weber-Stephen Products (Malaysia) SDN. BHD.**

Registered office: Malaysia

Nature of business: Wholesale of barbecues

Class of shares:	%
Ordinary	holding 100.00

12. **STOCKS**

	<b>Group</b>		<b>Company</b>	
	30.9.18	30.9.17	30.9.18	30.9.17
	£	£	£	£
Finished goods	<b>53,124,935</b>	44,386,582	<b>5,728,824</b>	4,618,426

During the year, stocks totalling £179,359,995 (2017: £183,394,250) were included in the profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.18	30.9.17	30.9.18	30.9.17
	£	£	£	£
Trade debtors	29,946,674	26,684,960	3,703,101	3,218,072
Other debtors	2,544,048	846,905	14,598	14,598
Amount owed by group companies	39,405,876	37,227,111	217,510	-
VAT	1,008,495	2,731,517	149,730	585,622
Prepayments and accrued income	2,261,129	1,731,039	473,029	198,512
	<u>75,166,222</u>	<u>69,221,532</u>	<u>4,557,968</u>	<u>4,016,804</u>

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.18	30.9.17	30.9.18	30.9.17
	£	£	£	£
Trade creditors	5,903,043	4,857,914	979,527	1,169,236
Tax	527,904	93,375	73,053	4,392
Other creditors	21,459,828	19,104,390	1,886,152	2,021,546
Amount owed to group companies	45,199,371	45,633,855	13,031,255	6,253,092
	<u>73,090,146</u>	<u>69,689,534</u>	<u>15,969,987</u>	<u>9,448,266</u>

## 15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

## Group

	Non-cancellable operating leases	
	30.9.18	30.9.17
	£	£
Within one year	254,422	221,688
Between one and five years	1,108,939	1,338,319
In more than five years	1,221,655	568,395
	<u>2,585,016</u>	<u>2,128,402</u>

## Company

	Non-cancellable operating leases	
	30.9.18	30.9.17
	£	£
Within one year	15,428	20,857
Between one and five years	53,468	62,083
In more than five years	388,127	286,600
	<u>457,023</u>	<u>369,540</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

16. PROVISIONS FOR LIABILITIES

	Group		Company	
	30.9.18 £	30.9.17 £	30.9.18 £	30.9.17 £
Deferred tax				
Accelerated capital allowances	<u>-</u>	<u>29,378</u>	<u>-</u>	<u>29,378</u>
<b>Group</b>				
				Deferred tax £
Balance at 1st October 2017				29,378
Credit to Income Statement during year				<u>(29,378)</u>
Balance at 30th September 2018				<u>-</u>
<b>Company</b>				
				Deferred tax £
Balance at 1st October 2017				29,378
Credit to Income Statement during year				<u>(29,378)</u>
Balance at 30th September 2018				<u>-</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.9.18 £	30.9.17 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

18. RESERVES

<b>Group</b>			Equity difference on foreign currency £	Totals £
	Retained earnings £	Share premium £		
At 1st October 2017	52,456,428	4,335,163	4,608,019	61,399,610
Profit for the year	12,760,286			12,760,286
Movement in the year	-	-	639,701	639,701
At 30th September 2018	<u>65,216,714</u>	<u>4,335,163</u>	<u>5,247,720</u>	<u>74,799,597</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2018

18. **RESERVES - continued**

Company	Retained earnings £	Share premium £	Totals £
At 1st October 2017	5,097,606	4,335,163	9,432,769
Deficit for the year	<u>(2,293,773)</u>		<u>(2,293,773)</u>
At 30th September 2018	<u>2,803,833</u>	<u>4,335,163</u>	<u>7,138,996</u>

19. **PENSION COMMITMENTS**

The company operates a defined contribution scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

20. **ULTIMATE PARENT COMPANY**

In the directors' opinion the company's ultimate parent company is Weber-Stephen Products LLC which is incorporated in the United States of America. The company's address is 1415 S. Roselle Road, Palatine, Illinois, 60067, USA.

21. **ULTIMATE CONTROLLING PARTY**

In the directors' opinion the company's ultimate controlling party is BDT Capital Partners LLC which is incorporated in the United States of America.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.