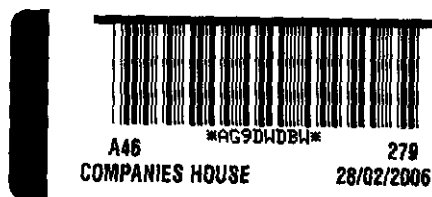


Sprayway Limited (formerly COBCO 642 Limited)

Financial statements

For the period ended 30 April 2005

Grant Thornton 



Company No. 05158886

Company information

Company registration number	05158886
Registered office	163 Parker Drive Leicester Leicestershire LE4 0JP
Directors	S J Cann B J Berryman
Secretary	SJ Cann
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 8 West Walk Leicester LE1 7NH

Index

Report of the directors	3 - 4
Report of the independent auditors	5 - 6
Principal accounting policies	7 - 8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11 - 15

Report of the directors

The directors present their report and the financial statements of the company for the period ended 30 April 2005.

Principal activities and business review

The principal activity of the company during the year was the provision of warehouse and distribution services to J Lan

The company was incorporated on 21 June 2004. On 11 November 2004 the company changed its name from COBCO 642 Limited to Sprayway Limited.

Results and dividends

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have recommended the following dividends:

	£
Proposed dividends on preference shares	<u>24,116</u>

Directors

The directors who served the company during the period were as follows:

S J Cann	(Appointed 14 July 2004)
B J Berryman	(Appointed 28 July 2004)
Cobbetts Limited	(Appointed 21 June 2004 and Resigned 14 July 2004)

Both S J Cann and B J Berryman are directors and shareholders in the company's ultimate parent undertaking and their shareholdings are shown in that company's financial statements.

Directors' responsibilities

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

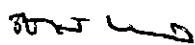
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD


SJ Cann
Secretary
27 February 2006

Report of the independent auditors to the members of Sprayway Limited (formerly COBCO 642 Limited)

We have audited the financial statements of Sprayway Limited (formerly COBCO 642 Limited) for the period ended 30 April 2005 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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

We read other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

Report of the independent auditors to the members of Sprayway Limited (formerly COBCO 642 Limited) (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 April 2005 and of its loss for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Grant Thornton UK LLP

LEICESTER
27 February 2006

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Consolidation

The company is a wholly owned subsidiary of another company, incorporated in the European Union and in accordance with section 288 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts. The company is included in the consolidated financial statements of Swiss Cutlery (UK) Limited, its parent company.

Turnover

Turnover represents charges for warehouse and distribution services rendered to J Langdon Limited.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	20% Straight line
Motor Vehicles	-	20% Straight line
Equipment	-	20% Straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Profit and loss account

	Note	2005 £
Turnover	1	829,611
Other operating charges	2	955,400
Loss on ordinary activities before taxation		<u>(125,789)</u>
Tax on loss on ordinary activities	4	(21,404)
Loss on ordinary activities after taxation		<u>(104,385)</u>
Dividends (including non-equity)	5	24,116
Loss for the financial period	12	<u><u>(128,501)</u></u>

All of the activities of the company are classed as continuing.

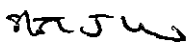
The company has no recognised gains or losses other than the results for the period as set out above.

Balance sheet

	Note	2005 £
Fixed assets		
Tangible assets	6	92,705
Investments	7	1
		<u>92,706</u>
Current assets		
Debtors	8	3,019,409
Total assets		<u>3,112,115</u>
Capital and reserves		
Called-up share capital	11	3,216,500
Profit and loss account	12	(104,385)
		<u>3,112,115</u>
Shareholders' funds:	13	
Equity		(127,501)
Non-equity		3,239,616
		<u>3,112,115</u>

These financial statements were approved by the directors on 27 February 2006 and are signed on their behalf by:

S J Cann



Notes to the financial statements

1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2005 £
United Kingdom	<u>829,611</u>

2 Other operating charges

	2005 £
Administrative expenses	<u>955,400</u>

3 Directors and employees

The average number of persons employed by the company during the financial period, including the directors, amounted to 15.

The aggregate payroll costs of the above were:

	2005 £
Wages and salaries	302,877
Social security costs	18,270
Other pension costs	2,228
	<u>323,375</u>

No directors received any remuneration from the company during the year.

4 Taxation on ordinary activities

(a) Analysis of charge in the period

	2005 £
Current tax:	
Corporation tax	-
Group relief	(21,404)
Total current tax	<u>(21,404)</u>

4 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

	2005 £
Loss on ordinary activities before taxation	(125,789)
Loss on ordinary activities multiplied by the rate of corporation tax - 30%	(37,737)
Expenses not deductible for tax purposes	5,738
Depreciation for the period in excess of capital allowances	10,595
Total current tax (note 4(a))	(21,404)

5 Dividends

	2005 £
Non-equity dividends:	
Proposed dividend on preference shares	24,116

6 Tangible fixed assets

	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost				
Additions	44,860	112,880	21,739	179,479
At 30 April 2005	<u>44,860</u>	<u>112,880</u>	<u>21,739</u>	<u>179,479</u>
Depreciation				
Charge for the period	1,823	79,311	5,640	86,774
At 30 April 2005	<u>1,823</u>	<u>79,311</u>	<u>5,640</u>	<u>86,774</u>
Net book value				
At 30 April 2005	<u>43,037</u>	<u>33,569</u>	<u>16,099</u>	<u>92,705</u>

7 Investments

Shares in subsidiary undertakings

	£
Cost	
Additions	1
At 30 April 2005	<u>1</u>
Net book value	
At 30 April 2005	<u>1</u>

The company owns 100% of the issued share capital of J Langdon Limited, a company registered in Ireland.

8 Debtors

	2005 £
Amounts owed by group undertakings	<u>3,019,409</u>

9 Leasing commitments

At 30 April 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	2005 Land & Buildings £	Other Items £
Operating leases which expire:		
Within 2 to 5 years	<u>97,500</u>	<u>5,973</u>

10 Related party transactions

As the company is a wholly owned subsidiary of Swiss Cutlery (UK) Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of that group.

11 Share capital

Authorised share capital:

	2005 £
1,000 Ordinary shares of £1 each	1,000
177 Ordinary 'A' shares of £1 each	177
3,215,500 Cumulative redeemable preference shares of £1 each	3,215,500
	<u>3,216,677</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	1,000	1,000
Cumulative redeemable preference shares of £1 each	3,215,500	3,215,500
	<u>3,216,500</u>	<u>3,216,500</u>

Cumulative redeemable preference shares

In accordance with the articles of association of the company the terms under which the preference shares to be redeemed are as follows:

Redemption date before:	Redemption price:
29 July 2007	15%
28 July 2008	25%
28 July 2009	35%
28 July 2010	50%
28 July 2014	75%

The redemption price is the sum equivalent to the above percentages of the amount subscribed. The redemption dates represent anniversary dates of the adoption of the articles of association. If the preference shares have not been redeemed before the 10th anniversary of the adoption of the articles (i.e. 28 July 2014) then the shares will be redeemed at that date.

Fixed cumulative preference dividends are equal to 1% of the preference share capital issued and are accrued on an annual basis and payable on redemption of the shares.

12 Profit and loss account

	2005 £
Accumulated loss for the financial period	(128,501)
Dividends not declared	24,116
Balance carried forward	<u>(104,385)</u>

13 Reconciliation of movements in shareholders' funds

Equity shareholders' funds

	2005 £
Loss for the financial period	(104,385)
Dividends	(24,116)
	<u>(128,501)</u>
New equity share capital subscribed	1,000
Dividends not declared	24,116
	<u>(103,385)</u>
Net reduction to shareholders' equity funds	(103,385)
Closing shareholders' equity deficit	<u>(103,385)</u>

Non-equity shareholders' funds

New non-equity share capital subscribed	3,215,500
Closing shareholders' non-equity funds	<u>3,215,500</u>

Total shareholders' funds	<u><u>3,112,115</u></u>
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14 Ultimate parent company

The directors consider that the ultimate parent undertaking of this company is its parent company, Swiss Cutlery (UK) Limited. Copies of the parent company's financial statements are available from the company secretary, Swiss Cutlery (UK) Limited, Victorinox House, 163 Parker Drive, Leicester, LE4 0JP.

The directors regard B J Berryman, H Turner and C Fahy as the ultimate controlling parties by virtue of their status as controlling trustees of a trust which holds a 95% interest in the equity capital of Swiss Cutlery (UK) Limited.