

BODUM (U.K.) LIMITED

Report and Financial Statements

31 December 2007

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BODUM (U.K.) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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BODUM (U.K.) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Bodum
L Kamstrup

SECRETARY

J Wilkinson

REGISTERED OFFICE

Phillips House
Tithe Barn Way
Swan Valley
Northamptonshire
NN4 9BA

BANKERS

Danske Bank

SOLICITORS

Freeth Cartwright
Gorrissen, Federspiel & Kierkegaard

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Nottingham
United Kingdom

BODUM (U.K.) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

ACTIVITIES AND FUTURE PROSPECTS

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

REVIEW OF THE BUSINESS

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

DIVIDENDS AND RESERVES

The profit for the year on ordinary activities after taxation amounted to £372,502 (2006 £293,237). The directors do not recommend the payment of a dividend (2006 £nil)

DIRECTORS

The present membership of the Board is set out on page 1

AUDITORS


Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

By Order of the Board


L Kamstrup
Director

BODUM (U.K.) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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 that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Bodum (U K) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17 These financial statements have been prepared under the accounting policies set out therein

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Nottingham, UK

7 April 2008.*

BODUM (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2007**

	Note	2007 £	2006 £
TURNOVER	1	6,925,037	7,040,072
Cost of sales		<u>(3,922,677)</u>	<u>(3,946,475)</u>
Gross profit		3,002,360	3,093,597
Administration expenses		<u>(2,597,579)</u>	<u>(2,774,864)</u>
OPERATING PROFIT	2	404,781	318,733
Interest receivable and similar income	3	979	895
Interest payable and similar charges	4	<u>(7,717)</u>	<u>(26,391)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		398,043	293,237
Tax on profit on ordinary activities	5	<u>(25,541)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12,13	<u>372,502</u>	<u>293,237</u>

All amounts derive from continuing operations

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

BODUM (U.K.) LIMITED

BALANCE SHEET 31 December 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	111,377	142,782
CURRENT ASSETS			
Stocks	8	722,957	735,633
Debtors	9	1,501,285	1,296,344
Cash at bank and in hand		27,684	74,074
		<u>2,251,926</u>	<u>2,106,051</u>
CREDITORS: amounts falling due within one year	10	<u>(2,341,945)</u>	<u>(2,599,977)</u>
NET CURRENT LIABILITIES		<u>(90,019)</u>	<u>(493,926)</u>
NET ASSETS/(LIABILITIES)		<u>21,358</u>	<u>(351,144)</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000,000	1,000,000
Share premium	12	900,000	900,000
Profit and loss account	12	<u>(1,878,642)</u>	<u>(2,251,144)</u>
SHAREHOLDERS' FUNDS/(DEFICIT)	13	<u>21,358</u>	<u>(351,144)</u>

These financial statements were approved by the Board of Directors on 04 APR 2008

Signed on behalf of the Board of Directors


L Kamstrup

Director

BODUM (U.K.) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Turnover

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

Tangible fixed assets

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

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

Stocks

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

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

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

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Foreign exchange

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

BODUM (U.K.) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

1. ACCOUNTING POLICIES (CONTINUED)

Pensions

The company contributes to certain employees' personal pension plans. These schemes are administered on a money purchase basis. The cost is charged to the profit and loss account as the contributions fall due.

Leases

Rental costs under operating leases are charged to profit and loss either in equal annual amounts over the period of the lease for fixed rate agreement or percentage on revenue for variable rate agreement.

2. OPERATING PROFIT

	2007 £	2006 £
Operating profit is after charging		
Rentals under operating leases		
Other operating leases	362,664	426,605
Auditors' remuneration		
- audit of the company's annual accounts	20,000	23,000
- tax services	13,000	12,000
Depreciation - own assets	72,571	77,755
Loss on disposal of fixed assets	459	5,096

Included within administrative expenses in the prior year were one-off associated costs in the closing down of retail sites of £25,491. There are no such costs in 2007.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Bank interest	979	895

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank loan and overdraft	7,717	26,391

BODUM (U.K.) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
Current taxation		
UK Corporation tax	25,541	-
Tax charge for the year	<u>25,541</u>	<u>-</u>

Factors affecting the tax charge for the year

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

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>398,043</u>	<u>293,237</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 30% (2006 30%)	119,413	87,971
Effects of:		
Expenses not deductible for tax purposes	9,213	22,148
Fixed asset timing differences	(13,642)	10,748
Other short term timing differences	(392)	745
Utilisation of tax losses	(89,051)	(121,612)
Current tax charge for the year	<u>25,541</u>	<u>-</u>

As at the 31 December 2007, no amounts have been provided in respect of deferred taxation No deferred taxation asset has been recognised on tax losses and other timing differences as they are not foreseen to be recovered within the next twelve months and in the case of capital losses only against future taxable capital gains The deferred tax asset will be utilised when taxable profits are foreseen with greater certainty in the future

There was an unprovided deferred tax asset as follows

	2007 £	2006 £
Accelerated capital allowances	62,480	150,446
Capital losses	227,953	39,089
Other timing differences	37,013	265,389
	<u>327,446</u>	<u>454,924</u>

In March 2007 the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008 This legislation was substantively enacted on 26 June 2007 The effective tax rate for the period to 31 December 2008 will reduce accordingly.

BODUM (U.K.) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Employee costs during the year (excluding directors) :	2007 £	2006 £
Wages and salaries	729,917	805,883
Social security costs	110,527	63,775
Other pension costs	31,320	30,951
	<u>871,764</u>	<u>900,609</u>
	No.	No
The average number of persons employed during the year (excluding directors) was		
Sales and administration	<u>34</u>	<u>37</u>

Of the directors who served in the year, J Bodum and L Kamstrup received remuneration for their services as directors of Peter Bodum A/S and subsidiary undertakings. Their remuneration is disclosed in the accounts of Peter Bodum A/S. The allocation of this remuneration in relation to their services as directors of the company was £5,000 (2006 £5,000).

None of the directors received contributions to pension schemes.

7. TANGIBLE FIXED ASSETS

	Leasehold buildings and improvements £	Motor vehicles £	Fixtures, fittings, furniture and equipment £	Total £
Cost				
At 1 January 2007	135,317	126,407	206,430	468,154
Additions	-	64,938	4,713	69,651
Disposals	-	(63,191)	-	(63,191)
At 31 December 2007	<u>137,317</u>	<u>128,154</u>	<u>211,143</u>	<u>474,614</u>
Depreciation				
At 1 January 2007	102,792	50,240	172,340	325,372
Charge for the year	24,548	25,697	22,326	72,571
Disposals	-	(34,706)	-	(34,706)
At 31 December 2007	<u>127,340</u>	<u>41,231</u>	<u>194,666</u>	<u>363,237</u>
Net book value				
At 31 December 2007	<u>7,977</u>	<u>86,923</u>	<u>16,477</u>	<u>111,377</u>
At 31 December 2006	<u>32,525</u>	<u>76,167</u>	<u>34,090</u>	<u>142,782</u>

BODUM (U.K.) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

8. STOCKS

	2007 £	2006 £
Goods held for resale	<u>722,957</u>	<u>735,633</u>

There is no material difference between the balance sheet value of stock and their replacement cost

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade debtors	1,376,866	1,185,711
Other debtors	14,201	15,180
Deposits held	42,665	42,665
Prepayments and accrued income	<u>67,553</u>	<u>52,788</u>
	<u>1,501,285</u>	<u>1,296,344</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Bank overdrafts	442,120	242,790
Trade creditors	77,193	70,417
Amounts owed to group undertakings	1,232,314	1,724,512
Other taxation and social security	348,669	348,960
Other creditors	11,737	10,933
Accruals and deferred income	<u>229,912</u>	<u>202,365</u>
	<u>2,341,945</u>	<u>2,599,977</u>

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

11. CALLED UP SHARE CAPITAL

	2007 £	2006 £
1,000,000 authorised, allotted and fully paid ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

12. RESERVES

	Share premium account £	Profit and loss account £
At 1 January 2007	900,000	(2,251,144)
Profit for the year	<u>-</u>	<u>372,502</u>
At 31 December 2007	<u>900,000</u>	<u>(1,878,642)</u>

BODUM (U.K.) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2007 £	2006 £
Profit for the financial year	372,502	293,237
Net addition to shareholders' funds	372,502	293,237
Opening shareholders' deficit	(351,144)	(644,381)
Closing shareholders' funds/(deficit)	21,358	(351,144)

14. CONTINGENT LIABILITIES

	2007 £	2006 £
Guarantees in favour of HM Customs & Excise	40,000	40,000

15. OPERATING LEASE COMMITMENTS

At 31 December 2007, the company was committed to the following payments during the next year under non-cancellable operating leases

	Land and buildings	
	2007 £	2006 £
Leases which expire:		
Within one year	5,000	-
Between two and five years	42,400	185,002
After 5 years	64,799	-
	112,199	185,002

16. ULTIMATE PARENT UNDERTAKING

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

17. RELATED PARTY TRANSACTIONS

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